

November 1, 2018

VIA ELECTRONIC FILING

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

Attention: Gary Widerburg
Commission Secretary

Re: In the Matter of Rocky Mountain Power's Annual Demand Side Management Nov.
1st Deferred Account and Forecast Reporting – Docket No. 18-035-27

In its order dated August 25, 2009 in Docket No. 09-035-T08 (“Order”), the Public Service Commission of Utah (“Commission”) approved the Phase I Stipulation filed August 3, 2009 in the same (“Stipulation”). As specified in the Stipulation, Rocky Mountain Power (“Company”) is required to provide to the Commission and Demand Side Management (“DSM”) Advisory Group¹ (“Steering Committee”) by November 1st of each year a forecast of expenditures for approved programs for the next calendar year and their acquisition targets (in MWh and MW) for the next calendar year. In addition, the order issued December 21, 2011 in Docket No. 10-035-57 directed the Company to provide an estimate of the capacity and energy savings targets for approved programs in the forecast in comparison to demand-side management program targets included in the Company’s most recent Integrated Resource Plan. A report containing the forecast of these items for calendar year 2019 is provided in the Attachment 1 tab of the excel workbook attached to this filing. All referenced attachments in this letter are included as tabs in the workbook.

The balancing account analysis, provided in the Attachment 2 tab of the workbook, reflects actual results through September 2018 and projects DSM expenditures and Schedule 193 revenues through December 31, 2019. The analysis in Attachment 2 shows that the balance in the DSM balancing account is expected to reflect an over-collection on an accrual basis of approximately \$18.7m as of December 2019. Program level historical and forecast expense information in support of the DSM balancing account analysis is provided in the Attachment 3 tab of the workbook.

The DSM balancing account is over-collected by \$11.2m as of September 30, 2018, but is projected to be over collected by \$15.7m by December 31, 2018. The Company reviewed the analysis and options to address the over-collected balance and Schedule 193 rates with the Steering Committee on October 30, 2018. A filing is anticipated to be made in November 2018 to adjust the collection rate and issue a one-time refund to customers to manage the account.

Also included in this filing, and in compliance with the Commission’s February 10, 2012 Acknowledgement Letter in Docket No. 10-035-57, is an estimate of total program participation and contribution to peak system load for the Irrigation Load Control Program. This analysis is included in the Attachment 4 tab of the enclosed workbook.

¹ In context of this filing, DSM Advisory Group is redefined as the DSM Steering Committee.

Public Service Commission of Utah

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It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com
 michael.snow@pacificorp.com

By regular mail: Data Request Response Center
 PacifiCorp
 825 NE Multnomah Blvd., Suite 2000
 Portland, OR 97232

Informal inquiries may be directed to me at (801) 220-4214.

Sincerely,

A handwritten signature in blue ink that reads "Michael S. Snow". The signature is written in a cursive, flowing style.

Michael S. Snow
Manager, DSM Regulatory Affairs

Enclosures

ATTACHMENT 1

2019 Forecast Savings Compared to Resource Plan Targets

Attachment 1
2019 Forecast Savings compared to Resource Plan Targets

	2019 Program Forecast		2017 Integrated Resource Plan	
	MWH @ Gen	MW	MWH	MW
	2019	2019	2019	2019
Class 1 DSM - Residential, Commercial, Industrial				
Air Conditioner Load Control - Res. & Small Com. (Sch. 114)		115		115
Irrigation Load Control - Industrial (Sch. N/A)		20		20
Total Class 1		135		135
Class 2 DSM - Residential				
Low Income (Sch. 118)	180	0	N/A	N/A
Home Energy Reporting (Sch. N/A)	48,500	9	N/A	N/A
wattsmart Homes (Sch. 111)	61,365	12	N/A	N/A
Total Class 2 Residential	110,045	21	N/A	N/A
Class 2 Non-Residential Programs				
wattsmart business (Sch. 140)	188,675	36	N/A	N/A
Total Class 2 Non-Residential	188,675	36	N/A	N/A
Total Class 2	298,720	57	255,190	49
Total Class 2 Estimated Range	283,784 - 313,656			
Total Class 2 (with HER Incremental Savings)	242,430 - 267,949			48

