

WELDON B. STUTZMAN
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0318
IDAHO BAR NO. 3283

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Street Address for Express Mail:
472 W WASHINGTON
BOISE ID 83702-5983

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF PACIFICORP DBA ROCKY MOUNTAIN)	CASE NO. PAC-E-06-12
POWER FOR APPROVAL OF AN IRRIGATION)	
LOAD CONTROL DISPATCH PILOT)	
PROGRAM.)	COMMENTS OF THE
)	COMMISSION STAFF
)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Weldon B. Stutzman, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 30203 on January 5, 2007, submits the following comments.

BACKGROUND

On December 5, 2006, PacifiCorp dba Rocky Mountain Power filed an Application requesting approval of an Irrigation Load Control Dispatch Pilot Program. Rocky Mountain Power currently has an Irrigation Load Control Program that rewards customers who allow the Company to interrupt service at designated irrigation pump sites. The Company submitted an Application for a pilot program after making presentations to Commission Staff and to members of the Idaho Irrigation Pumpers Association. The proposal is for an optional program in addition to the Irrigation Load Control Program already in place. Rocky Mountain proposes to implement the

program on a limited basis during the 2007 irrigation season, making it available on a first-come, first-serve basis up to a total participation of 45 MW. At the conclusion of the 2007 season, the Company plans to evaluate the pilot program and again seek input from participants and Commission Staff.

STAFF REVIEW

Rocky Mountain Power is proposing a pilot program that will allow the Company to interrupt service to Idaho irrigation customers at the Company's discretion. ~~In return, participating~~ customers will receive a credit on their October billing statement for the entire irrigation season. There are two major differences between the proposed pilot and the Company's existing Irrigation Load Control Program. First is the ability to interrupt service at the Company's choosing rather than on a scheduled basis. Second, the proposed Program's pricing structure is a yearly credit rather than a monthly credit.

The Company's current Irrigation Load Control Program allows participating customers to receive monthly credit on their bills during the irrigation season in return for agreeing to shut off their pumps during selected peak demand hours of the day. Customers can choose from three options for predetermined service interruption during each week of the irrigation season (June 1-September 15). The options include: two six-hour blocks, two three-hour blocks, or four three-hour blocks. Credits are variable depending on which option the customer chooses and the credits also change for each month during the irrigation season. During 2006, nearly 500 customers participated in the existing Irrigation Load Control Program resulting in approximately 360 MW contracted for load control.

In the proposed pilot program, it is expected that a limited number of participants will be selected, data will be collected, results will be assessed, and changes will be made as needed in order to make the program more successful. The program can then be expanded to achieve the desired goal. As described earlier, for the 2007 irrigation season the Company proposes to allow eligible customers served on the Company's Schedule 10 to enroll in the program on a first-come, first-served basis, up to a total of 45 MW.

Participant eligibility for the proposed program is determined by meeting certain criteria as outlined in the Company's Application. These requirements include: a total demand of at least 1,500 horsepower under the customer's control through single or multiple accounts, an integrated pump/pivot irrigation system with a minimum pump size of 100 horsepower, and continuous

internet access from May 1 to September 15. In addition to the applicability requirements, program participants must agree to control their irrigation applications through two-way wireless communication equipment specified by the Company. If the customer uses the communication devices in excess of 70 times each month, the customer will be responsible for the additional air time charges. It is proposed that program participants will agree to be trained to set up their pumps, and customers must participate in all surveys and assist in program evaluation.

The proposed pilot would allow the Company to remotely dispatch interruptions by way of a central network server maintained in Boise, Idaho, and interruptions would be at the Company's discretion. Total curtailment per participating customer will be limited to 65 hours during the irrigation season, with dispatch events occurring between the hours of 2:00 p.m. to 8:00 p.m., Monday through Friday. Participants will also have the ability to opt-out of individual dispatch events, up to a limit of five occurrences during the irrigation season. If a participant opts-out of a dispatch event more than twice during the 2007 irrigation season, the credit paid to the participant by the Company will be reduced by the replacement cost of the energy during the dispatch event.

As proposed, the required control technology will be provided by the Company and will allow for remote dispatch of participating sites by way of a central network server owned by M2M Communications and maintained in Boise, Idaho. The control devices will communicate with the network server via integrated cell phone or satellite technology, based on availability at the pump site. In addition, the network server will communicate with customers using either cell phone or e-mail technology, alerting customers of impending dispatch events and any status changes at the controlled site.

