



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

July 1, 2021

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 Administrator

Re: In the Matter of Rocky Mountain Power's Semi-Annual Demand-Side
Management (DSM) Forecast Reports – Docket No. 21-035-45

Dear Mr. Widerburg,

In its order from Docket No. 09-035-T08 dated August 25, 2009 (“Order”), the Public Service Commission of Utah (“Commission”) approved the Phase I stipulation agreed to by parties in the docket and filed with the Commission on August 3, 2009. As specified in the stipulation, Rocky Mountain Power (“Company”) is required to provide to the Commission and Demand Side Management (“DSM”) Advisory Group¹ on a semi-annual basis a Utah DSM deferred account analysis similar to that originally provided by the Company in Advice No. 09-08. This analysis is to include historical and projected monthly DSM expenditures, rate recovery and account balances; as well as historical and projected monthly DSM expenditures by program, Schedule 193 revenue and self-direction credits.

The Phase I Report and Order issued December 29, 2016 in the Sustainable Transportation and Energy Plan (“STEP”) Docket 16-035-36 capitalized and amortized the Schedule 193 DSM rates beginning January 1, 2017, creating a DSM regulatory asset. With the creation of a DSM regulatory asset, the DSM fund ceased to be a balancing account structure. Notwithstanding, the balancing account format was still provided in DSM reporting to share valuable information on DSM activity. With the first plant accelerated depreciation payment occurring in December 2020 using funds from the STEP Regulatory Liability account, the DSM reporting format has been updated from the previously provided balancing account format to a more comprehensive outlook, reflecting information on DSM spend and collections, Regulatory Asset, Regulatory Liability, and potential future thermal plant accelerated depreciation balances.

Accordingly, attached hereto as Exhibit A is an accounting analysis, reflecting actual results through May 2021 and projected results through December 2030. As illustrated in Exhibit A, under current assumptions, the Schedule 193 surcharge rate is estimated to remain flat through 2025.

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

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Consequently, the Company does not intend to propose a mid-year rate adjustment to Schedule 193 at this time. The Company discussed this information with the DSM Steering Committee on June 30, 2021. Steering Committee members did not express any immediate concerns with the recommended approach and new format, but additional discussion is anticipated as time goes on.

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 St., Suite 2000
Portland, OR 97232

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

Sincerely,

A handwritten signature in blue ink that reads "Michael S. Snow". The signature is fluid and cursive, with the first name being the most prominent.

Michael S. Snow
Manager, Regulatory Affairs

Enclosures

Exhibit A

6/29/2021

DSM Spend and Collections

	2020 Full Year Total 2020	2021 Full Year Total 2021	2022 Full Year Total 2022	2023 Full Year Total 2023	2024 Full Year Total 2024	2025 Full Year Total 2025	2026 Full Year Total 2026	2027 Full Year Total 2027	2028 Full Year Total 2028	2029 Full Year Total 2029	2030 Full Year Total 2030	All Years
Program Spend	64,090,327	60,098,056	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	645,098,056
Collections	48,737,866	69,698,884	71,562,183	73,424,463	74,958,563	75,766,732	83,063,314	87,781,953	89,100,762	90,802,113	91,566,234	807,725,201
**Actuals Only-Spend Accruals Change	(839,308)	(2,145,290)										
Carrying Charge Rate		8.99%	8.99%	8.99%	8.99%	8.99%	8.99%	8.99%	8.99%	8.99%	8.99%	
Estimated Surcharge Rate	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%	3.85%	4.02%	4.01%	4.05%	4.04%	
Regulatory Asset												
Beginning Balance	139,768,454	179,567,371	217,938,855	251,644,717	278,850,579	299,556,441	313,762,304	321,468,166	324,918,533	327,311,370	328,147,835	
Beginning Balance-Accrual												
Program Spend	64,090,327	60,098,056	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	645,098,056
Program Spend - Accrual	(839,308)											
Amortization	(18,400,788)	(24,932,828)	(31,294,138)	(37,794,138)	(44,294,138)	(50,794,138)	(57,294,138)	(61,549,633)	(62,607,163)	(64,163,535)	(64,893,350)	(499,617,198)
Carrying Charge (8.99% rate)		16,513,789	17,486,371	18,432,260	23,501,336	24,740,496	25,666,150	26,119,641	26,370,361	26,503,793	26,525,471	231,859,668
Paydown of Carrying Charge		(16,513,789)	(17,486,371)	(18,432,260)	(23,501,336)	(24,740,496)	(25,666,150)	(26,119,641)	(26,370,361)	(26,503,793)	(26,525,471)	(231,859,668)
Ending Balance	184,618,685	214,732,600	251,644,717	278,850,579	299,556,441	313,762,304	321,468,166	324,918,533	327,311,370	328,147,835	328,254,485	
Regulatory Liability												
Beginning Balance	(154,075,179)	-	(28,252,267)	(51,033,942)	(23,232,007)	(30,395,097)	(30,627,195)	(30,730,221)	(30,842,900)	(30,966,138)	(31,100,922)	
Collections	(48,737,866)	(69,698,884)	(71,562,183)	(73,424,463)	(74,958,563)	(75,766,732)	(83,063,314)	(87,781,953)	(89,100,762)	(90,802,113)	(91,566,234)	(807,725,201)
Amortization	18,400,788	24,932,828	31,294,138	37,794,138	44,294,138	50,794,138	57,294,138	61,549,633	62,607,163	64,163,535	64,893,350	499,617,198
Carrying Charge (8.99% rate)	(746,049)	-	-	-	-	-	-	-	-	-	-	
Paydown of Carrying Charge		16,513,789	17,486,371	18,432,260	23,501,336	24,740,496	25,666,150	26,119,641	26,370,361	26,503,793	26,525,471	231,859,668
Coal Accelerated Depreciation Applications	185,158,306	-	45,000,000	-	-	-	-	-	-	-	-	45,000,000
Ending Balance	-	(28,252,267)	(51,033,942)	(23,232,007)	(30,395,097)	(30,627,195)	(30,730,221)	(30,842,900)	(30,966,138)	(31,100,922)	(31,248,336)	
Net Regulatory Asset/(Liability)												
Ending Balance	184,618,685	186,480,332	200,610,775	255,618,573	269,161,345	283,135,109	290,737,945	294,075,633	296,345,233	297,046,913	297,006,149	
Carrying Charge Calculations/Offsets												
Reg Asset Carrying Charge	\$ 17,750,997	\$ 21,008,910	\$ 23,743,348	\$ 25,877,993	\$ 27,442,633	\$ 28,424,098	\$ 28,887,278	\$ 29,148,596	\$ 29,293,617	\$ 29,327,972	\$ 29,327,972	
Reg Liability Carrying Charge	\$ (1,213,190)	\$ (3,522,539)	\$ (5,311,088)	\$ (2,376,657)	\$ (2,702,137)	\$ (2,757,947)	\$ (2,767,637)	\$ (2,778,234)	\$ (2,789,825)	\$ (2,802,501)	\$ (2,802,501)	
Net	\$ 16,537,807	\$ 17,486,371	\$ 18,432,260	\$ 23,501,336	\$ 24,740,496	\$ 25,666,150	\$ 26,119,641	\$ 26,370,361	\$ 26,503,793	\$ 26,525,471	\$ 26,525,471	
Accelerated Depreciation Applications												
Accel Deprec Applied In Current Period? (Y/N)												7,163,090
G/L Balance												
Coal Fund Balance												
Balance per October 2018 Filing	192,000,000	229,000,000	258,000,000	282,000,000	300,000,000	310,000,000	316,000,000					
Balance per current assumptions	185,158,306	213,410,573	236,192,248	253,390,312	260,553,402	260,785,501	260,888,527					
Fund Balance Variance: Surplus/(Deficit)	(6,841,694)	(15,589,427)	(21,807,752)	(28,609,688)	(39,446,598)	(49,214,499)	(55,111,473)					
Assumptions/Comments												
DSM spending modeled to be kept flat for 10-year horizon.												
Future collections are estimated based on projected load growth and base rate increase of 1.6% in 2021												
Collections surcharge rate is held flat at 3.56% until amortization and carrying charges exceed projected collections, at which point surcharge/collections increased to equal amortization plus carrying charges.												
\$185m coal plant buy down applied in 2021; and additional \$45m coal plant buy down anticipated in 2023.												
Includes 2021 actuals through the end of May.												

DSM Program Expenditures

	YTD Balance May 2021	Accrual for May	Total thru May 2021	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Projected 2021 Totals	Nov 1, 2020 Forecast
Residential Programs												
A/C Load Control Program (Sch. 114)	\$1,318,764	\$142,179	\$1,460,943	\$791,294	\$791,294	\$791,294	\$791,294	\$791,294	\$791,294	\$791,294	\$ 7,000,000	\$ 7,000,000
Wattsmart Batteries Program (Sch. 114)	\$53,604	\$ -	\$53,604	\$149,485	\$149,485	\$149,485	\$149,485	\$149,485	\$149,485	\$149,485	\$ 1,100,000	\$ 1,100,000
Low Income (Sch. 118)	\$46,163	\$ -	\$46,163	\$4,120	\$4,120	\$4,120	\$4,120	\$4,120	\$4,120	\$4,120	\$ 75,000	\$ 75,000
Home Energy Reports (Sch. N/A)	\$649,995	\$ -	\$649,995	\$78,572	\$78,572	\$78,572	\$78,572	\$78,572	\$78,572	\$78,572	\$ 1,200,000	\$ 1,200,000
wattsmart Homes Program (Sch. 111)	\$4,218,310	\$827,404	\$5,045,714	\$1,493,469	\$1,493,469	\$1,493,469	\$1,493,469	\$1,493,469	\$1,493,469	\$1,493,469	\$ 15,500,000	\$ 15,500,000
	\$6,286,836	\$969,583	\$7,256,420	\$2,516,940	\$2,516,940	\$2,516,940	\$2,516,940	\$2,516,940	\$2,516,940	\$2,516,940	\$ 24,875,000	\$ 24,875,000
Commercial & Industrial Sector Programs												
wattsmart Business Commercial (Sch. 140)	\$10,992,653	\$1,254,588	\$12,247,241	\$2,964,174	\$2,964,174	\$2,964,174	\$2,964,174	\$2,964,174	\$2,964,174	\$2,964,174	\$ 37,000,000	\$ 37,000,000
wattsmart Business Industrial (Sch. 140)	\$3,607,354	\$396,186	\$4,003,540									
Industrial Irrigation Load Control (Sch. N/A)	\$2,897	\$ -	\$2,897	\$161,341	\$161,341	\$161,341	\$161,341	\$579	\$579	\$579	\$ 650,000	\$ 650,000
	\$14,602,904	\$1,650,774	\$16,253,678	\$3,125,515	\$3,125,515	\$3,125,515	\$3,125,515	\$2,964,754	\$2,964,754	\$2,964,754	\$ 37,650,000	\$ 37,650,000
Outreach and Communications	\$531,375	\$ -	\$531,375	\$138,375	\$138,375	\$138,375	\$138,375	\$138,375	\$138,375	\$138,375	\$ 1,500,000	\$ 1,500,000
Portfolio (TRL, DSM Central, Training)	\$197,194	\$11,900	\$209,094	\$2,438	\$2,438	\$2,438	\$2,438	\$2,438	\$2,438	\$2,438	\$ 226,160	\$ 152,000
Program Evaluation Cost - C&I	\$235,419	\$154,422	\$389,841	\$17,251	\$17,251	\$17,251	\$17,251	\$17,251	\$17,251	\$17,251	\$ 510,597	\$ 510,597
Program Evaluation Cost - Res	\$52,446	\$ -	\$52,446	\$8,376	\$8,376	\$8,376	\$8,376	\$8,376	\$8,376	\$8,376	\$ 111,080	\$ 111,080
Potential Study	\$12,188	\$461	\$12,649	\$9,264	\$9,264	\$9,264	\$9,264	\$9,264	\$9,264	\$9,264	\$ 77,500	\$ 77,500
Total DSM Program Expenditures	\$ 21,918,362	\$ 2,787,140	\$ 24,705,503	\$ 5,818,160	\$ 5,818,160	\$ 5,818,160	\$ 5,818,160	\$ 5,657,398	\$ 5,657,398	\$ 5,657,398	\$ 64,950,337	\$ 64,876,177

