



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

July 1, 2022

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 Semi-Annual Demand-Side
Management (DSM) Forecast Reports – Docket No. 22-035-37

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. The updated DSM reporting format reflects 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 2022 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 2024. Consequently, the Company does not intend to propose a mid-year rate adjustment to Schedule 193 at this time.

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

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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 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 written in a cursive style with a long, sweeping underline.

Michael S. Snow
Manager, Regulatory Affairs

Enclosure

Exhibit A

	2020 Full Year	2021 Full Year	2022 Full Year	2023 Full Year	2024 Full Year	2025 Full Year	2026 Full Year	2027 Full Year	2028 Full Year	2029 Full Year	2030 Full Year	All Years
	Total 2020	Total 2021	Total 2022	Total 2023	Total 2024	Total 2025	Total 2026	Total 2027	Total 2028	Total 2029	Total 2030	
DSM Spend and Collections												
Program Spend	64,090,327	66,013,215	70,703,525	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	696,716,740
Collections	48,737,866	70,522,436	71,177,095	73,424,463	74,958,563	79,305,449	87,537,893	92,962,937	94,943,368	97,261,560	98,597,739	840,691,504
**Actuals Only-Spend Accruals Change	(839,308)	(697,307)										
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%	3.73%	4.06%	4.26%	4.28%	4.34%	4.35%	
Regulatory Asset												
Beginning Balance	139,768,454	179,567,371	224,969,699	261,982,819	293,243,221	317,503,623	334,764,024	345,024,426	350,529,334	354,476,710	356,367,715	
Beginning Balance-Accrual		5,051,317										
Program Spend	64,090,327	66,013,215	70,703,525	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	696,716,740
Program Spend - Accrual	(839,308)	(697,307)										
Amortization	(18,400,788)	(24,964,896)	(31,657,050)	(38,739,598)	(45,739,598)	(52,739,598)	(59,739,598)	(64,495,093)	(66,052,623)	(68,108,996)	(69,338,810)	(521,575,861)
Carrying Charge (8.99% rate)		16,366,228	17,740,385	19,631,140	25,281,040	26,955,643	28,224,610	28,934,104	29,400,693	29,710,293	29,868,916	252,113,052
Paydown of Carrying Charge		(16,366,228)	(17,740,385)	(19,631,140)	(25,281,040)	(26,955,643)	(28,224,610)	(28,934,104)	(29,400,693)	(29,710,293)	(29,868,916)	(252,113,052)
Ending Balance	184,618,685	224,969,699	264,016,174	293,243,221	317,503,623	334,764,024	345,024,426	350,529,334	354,476,710	356,367,715	357,028,905	
Regulatory Liability												
Beginning Balance	(154,075,179)	-	(29,191,312)	(50,970,972)	(21,024,697)	(24,962,621)	(24,572,829)	(24,146,515)	(23,680,255)	(23,170,307)	(22,612,579)	
Collections	(48,737,866)	(70,522,436)	(71,177,095)	(73,424,463)	(74,958,563)	(79,305,449)	(87,537,893)	(92,962,937)	(94,943,368)	(97,261,560)	(98,597,739)	(840,691,504)
Amortization	18,400,788	24,964,896	31,657,050	38,739,598	45,739,598	52,739,598	59,739,598	64,495,093	66,052,623	68,108,996	69,338,810	521,575,861
Carrying Charge (8.99% rate)	(746,049)	-	-	-	-	-	-	-	-	-	-	
Paydown of Carrying Charge		16,366,228	17,740,385	19,631,140	25,281,040	26,955,643	28,224,610	28,934,104	29,400,693	29,710,293	29,868,916	252,113,052
Coal Accelerated Depreciation Applications	185,158,306	-	-	45,000,000	-	-	-	-	-	-	-	45,000,000
Ending Balance	-	(29,191,312)	(50,970,972)	(21,024,697)	(24,962,621)	(24,572,829)	(24,146,515)	(23,680,255)	(23,170,307)	(22,612,579)	(22,002,592)	
Net Regulatory Asset/(Liability)												
Ending Balance	184,618,685	195,778,387	213,045,202	272,218,524	292,541,001	310,191,195	320,877,912	326,849,079	331,306,403	333,755,136	335,026,313	
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	214,349,618	236,129,278	251,183,002	255,120,927	254,731,135	254,304,820					
Fund Balance Variance: Surplus/(Deficit)	(6,841,694)	(14,650,382)	(21,870,722)	(30,816,998)	(44,879,073)	(55,268,865)	(61,695,180)					

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 2024.

Includes 2022 actuals through the end of May.

DSM Program Expenditures

	YTD Balance May 2022	Accrual for May	Total thru May 2022	Forecast Jun thru Dec 2022						Projected 2022 Totals	Nov 1, 2021 Forecast	
				Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22			Dec-22
Residential Programs												
A/C Load Control Program (Sch. 114)	\$1,726,270	\$146,484	\$1,872,754	\$661,035	\$661,035	\$661,035	\$661,035	\$661,035	\$661,035	\$661,035	\$ 6,500,000	\$ 6,500,000
Wattsmart Batteries Program (Sch. 114)	\$1,195,339	\$ -	\$1,195,339	\$543,523	\$543,523	\$543,523	\$543,523	\$543,523	\$543,523	\$543,523	\$ 5,000,000	\$ 5,000,000
Low Income (Sch. 118)	\$30,518	\$ -	\$30,518	\$31,355	\$31,355	\$31,355	\$31,355	\$31,355	\$31,355	\$31,355	\$ 250,000	\$ 250,000
Home Energy Reports (Sch. N/A)	\$295,570	\$ -	\$295,570	\$179,204	\$179,204	\$179,204	\$179,204	\$179,204	\$179,204	\$179,204	\$ 1,550,000	\$ 1,550,000
wattsmart Homes Program (Sch. 111)	\$6,192,003	\$817,121	\$7,009,124	\$1,784,411	\$1,784,411	\$1,784,411	\$1,784,411	\$1,784,411	\$1,784,411	\$1,784,411	\$ 19,500,000	\$ 19,500,000
	<u>\$9,439,700</u>	<u>\$963,605</u>	<u>\$10,403,306</u>	<u>\$3,199,528</u>	<u>\$3,199,528</u>	<u>\$3,199,528</u>	<u>\$3,199,528</u>	<u>\$3,199,528</u>	<u>\$3,199,528</u>	<u>\$3,199,528</u>	<u>\$ 32,800,000</u>	<u>\$ 32,800,000</u>
Commercial & Industrial Sector Programs												
wattsmart Business Commercial (Sch. 140)	\$8,993,810	\$905,675	\$9,899,485	\$3,351,467	\$3,351,467	\$3,351,467	\$3,351,467	\$3,351,467	\$3,351,467	\$3,351,467	\$ 36,000,000	\$ 36,000,000
wattsmart Business Industrial (Sch. 140)	\$2,354,247	\$286,003	\$2,640,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Industrial Irrigation Load Control (Sch. N/A)	\$690	\$ -	\$690	\$124,393	\$124,393	\$124,393	\$124,393	\$579	\$579	\$579	\$ 500,000	\$ 500,000
C&I Load Control Program (pending)	\$0	\$ -	\$0	\$182,143	\$182,143	\$182,143	\$182,143	\$182,143	\$182,143	\$182,143	\$ 1,275,000	\$ 1,000,000
	<u>\$11,348,747</u>	<u>\$1,191,678</u>	<u>\$12,540,425</u>	<u>\$3,658,002</u>	<u>\$3,658,002</u>	<u>\$3,658,002</u>	<u>\$3,658,002</u>	<u>\$3,534,189</u>	<u>\$3,534,189</u>	<u>\$3,534,189</u>	<u>\$ 37,775,000</u>	<u>\$ 37,500,000</u>
Outreach and Communications	\$445,323	\$ -	\$445,323	\$150,668	\$150,668	\$150,668	\$150,668	\$150,668	\$150,668	\$150,668	\$ 1,500,000	\$ 1,500,000
Portfolio (TRL, DSM Central, Training)	\$21,643	\$54,777	\$76,420	\$24,797	\$24,797	\$24,797	\$24,797	\$24,797	\$24,797	\$24,797	\$ 250,000	\$ 250,000
Program Evaluation Cost - C&I	\$169,456	\$110,593	\$280,049	\$32,935	\$32,935	\$32,935	\$32,935	\$32,935	\$32,935	\$32,935	\$ 510,597	\$ 510,597
Program Evaluation Cost - Res	\$12,081	\$ -	\$12,081	\$14,143	\$14,143	\$14,143	\$14,143	\$14,143	\$14,143	\$14,143	\$ 111,080	\$ 111,080
Potential Study	\$250	\$ -	\$250	\$11,036	\$11,036	\$11,036	\$11,036	\$11,036	\$11,036	\$11,036	\$ 77,500	\$ 77,500
Total DSM Program Expenditures	<u>\$ 21,437,200</u>	<u>\$ 2,320,654</u>	<u>\$ 23,757,854</u>	<u>\$ 7,091,109</u>	<u>\$ 7,091,109</u>	<u>\$ 7,091,109</u>	<u>\$ 7,091,109</u>	<u>\$ 6,967,296</u>	<u>\$ 6,967,296</u>	<u>\$ 6,967,296</u>	<u>\$ 73,024,177</u>	<u>\$ 72,749,177</u>

Notes:

Jan-May 2022 actuals and started with Nov 2021 forecast from filing, updated by Prog Mgrs
Split for WSB program cost was based on 2021 kWh savings (76% / 24%)
Bill credits are included in WSB program costs
Accruals added to capture full cost through May
2023 Forecast Estimate was based on 2022 forecast

DSM Program Expenditures

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan - Dec 2023 Totals	2023 Budget Forecast
Residential Programs														
A/C Load Control Program (Sch. 114)	\$541,667	\$541,667	\$541,667	\$541,667	\$541,667	\$541,667	\$541,667	\$541,667	\$541,667	\$541,667	\$541,667	\$541,667	6,500,000	\$ 6,500,000
Wattsmart Batteries Program (Sch. 114)	\$416,667	\$416,667	\$416,667	\$416,667	\$416,667	\$416,667	\$416,667	\$416,667	\$416,667	\$416,667	\$416,667	\$416,667	5,000,000	\$ 5,000,000
Low Income (Sch. 118)	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	250,000	\$ 250,000
Home Energy Reports (Sch. N/A)	\$129,167	\$129,167	\$129,167	\$129,167	\$129,167	\$129,167	\$129,167	\$129,167	\$129,167	\$129,167	\$129,167	\$129,167	1,550,000	\$ 1,550,000
wattsmart Homes Program (Sch. 111)	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	19,500,000	\$ 19,500,000
	\$2,733,333	\$2,733,333	\$2,733,333	\$2,733,333	\$2,733,333	\$2,733,333	\$2,733,333	\$2,733,333	\$2,733,333	\$2,733,333	\$2,733,333	\$2,733,333	32,800,000	\$ 32,800,000
Commercial & Industrial Sector Programs														
wattsmart Business Commercial (Sch. 140)	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	36,000,000	36,000,000
wattsmart Business Industrial (Sch. 140)														
Industrial Irrigation Load Control (Sch. N/A)	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	500,000	500,000
C&I Load Control Program (pending)	\$535,417	\$535,417	\$535,417	\$535,417	\$535,417	\$535,417	\$535,417	\$535,417	\$535,417	\$535,417	\$535,417	\$535,417	6,425,000	6,425,000
	\$3,577,083	\$3,577,083	\$3,577,083	\$3,577,083	\$3,577,083	\$3,577,083	\$3,577,083	\$3,577,083	\$3,577,083	\$3,577,083	\$3,577,083	\$3,577,083	42,925,000	42,925,000
Outreach and Communications														
Portfolio (TRL, DSM Central, Training)	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	250,000	250,000
Program Evaluation Cost - C&I	\$42,550	\$42,550	\$42,550	\$42,550	\$42,550	\$42,550	\$42,550	\$42,550	\$42,550	\$42,550	\$42,550	\$42,550	510,597	510,597
Program Evaluation Cost - Res	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257	111,080	111,080
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	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 6,514,515	\$ 78,174,177	78,174,177

Notes:

Jan-May 2022 actuals and started with Nov 2021 forecast from filing, updated by Prog Mgrs
Split for WSB program cost was based on 2021 kWh savings (76% / 24%)

Bill credits are included in WSB program costs
Accruals added to capture full cost through May

2023 Forecast Esimate was based on 2022 forecast

CERTIFICATE OF SERVICE

Docket No. 22-035-37

I hereby certify that on July 1, 2022, 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

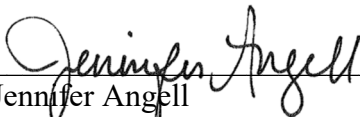
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Jennifer Angell
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Regulatory Affairs