



1407 W. North Temple, Suite 330  
Salt Lake City, Utah 84116

November 23, 2015

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Secretary

Re: Advice No. 15-14  
Schedule 193 Rate Adjustment

Enclosed for filing are an original and five (5) copies of proposed tariff sheets associated with Tariff P.S.C.U No. 50 of PacifiCorp, d.b.a. Rocky Mountain Power, applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405-2(D), Rocky Mountain Power (the “Company”) states that the proposed tariff sheets do not constitute a violation of state law or Commission rule. The Company will also provide an electronic version of this filing to [psc@utah.gov](mailto:psc@utah.gov). The Company respectfully requests an effective date of January 1, 2016 for these changes.

Third Revision of Sheet No. 193.2                      Schedule 193                      Demand Side Management  
(DSM) Cost Adjustment

The purpose of this filing is to request approval for the second-step increase, with modification to the Schedule 193 Demand Side Management Cost Adjustment collection rate (the “DSM Surcharge), as proposed in Revised Advice Letter 14-12, filed January 28, 2015 in Docket No. 14-035-T14 (“Revised Filing”). At the time of the Revised Filing, the Company believed an estimated second-step increase of 3.94 percent, effective January 1, 2016, would align projected expenditures and DSM Surcharge revenues by December 2016. The year-to-date actuals through September 2015 however, represent approximately \$3.0m higher than originally forecasted. The increased expenditures were mainly due to higher than expected participation in the small business lighting program, which was suspended, effective July 1, 2015, to stabilize costs and for re-evaluation.<sup>1</sup>

On November 2, 2015, in Docket No. 15-035-48, the Company submitted projected savings and expenditures for its DSM programs for 2016 and a DSM Surcharge balancing account analysis projecting activity in the deferred account through December 2016. The DSM balancing account analysis reflected an under collection of \$13.5m as of September 30, 2015, and projected the balance to be under collected by \$12.5m at December 31, 2015.

---

<sup>1</sup> Order issued June 19, 2015, in Docket No. 15-035-T08.

At current rates, it is anticipated that the DSM Surcharge will collect approximately \$68.2m during the twelve month period ending December 2016. The Company proposes a second-step increase to 4.0 percent for the DSM Surcharge instead of the 3.94 percent forecasted in the Revised Filing. With a January 1, 2016 effective date, the DSM Surcharge will collect an estimated \$75.4m during calendar year 2016; an increase of \$7.2m, or 10.5 percent in 2016. The Company met with the DSM Steering Committee on October 23, 2015 to discuss the DSM Surcharge, and it was understood by all members that adjusting the DSM Surcharge to 4.0 percent would bring the DSM balancing account to an acceptable level by the end of 2016 based on current forecasts.

In support of the Company's proposed second-step increase to adjust the DSM Surcharge, Exhibit A provides actual expenditures the Company incurred for its Utah DSM programs and Schedule 193 revenue for the balance as of September 30, 2015, and projected expenditures through calendar year 2016. Exhibit B is a balancing account analysis reflecting current program expenditure projections and DSM Surcharge revenue at the current collection rate. This analysis indicates that absent an increase to Schedule 193, the balance in the deferred account will be approximately \$8.2m as of December 31, 2016. Exhibit C revises the balancing account analysis provided in Exhibit B to reflect the level of Schedule 193 revenue proposed in this advice letter. Assuming the proposed level of Schedule 193 revenue with an approved effective date of January 1, 2016, the balance in the deferred account is projected to be under collected by approximately \$0.5m as of December 2016. To address the under collection balance, the Company believes it is prudent and in the public interest to adjust Schedule 193 rates to collect \$75.4m on an annual basis with a January 1, 2016 effective date.

It should be noted that the projected DSM expenditures for 2016 only reflect programs that have been approved by the Commission. Expenditures for programs or program enhancements that may be launched or made in 2016 are not reflected in the expenditure forecast.

The average residential customer using approximately 8,376 kWh a year would see a \$3.36 annual increase effective January 1, 2016, or 0.4 percent on their monthly bill.

Exhibit D illustrates the revenue impact of the Company's proposal by customer rate schedule. Exhibit E details the development of the proposed rates by customer rate schedule.

Informal inquiries regarding this filing may be directed to Michael Snow, DSM Regulatory Projects Manager, at (801) 220-4214.

Sincerely,

Bill Comeau  
Director, Demand Side Management

cc: Division of Public Utilities  
Office of Consumer Services

Enclosures