Notes:

Jan-May 2021 actuals and started with Nov 2020 forecast from filing, updated by Prog Mgrs
Split for WSB program cost was based on 2020 kWh savings (76% / 24%)
Bill credits are included in WSB program costs
Accruals added to capture full cost through May

2022 Forecast Esimate was based on 2021 forecast.

DSM Program Expenditures

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan - Dec 2022 Totals	2022 Budget Forecast
Residential Programs														
A/C Load Control Program (Sch. 114)	\$583,333	\$583,333	\$583,333	\$583,333	\$583,333	\$583,333	\$583,333	\$583,333	\$583,333	\$583,333	\$583,333	\$583,333	7,000,000	7,000,000
Wattsmart Batteries Program (Sch. 114)	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	4,800,000	4,800,000
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)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	1,200,000	1,200,000
wattsmart Homes Program (Sch. 111)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,351,055	\$1,464,029	\$1,464,029	\$1,351,056	\$1,351,055	\$1,351,055	\$1,351,055	14,683,334	14,683,334
	<u>\$1,839,583</u>	<u>\$1,839,583</u>	<u>\$1,839,583</u>	<u>\$1,839,583</u>	<u>\$1,839,583</u>	<u>\$2,190,638</u>	<u>\$2,303,612</u>	<u>\$2,303,612</u>	<u>\$2,190,639</u>	<u>\$2,190,638</u>	<u>\$2,190,638</u>	<u>\$2,190,638</u>	<u>27,758,334</u>	<u>27,758,334</u>
Commercial & Industrial Sector Programs														
wattsmart Business Commercial (Sch. 140)	\$2,853,639	\$3,010,333	\$2,853,639	\$2,853,639	\$2,853,639	\$2,853,639	\$2,853,639	\$2,853,639	\$2,853,639	\$2,853,639	\$2,850,584	\$2,700,000	34,243,667	34,243,666
wattsmart Business Industrial (Sch. 140)	\$579	\$579	\$579	\$579	\$129,189	\$129,189	\$129,189	\$129,189	\$129,189	\$579	\$579	\$579	650,000	650,000
Industrial Irrigation Load Control (Sch. N/A)	\$2,854,218	\$3,010,912	\$2,854,218	\$2,854,218	\$2,982,828	\$2,982,828	\$2,982,828	\$2,982,828	\$2,982,828	\$2,854,218	\$2,851,163	\$2,700,579	34,893,667	34,893,666
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)	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	225,000	225,000
Program Evaluation Cost - C&I	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	100,000	100,000
Program Evaluation Cost - Res	\$37,125	\$37,125	\$37,125	\$37,125	\$37,125	\$37,125	\$37,125	\$37,125	\$37,125	\$37,125	\$37,125	\$37,125	445,500	445,500
Potential Study	\$6,458	\$6,458	\$6,458	\$6,458	\$6,458	\$6,458	\$6,458	\$6,458	\$6,458	\$6,458	\$6,458	\$6,458	77,500	77,500
Total DSM Program Expenditures	<u>\$ 4,889,468</u>	<u>\$ 5,046,162</u>	<u>\$ 4,889,468</u>	<u>\$ 4,889,468</u>	<u>\$ 5,018,078</u>	<u>\$ 5,369,133</u>	<u>\$ 5,482,107</u>	<u>\$ 5,482,107</u>	<u>\$ 5,369,134</u>	<u>\$ 5,240,523</u>	<u>\$ 5,237,468</u>	<u>\$ 5,086,884</u>	<u>\$ 65,000,000</u>	<u>65,000,000</u>

Notes:

Jan-May 2021 actuals and started with Nov 2020 forecast from filing, updated by Prog Mgrs
 Split for WSB program cost was based on 2020 kWh savings (76% / 24%)
 Bill credits are included in WSB program costs
 Accruals added to capture full cost through May

2022 Forecast Esimate was based on 2021 forecast.

CERTIFICATE OF SERVICE

Docket No. 21-035-45

I hereby certify that on July 1, 2021, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

Michele Beck mbeck@utah.gov
ocs@utah.gov

Division of Public Utilities

dpudatarequest@utah.gov

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Katie Savarin
Coordinator, Regulatory Operations