

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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| In the Matter of the Proposed Revisions to   | ) | <u>DOCKET NO. 01-035-T09</u>          |
| PacifiCorp's Tariff No. 43, Re: Enhanced DSM | ) |                                       |
| Measures per Advice Letter No. 01-09         | ) | <u>ORDER APPROVING TARIFF FILINGS</u> |

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ISSUED: July 18, 2001

By The Commission:

On June 26, 2001, PacifiCorp, dba, Utah Power and Light (the Company) requested Commission approval of four tariff filings for enhanced Demand Side Management (DSM) programs. The tariffs include: Schedule 112, Residential Energy Efficiency Compact Fluorescent Light Bulb Program; Schedule 115, Commercial and Industrial Energy Efficiency Retrofit Incentives - 22,000 Square Feet or Less - optional for Qualifying Customers; Schedule 116, Commercial and Industrial Energy Efficiency Retrofit Incentives - optional for Qualifying Customers; Schedule 125, Commercial and Industrial Energy Services - optional for Qualifying Customers. The Company's filings include a description of and an economic analysis in support of each tariff filing. The Company requested an effective date of July 16, 2001.

On July 10, 2001, the Committee of Consumer Services (Committee) requested that the Commission wait until July 27, 2001, before approving these tariff filings. The Committee said that it needs more time to analyze these programs. Commission statutes state that tariffs will automatically go into effect within 30 days if the Commission fails to respond to the request.

On July 11, 2001, the Division of Public Utilities (Division) submitted a memorandum recommending approval of the tariffs. The Division cites the analysis presented by the Company indicating that these programs passed the cost effectiveness test required by the Commission. In fact, the Company's analysis indicates that these programs pass the Ratepayer Impact Measure (RIM) test, a cost effectiveness test that indicates that investment in these programs will lead to lower rates for all customers.

The Utah Ratepayers Alliance submitted comments on July 12, 2001, and while not having sufficient time to thoroughly examine the proposals, recommends approval based on approval in other jurisdictions. They cite a lack of timeliness of the proposal and lack of advanced planning by the Company. In short, the Alliance wishes the Company had filed sooner and included a more comprehensive collection of programs.

The Utah Energy Office and the Land and Water Fund of the Rockies filed separate comments on July 12, 2001. Both parties support the approval of the tariffs, but request that the Commission order the Company to provide additional DSM offerings as indicated by the Tellus report that was submitted to the Commission by the Energy Efficiency Task Force.

On July 13, 2001, the Utah Association of Energy Users (UAE) submitted comments on the tariff filings. The UAE recommends approval of the tariffs, but objects to the Energy Office's proposal to order the Company to provide additional DSM programs for approval. Such programs should be fully investigated and studied by the Energy Efficiency Stakeholder group.

The Commission finds that evidence on the record supports the approval of the proposed DSM programs. The Commission finds that the Company's analysis indicates that these programs pass the requisite cost effectiveness tests required by our Integrated Resource Planning Standards and Guidelines. In addition, these analyses indicate that the programs pass the RIM test and therefore do not have a deleterious effect on general rates. In fact, they may serve to lower rates in the future. Like other program approvals, the cost recovery issues will be addressed in an appropriate rate hearing. The Commission urges the parties to continue to investigate additional cost-effective DSM programs and bring

them to the Commission for approval as soon as reasonable. We are particularly anxious to receive energy efficiency proposals that pass the RIM test.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that Schedule 112, Schedule 115, Schedule 116, and Schedule 125 are hereby approved with an effective date of July 16, 2001.

DATED at Salt Lake City, Utah, this 18th day of July, 2001.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary