

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF RATEMAKING TREATMENT OF DEMAND SIDE
RESOURCES AND THE ANALYSIS OF REGULATORY CHANGES TO ENCOURAGE
IMPLEMENTATION OF INTEGRATED RESOURCE PLANNING

Docket No. 92-2035-04

Technical Conference for Joint Recommendation of Cost Recovery for
Demand-Side Resources

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On November 23, 1993, at 2:00 PM, a Technical Conference was held in Room 427 of the Heber Wells Building. The conference was scheduled to provide the parties that participated in the Demand Side Resource cost recovery collaborative the opportunity to explain their joint recommendation. The joint recommendation will be formally reviewed during a public hearing scheduled for December 1, 1993.

This docket entry contains material that was handed out at the Conference and includes:

- A list of participants of the Technical Conference
- An Agenda of the Conference
- An outline of Division comments presented by Audrey Curtiss; "Technical Conference report and Unresolved Issues"
- A handout of Division representative Ron Burrup's comments; "Outline of DSR Joint Recommendation's Main Elements"
- A handout describing the members of the Environmental Intervenors

92-2035 04

DSR TECHNICAL CONF

11/23/93

JT REC

NAME	ORGANIZATION	PHONE
MARK FRANCO	DPU	801-530-6788
Bob Lively	Pacific Corp	801-220-4052
Doug Larson	PACIFICORP	220-2190
Edward Hunter	"	578-6936
Eric Blank	LAW FUND	303 578 ⁴⁴⁴ -1188
REBECCA WILSON	DNR/OERP	801 538-5428
STEVE ALDER	A.G. Rep/OERP	536-8214
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Rich Collins	Utah PSC	530-6770
Kenneth Wilson	Deseret	801-566-1238
Ronald Burrup	UT DPU	801-530-6686
Audrey CURTIS	UT DPU	801-530-6672
DAN PETERSON	PACIFICORP	801-220-4014
Steve McDougall	Pacific Corp	801-220-1986
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BRAD MARKUS	Mountain Fuel	801-534-5631
Mike Gmsbery	DPU	530-6716
Bill Evans	Parsons, Behle & Latimer	532-1234
Doug Kirk	PSC	530-6716
Mark Johnson	DPU	530-6675
DAN GIMBLE	CCS	530-6798
Jim Byrne	PSC	530 6716
Steve Mechem	"	"
Sandy Moody	CCS	530-6644
Ken Powell	DPU	530-.....
STEPHEN HEWLETT	PSC	530-6716

AGENDA

TECHNICAL CONFERENCE ON DSM JOINT RECOMMENDATION

Utah Public Service Commission
Docket 92-2035-04
Heber Wells Building Room 427
Salt Lake City, Utah
November 23, 1993
2:00 pm

EXECUTIVE SUMMARY

1. Executive Summary on the DSM-Technical Conference Report, Outstanding Issues, Purpose Form and Method of Joint Recommendation. (10 min.) Ken Powell
2. Pacificorp Response and Comments. (5 min.) Doug Larsen
3. Other Parties' Responses and Comments as desired. (3 min each)

DETAILED EXPLANATION

4. Technical Conference Report and unresolved issues. (10 min.) Audrey Curtiss
5. Joint Recommendation explanation. (15 min.) Ron Burrup
6. Appendix 1 (Net Lost Revenue Formula) explanation. Also comments from Pacificorp (15 min.) Bob Lively
7. Comments of Environmental Intervenors (6 min.)
8. Comments of Department of Natural Resources (6 min.)
9. Comments of Committee on Consumer Services (6 min.)
10. Comments of Industrial Intervenors (15 min.)
11. Questions and answers (as long as required)

Nov. 23, 1993

TECHNICAL CONFERENCE ON DSR JOINT RECOMMENDATION

"Technical Conference Report and Unresolved Issues"
Presentation by Audrey Curtiss

- I. Discussion of Potential Disincentives Associated with Net Lost Revenue (NLR) due to DSR Programs
- II. Brief Summary of 8 Solutions Examined for Addressing NLR:
 1. No Cost Recovery of Lost Revenue
 2. Annual Reviews
 3. Future Test Period/Historical Test Period With Out-Of-Period Adjustments
 4. Annual Rate Case
 5. Net Lost Revenue Adjustment (NLRA)
 6. NLRA with Collaborative
 7. Decoupling
 8. Statistical Recoupling
- III. Five Solutions Require an NLR Calculation
 1. Annual Reviews
 2. Future Test Period/Historical Test Period With Out-Of-Period Adjustments
 3. Annual Rate Case
 4. Net Lost Revenue Adjustment (NLRA)
 5. NLRA with Collaborative
- IV. Potential Benefits Afforded by an NLRA
- V. Potential Difficulties Associated with an NLRA/NLR Calculation
- VII. Tradeoffs Associated with the Following Genre of Options:
 1. No Recovery of Lost Revenue;
 2. Adopt a Solution that Requires an NLR Calculation; and
 3. Decoupling Mechanismswith respect to the following issues:
 - A. Implementation of a Least Cost Plan
 - B. Uncertainty and Potential Problems Associated with an NLR calculation
 - C. Concerns Regarding the Effectiveness of Decoupling which Statistical Recoupling Attempts to Address
- VIII. Current Requirement for Developing Effective Regulatory Policy for DSR
 - A. Further Investigation of the Following Issues at a Minimum:
 1. NLR Calculation/Mechanism
 2. Statistical Recoupling

THE ENVIRONMENTAL INTERVENORS

The Environmental Intervenors ("EI") are a group of non-profit organizations concerned with environmental issues in Utah. All told, EI organizations have over 10,000 members in Utah, most of whom are PacifiCorp customers. EI is currently comprised of the Land and Water Fund of the Rockies, the Utah Chapter of the Sierra Club, the Southern Utah Wilderness Alliance, the Wasatch Clean Air Coalition, and the National Parks and Conservation Association.

The Land and Water Fund is a regional environmental law center serving the Rocky Mountain states. The LAW Fund's Energy Project was created to promote energy efficiency and renewable resources in the Rocky Mountain West through selective interventions in regulatory proceedings. The Land and Water Fund has Utah board members, a Utah steering committee, and individual members who live in Utah and are PacifiCorp customers.

The Utah Chapter of the Sierra Club has over 3000 members in Utah. It is a state-wide entity with a broad interest in environmental issues which has made energy conservation one of its priorities.

The Southern Utah Wilderness Alliance also has thousands of Utah members. Among other things, the Alliance is concerned about the environmental impacts associated with coal and hydroelectric development in Southern Utah.

The Wasatch Clean Air Coalition is a valley-wide organization devoted to reducing regional air pollution through education and selective regulatory interventions.

The National Parks and Conservation Association ("NPCA") is America's only national, non-profit citizen organization dedicated to promoting the protection, enhancement, and public understanding of the national park system. Founded in 1919, NPCA has a national membership of more than 300,000, with over 2600 members in Utah.