Notes:

1. Class 2 DSM resource plan results are not selected at a program level (no program level IRP targets available).
2. Irrigation forecast represents highest expected realized value during the season (see "Irr Prgm Impact" tab for an estimate by week throughout season).
3. Air conditioner load control (Cool Keeper) forecast represents the expected contribution/impact available at peak, temperature dependent.
4. Forecast of coincident peak MW for **Utah's** Class 2 DSM resource is derived through the following formula:

Midpoint Forecasted Class 2 DSM energy savings (with HER incremental savings)	298,720	MWh
Multiplied by 2019 Utah energy selections from the 2017 IRP Appendix D	255,190	MWh
Divided by Utah 2019 coincident peak value from the 2017 IRP	49	MW
Estimated coincident peak impact of 2019 Utah Class 2 DSM programs	48.0	MW

5. 2017 IRP Utah 2019 Class 2 DSM coincident peak contribution from supporting data used to create 2017 IRP Table 8.8
6. Savings is at generation.

ATTACHMENT 2

Utah Demand-Side Management Balance Account Analysis

Attachment 2
Utah Demand-Side Management Balance Account Analysis
Using current rate of 3.66%

	Monthly Program				Cash Basis	Accrual Based	Carrying	Accumulated
	Costs - Fixed		Accrued		Accumulated	Accumulated	Charge	Balance Total
	Assets	Program Costs	Rate Recovery	Carrying Charge	Balance	Balance	Rate	Carrying Costs
2011 totals	43,638,930	3,865,060	(54,147,494)	(428,385)	(8,770,676)	(4,905,616)		
2012 totals	44,887,095	781,573	(47,901,079)	(1,154,860)	(12,939,521)	(8,292,887)	7.83%	3,416,696
2013 totals	51,076,863	(1,985,773)	(45,941,421)	(1,128,853)	(8,932,931)	(6,272,070)	7.77%	2,287,843
2014 totals	81,727,634	2,023,176	(59,356,899)	292,294	13,730,097	18,414,135	7.76%	2,580,137
2015 totals	62,241,104	822,221	(68,050,713)	843,168	8,763,656	14,269,914	7.32%	3,423,305
2016 totals	60,662,046	(2,812,870)	(76,557,491)	33,900	(7,097,889.32)	(4,404,501.33)	4.45%	3,457,205
January	2,648,142	262,689	(6,073,075)	(78,192)	(10,601,014)	(7,644,937)	10.65%	3,379,013
February	3,754,612	348,093	(5,423,644)	(101,490)	(12,371,535)	(9,067,365)	10.65%	3,277,523
March	3,478,015	(117,206)	(4,738,883)	(115,458)	(13,747,861)	(10,560,897)	10.65%	3,162,065
April	4,355,254	586,848	(4,768,815)	(123,847)	(14,285,269)	(10,511,457)	10.65%	3,038,218
May	3,686,017	(291,172)	(4,697,674)	(131,271)	(15,428,198)	(11,945,558)	10.65%	2,906,947
June	3,848,077	669,594	(6,153,679)	(147,156)	(17,880,956)	(13,728,722)	10.65%	2,759,791
July	3,924,229	1,047,010	(7,926,360)	(176,453)	(22,059,540)	(16,860,297)	10.65%	2,583,338
August	4,036,553	(195,749)	(4,808,276)	(199,203)	(23,030,467)	(18,026,972)	10.65%	2,384,135
September	2,972,860	924,940	9,655	(191,160)	(20,239,111)	(14,310,676)	10.65%	2,192,975
October	4,678,938	39,552	(22,877)	(158,897)	(15,741,948)	(9,773,961)	10.65%	2,034,078
November	6,803,166	(694,191)	15,742	(109,451)	(9,032,490)	(3,758,695)	10.65%	1,924,627
December	9,380,581	(1,204,040)	10,140	(38,492)	319,739	4,389,495	10.65%	1,886,135
2017 totals	53,566,445	1,376,368	(44,577,746)	(1,571,070)	319,739	4,389,495	10.65%	1,886,135
January	3,568,395	522,546	(2,527,092)	6,450	1,367,492	5,959,794	9.21%	1,892,585
February	3,374,756	(255,983)	(4,648,748)	5,607	99,108	4,435,427	9.21%	1,898,192
March	4,020,585	(809,314)	(4,833,974)	(2,361)	(716,642)	2,810,363	9.21%	1,895,831
April	3,506,710	(239,128)	(4,946,239)	(11,024)	(2,167,194)	1,120,683	9.21%	1,884,807
May	3,627,311	581,878	(4,830,193)	(21,249)	(3,391,325)	478,429	9.21%	1,863,558
June	4,220,629	699,578	(6,141,276)	(33,399)	(5,345,372)	(776,039)	9.21%	1,830,159
July	5,022,885	384,297	(7,999,387)	(52,448)	(8,374,322)	(3,420,692)	9.21%	1,777,711
August	4,164,510	868,008	(8,327,454)	(80,248)	(12,617,514)	(6,795,876)	9.21%	1,697,463
September	2,671,925	454,900	(7,382,831)	(114,931)	(17,443,350)	(11,166,812)	9.21%	1,582,532
October	3,697,857	(4,921,241)	(138,572)	(138,572)	(18,805,306)	(12,528,769)	9.21%	1,443,960
November	3,808,457	(4,966,249)	(148,774)	(148,774)	(20,111,872)	(13,835,334)	9.21%	1,295,186
December	3,808,499	(5,472,882)	(160,746)	(160,746)	(21,937,001)	(15,660,464)	9.21%	1,134,440
2018 totals	45,492,520	2,206,782	(66,997,566)	(751,695)				
January	3,108,884		(5,144,949)	(176,180)	(24,149,246)	(17,872,708)	9.21%	958,260
February	4,902,452		(4,479,207)	(183,721)	(23,909,721)	(17,633,184)	9.21%	774,539
March	4,526,328		(4,732,867)	(184,300)	(24,300,561)	(18,024,023)	9.21%	590,239
April	5,568,800		(4,383,223)	(181,957)	(23,296,940)	(17,020,403)	9.21%	408,282
May	3,935,286		(5,260,706)	(183,890)	(24,806,250)	(18,529,712)	9.21%	224,392
June	4,901,727		(6,149,674)	(195,177)	(26,249,374)	(19,972,836)	9.21%	29,215
July	4,200,705		(7,574,592)	(214,411)	(29,837,672)	(23,561,134)	9.21%	(185,196)
August	4,960,660		(7,200,265)	(237,599)	(32,314,875)	(26,038,337)	9.21%	(422,795)
September	3,768,481		(5,739,214)	(255,579)	(34,541,187)	(28,264,650)	9.21%	(678,374)
October	5,215,056		(4,592,833)	(262,716)	(34,181,681)	(27,905,143)	9.21%	(941,090)
November	8,231,312		(4,635,995)	(248,547)	(30,834,911)	(24,558,373)	9.21%	(1,189,637)
December	11,300,869		(5,208,639)	(213,279)	(24,955,960)	(18,679,422)	9.21%	(1,402,916)
2019 totals	64,620,562	-	(65,102,164)	(2,537,356)				
Total Accruals		6,276,538						
DSM balancing account as of Sept 30, 2018						(11,166,812)		
Forecast DSM expenses through December 2019						75,935,375		
Forecast carrying charges through December 2019						(2,985,448)		
Total expenses through December 2019						72,949,927		
Total DSM surcharge collections through December 2019						(80,462,537)		
Forecast DSM balancing account as of December 31, 2019						(18,679,422)		

Notes:

Figures provided through Sept 2018 are actuals.
Rate Recovery estimates for 2019 calc from June 2018 forecast from Regulation

ATTACHMENT 3

Demand-Side Management Program Expenditures & Revenues

Attachment 3
DSM Program Expenditures & Revenues

	YTD Balance Sept 2018	Accrual for Sept	Total thru Sept 2018	2018 Program Year Spend						
				Oct-18	Nov-18	Dec-18	Total 2018 charges	Nov 1, 2017 Forecast	June 2018 Forecast	Nov 1, 2018 Forecast
Residential Programs										
A/C Load Control Program (Sch. 114)	1,510,642	2,000,000	3,510,642	779,786	779,786	779,786	5,850,000	4,500,000	5,850,000	5,850,000
Low Income (Sch. 118)	33,156		33,156	13,948	13,948	13,948	75,000	75,000	75,000	75,000
Home Energy Reports (Sch. N/A)	1,071,430	35,807	1,107,237	80,921	80,921	80,921	1,350,000	2,700,112	1,350,000	1,350,000
wattsmart Homes Program (Sch. 111)	7,524,179	1,250,582	8,774,761	1,337,746	1,337,746	1,337,746	12,788,000	13,482,751	14,213,630	12,788,000
	<u>10,139,407</u>	<u>3,286,388</u>	<u>13,425,796</u>	<u>2,212,401</u>	<u>2,212,401</u>	<u>2,212,401</u>	<u>20,063,000</u>	<u>20,757,863</u>	<u>21,488,630</u>	<u>20,063,000</u>
Commercial & Industrial Sector Programs										
wattsmart Business Commercial (Sch. 140)	17,125,643		17,125,643				28,909,750	37,978,641	33,943,340	28,909,750
wattsmart Business Industrial (Sch. 140)	5,372,207	2,283,690	7,655,896	1,376,070	1,376,070	1,376,070			-	
Industrial Irrigation Load Control (Sch. N/A)	8,758	600,000	608,758	(110,000)	600	642	500,000	500,000	500,000	500,000
	<u>22,506,608</u>	<u>2,883,690</u>	<u>25,390,298</u>	<u>1,266,070</u>	<u>1,376,670</u>	<u>1,376,712</u>	<u>29,409,750</u>	<u>38,478,641</u>	<u>34,443,340</u>	<u>29,409,750</u>
Outreach and Communications	840,883	43,594	884,477	158,508	158,508	158,508	1,360,000	1,325,000	1,325,000	1,360,000
Portfolio (TRL, DSM Central, Training)	218,558		218,558	5,050	5,050	5,050	233,708	204,000	208,000	233,708
Program Evaluation Cost - C&I	278,873	62,866	341,739	29,520	29,520	29,520	430,300	165,460	418,000	430,300
Program Evaluation Cost - Res	140,089		140,089	18,670	18,670	18,670	196,100	403,673	179,000	196,100
2019 Potential Study	53,288		53,288	7,637	7,637	7,637	76,200	13,935	64,500	76,200
Total DSM Program Expenditures	<u>34,177,706</u>	<u>6,276,538</u>	<u>40,454,244</u>	<u>3,697,857</u>	<u>3,808,457</u>	<u>3,808,499</u>	<u>51,769,058</u>	<u>61,348,572</u>	<u>58,126,470</u>	<u>51,769,058</u>

45,492,520 Deferred Acct Balance 2018 expenditure tota
6,276,538 Diff is accrual at state level (cell C25)
51,769,058

Notes;
Jan-Sept 2018 actuals
Accruals added to capture full cost through Sept
Split for WSB program cost was based on 2017 kWh
savings (76% / 24%)