Staff believes the equipment used in the application is reliable and will accurately provide for effective irrigation applications. M2M Communications provides similar wireless communication products to the Valmont Company, a major supplier of center pivots and utility equipment. The equipment provided to irrigators can be upgraded so that additional irrigation tasks can be controlled through wireless communication at the customer's expense.

Another major difference between this proposal and the current program is the pricing structure for the credit to customers. Currently, Rocky Mountain Power's Irrigation Load Control Program offers a credit on a per kW basis that varies by month and by service interruption time. The proposed program includes a fixed annual credit of \$11.18/kW for the year. The total load control service credit will be the fixed annual credit multiplied by the kW load controlled. Staff

believes the proposed credit is reasonable and the amount is consistent with the value of credits provided under the current load control program.

Staff believes there are some concerns with dispatchable service interruptions, especially regarding crops that are particularly sensitive to stress from interrupted irrigation. However, individual irrigators know their equipment capabilities and soil profile best and should thoughtfully examine how participation will affect their operation. Additionally, Staff believes the irrigation equipment required to participate in the proposed pilot is capable of effectively managing water application to allow for discretionary service interruption.

Customers will assume the risk of crop losses that may result from participation in the Program or resulting from load control equipment failure. While the load control equipment is expected to be reliable and effective, Staff believes customers should be aware of the impacts an equipment failure might have on their business. Rocky Mountain Power should not assume responsibility for yield reductions or crop loss to participants in this proposed program.

Staff recognizes the effectiveness of the Company's current Irrigation Load Control Program on load shifting and believes this pilot is a worthwhile attempt to assess the practicality and impact of a wireless dispatch load control program. The Company has taken a proactive approach in developing load control programs that have included the input of Commission Staff and impacted irrigators. Staff anticipates few consequences for either the Company or customers if the program is unsuccessful, but recognizes the potential for increased load shifting benefits if the program achieves the goals as outlined in the Company's Application.

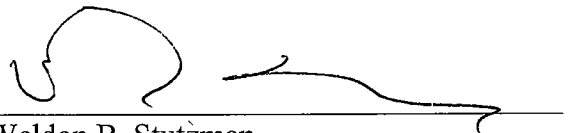
Staff will review program results as they become available, and make recommendations to Rocky Mountain Power for program modification if necessary.

At the conclusion of the pilot, Staff recommends the Company conduct an evaluation of the proposed program. The report should include the number of customers and the number of sites participating, amount of load under control, amount of load reduction achieved, the number of interruptions and the amount of load that failed to be interrupted when scheduled and the reason for the failure. The report should also provide a detailed cost breakdown, with a cost-effective analysis, an assessment of customer satisfaction, an analysis of load control equipment, and any recommended changes in the program. The report should provide sufficient detail to facilitate a meaningful evaluation of the wireless interruption options for the irrigation season.

STAFF RECOMMENDATIONS

1. Staff recommends the Commission approve Rocky Mountain Power's Application to implement an Irrigation Load Control Dispatch Pilot Program as proposed.
2. Staff recommends the Commission direct the Company to prepare an evaluation report for the Commission's review at the conclusion of the 2007 irrigation season. The report should provide pilot program results and offer recommendations regarding the feasibility of implementing an Irrigation Load Control Dispatch Program on a more permanent basis.

Respectfully submitted this 26th day of January 2007.



Weldon B. Stutzman
Deputy Attorney General

Technical Staff: Michael Darrington

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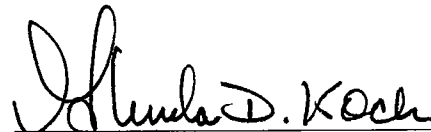
CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 26TH DAY OF JANUARY 2007, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-06-12, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

DEAN BROCKBANK ESQ
PACIFICORP
DBA ROCKY MOUNTAIN POWER
201 S MAIN ST STE 2200
SALT LAKE CITY UT 84111

BRIAN DICKMAN
PACIFICORP
DBA ROCKY MOUNTAIN POWER
201 S MAIN ST STE 2300
SALT LAKE CITY UT 84111

DATA REQUEST RESPONSE CENTER
PACIFICORP
825 NE MULTNOMAH STE 2000
PORTLAND OR 97232



SECRETARY