



Public Service Commission

THAD LeVAR
Chair

DAVID R. CLARK
Commissioner

JORDAN A. WHITE
Commissioner

State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

August 20, 2018

Ms. Jana Saba
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, UT 84116

Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232

Re: *Rocky Mountain Power's Semi-Annual Demand-Side Management Forecast Reports;*
Docket No. 18-035-27

Dear Ms. Saba:

The Public Service Commission (PSC) reviewed the Semi-Annual Demand-Side Management (DSM) Deferred Account and Forecast Report for 2019 (Report) filed by PacifiCorp, doing business as Rocky Mountain Power (PacifiCorp), on July 2, 2018. In addition, the PSC reviewed the comments of the Utah Division of Public Utilities (DPU) and Utah Clean Energy (UCE) filed on August 1, 2018 and PacifiCorp's reply comments filed on August 16, 2018.

The DPU recommends the PSC acknowledge the Report as complying with the previous PSC order in Docket No. 09-035-T08. According to the DPU, PacifiCorp's filing, however, does not provide sufficient information to examine the STEP regulatory asset and liability accounting treatment. The DPU will review the STEP liability/asset accounting as part of the annual STEP filing.

UCE is supportive of maintaining the current DSM collection rate and finds the Report informative. UCE is concerned PacifiCorp is not actively looking into opportunities to reallocate currently collected DSM funds to other cost-effective DSM programs that are currently available to ratepayers. UCE notes, PacifiCorp has projected a decrease in expenditures, but will maintain the same collection schedule and has not indicated it plans to reinvest these funds in cost-effective DSM programs. UCE requests PacifiCorp provide an explanation addressing why it is not reinvesting in additional cost-effective DSM programs. Additionally, in future semi-annual

DSM reports, UCE requests PacifiCorp provide an explanation for why the projected expenditures for each program increase or decrease.

In reply comments, PacifiCorp states its Integrated Resource Plan (IRP) is the source for determining appropriate levels of DSM acquisition as a lowest-cost resource and any DSM acquired beyond the IRP determined levels would no longer be a lowest-cost resource. Additionally, PacifiCorp notes spending less while still achieving DSM acquisition targets increases program cost-effectiveness, and creates downward pressure on rates, reducing rate increases for customers. While UCE's issues were discussed during the June 26, 2018 DSM Steering Committee meeting, PacifiCorp states it is amenable to revisiting UCE's comments and concerns in future DSM Steering Committee meetings.

Based on the PSC's review of the Report, the DPU's recommendation, UCE's comments, and PacifiCorp's reply comments the PSC acknowledges the Report as complying with the relevant reporting requirements. The concerns raised by UCE should be addressed at a DSM Steering Committee meeting or during the current 2019 IRP development process.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#304016