**Attachment 3
DSM Program Expenditures & Revenues**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan - Dec 2019 Totals	2019 Budget Forecast
Residential Programs														
A/C Load Control Program (Sch. 114)	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$2,450,000	\$350,000	6,300,000	6,300,000
Low Income (Sch. 118)	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	75,000	75,000
Home Energy Reports (Sch. N/A)	\$104,167	\$104,167	\$104,167	\$104,167	\$104,167	\$104,167	\$104,167	\$104,167	\$104,167	\$104,167	\$104,167	\$104,167	1,250,000	1,250,000
wattsmart Homes Program (Sch. 111)	\$323,323	\$911,182	\$1,116,932	\$1,190,415	\$1,322,683	\$1,190,415	\$881,789	\$1,131,629	\$1,352,076	\$1,660,702	\$969,968	\$2,645,366	14,696,479	14,696,479
	<u>\$783,739</u>	<u>\$1,371,598</u>	<u>\$1,577,349</u>	<u>\$1,650,831</u>	<u>\$1,783,100</u>	<u>\$1,650,831</u>	<u>\$1,342,205</u>	<u>\$1,592,046</u>	<u>\$1,812,493</u>	<u>\$2,121,119</u>	<u>\$3,530,384</u>	<u>\$3,105,783</u>	<u>22,321,479</u>	<u>22,321,479</u>
Commercial & Industrial Sector Programs														
wattsmart Business Commercial (Sch. 140)	\$2,118,939	\$3,217,648	\$2,746,773	\$3,727,763	\$1,961,980	\$3,060,690	\$2,668,293	\$3,178,408	\$1,765,782	\$2,903,731	\$3,884,721	\$8,004,880	39,239,609	39,239,609
wattsmart Business Industrial (Sch. 140)														
Industrial Irrigation Load Control (Sch. N/A)	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$628,000	\$2,000	650,000	650,000
	<u>\$2,120,939</u>	<u>\$3,219,648</u>	<u>\$2,748,773</u>	<u>\$3,729,763</u>	<u>\$1,963,980</u>	<u>\$3,062,690</u>	<u>\$2,670,293</u>	<u>\$3,180,408</u>	<u>\$1,767,782</u>	<u>\$2,905,731</u>	<u>\$4,512,721</u>	<u>\$8,006,880</u>	<u>39,889,609</u>	<u>39,889,609</u>
Outreach and Communications	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	1,500,000	1,500,000
Portfolio (TRL, DSM Central, Training)	\$28,000	\$135,000	\$24,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	295,000	295,000
Program Evaluation Cost - C&I	\$22,092	\$22,092	\$22,092	\$22,092	\$22,092	\$22,092	\$22,092	\$22,092	\$22,092	\$22,092	\$22,092	\$22,092	265,106	265,106
Program Evaluation Cost - Res	\$27,864	\$27,864	\$27,864	\$27,864	\$27,864	\$27,864	\$27,864	\$27,864	\$27,864	\$27,864	\$27,864	\$27,864	334,368	334,368
2019 Potential Study	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	15,000	15,000
Total DSM Program Expenditures	<u>3,108,884</u>	<u>4,902,452</u>	<u>4,526,328</u>	<u>5,568,800</u>	<u>3,935,286</u>	<u>4,901,727</u>	<u>4,200,705</u>	<u>4,960,660</u>	<u>3,768,481</u>	<u>5,215,056</u>	<u>8,231,312</u>	<u>11,300,869</u>	<u>64,620,562</u>	<u>64,620,562</u>

Notes;
Jan-Sept 2018 actuals
Accruals added to capture full cost through Sept
Split for WSB program cost was based on 2017 kWh savings (76% / 24%)

