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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Gavin Mangelson, Utility Analyst

Date: December 3, 2014

Subject: Docket 14-035-142

In the Matter of: Rocky Mountain Power's Annual Demand Side Management Nov. 1st Deferred Account and Forecast Reporting

Background

On November 3, 2014 Rocky Mountain Power Company (Company) filed with the Public Service Commission (Commission) an Annual Demand-Side Management (DSM) and deferred account forecasting report. On November 6, 2014 the Commission posted a Notice of Filing and Comment Period.

The report compares forecasted DSM energy savings with the energy savings expected in the IRP. An analysis and forecast of the deferred account is also provided. DSM expenditures are recorded in a deferred account; these expenses are recovered through rates collected under schedule 193.

Discussion

The Office of Consumer Services (Office) has reviewed the Company's report and offers the following Comments.

Regarding the savings forecast the Office notes that the 2015 forecast for the Irrigation Load Control program is 20 MW; however the IRP target is 38 MW. The Irrigation program has recently been restructured and has experienced a decrease in participation. Given the 2015 forecast and the underperforming trend of the program,

the Office recommends that the 2015 IRP targets be readjusted to reflect realistic conditions.

Analysis of the deferred account reveals that DSM expenditures will be greater than funds recovered through the sch. 193. The resulting balance is an interest accruing debt that ratepayers must fund through a carrying charge. The Office advocates for policies and rates that mitigate carrying charges. According to the report, carrying charges for 2015 will be almost twice what they were in 2014. The cost of carrying charges for 2015 will be over \$445,000. The Office will discuss future adjustments to schedule 193 with the DSM steering committee with the goal of minimizing the level of carrying charges paid for in rates.

Copies To: Rocky Mountain Power
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