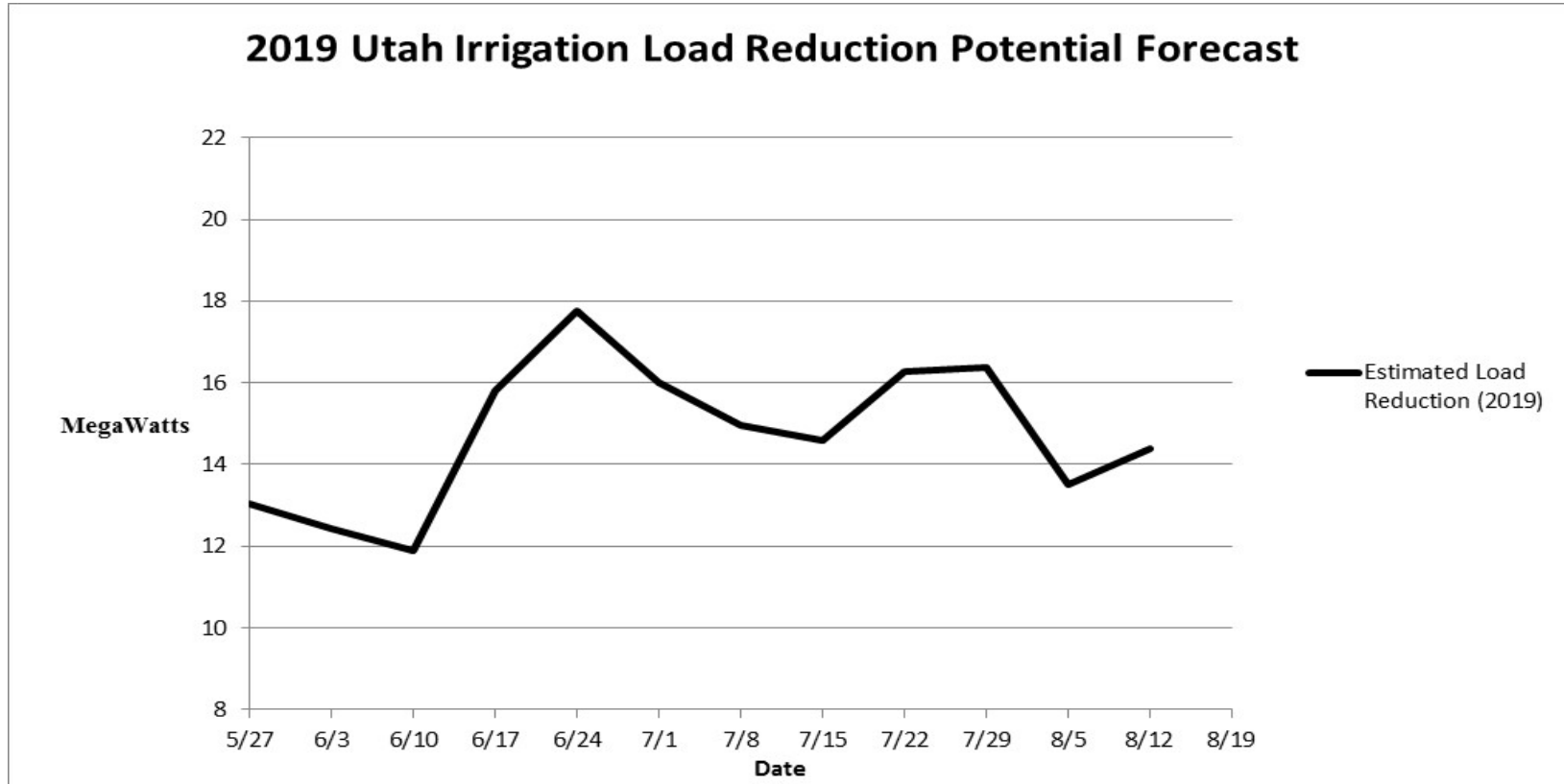
	% of monthly allocation from 2017 spend												
Jan-Sept 2018 actuals	0.022	0.062	0.076	0.081	0.09	0.081	0.06	0.077	0.092	0.113	0.066	0.18	1 HES
Accruals added to capture full cost through Sept	0.054	0.082	0.07	0.095	0.05	0.078	0.068	0.081	0.045	0.074	0.099	0.204	1 WSB

ATTACHMENT 4

Estimated Peak Impact of Irrigation Load Control by Week

Estimated Peak Impact of Irrigation Load Control By Week

Program Weeks	27-May	3-Jun	10-Jun	17-Jun	24-Jun	1-Jul	8-Jul	15-Jul	22-Jul	29-Jul	5-Aug	12-Aug
Estimated Load Reduction (2019)	13	12	12	16	18	16	15	15	16	16	14	14
Participating Load (2019)	37	37	37	37	37	37	37	37	37	37	37	37
Percent Participating Load	35%	33%	32%	43%	48%	43%	40%	39%	44%	44%	36%	39%



Note:

2019 expected impact is based on weekly load availability results for Utah's irrigation program during the 2015 - 2018 control seasons. Actual impact at peak will be dependent on when monthly peaks occur throughout the 2019 control months

CERTIFICATE OF SERVICE

Docket No. 18-035-27

I hereby certify that on November 1, 2018, a true and correct copy of the foregoing was served by electronic mail to the following:

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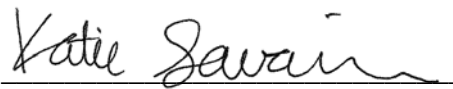
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