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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
APPLICATION OF ROCKY)
MOUNTAIN POWER FOR AN)
INCREASE TO THE CUSTOMER)
EFFICIENCY SERVICES RATE)

CASE NO. PAC -E-10-03

IDAHO CONSERVATION LEAGUE'S RESPONSE TO ROCKY MOUNTAIN POWER

COMES NOW Idaho Conservation League with the following **REPONCE** to Rocky Mountain Power's Reply filed June 14, 2010. While outside of the normal order of events, ICL is compelled to correct Rocky Mountain's misrepresentations of our comments.

1. Rocky Mountain asserts that, because ICL is concerned about the accumulated back balance, we believe the Company "should not be allowed to recover, the costs associated with the programs." Rocky Mountain Reply at 2. This is simply not true.

ICL repeatedly supported the tariff rider concept as critical to providing timely cost recovery, commended the Company for its DSM efforts, and acknowledged that program participation exceeding forecasts was driving much of the increase. In regards to the accumulated back balance, we argued the Commission should review whether the growing balance and associated carrying charge is a prudent use of ratepayer funds. ICL argued the

Company had failed to justify recovering the back balance because their Application did not explain why it had accumulated so quickly nor why carrying a back balance was a prudent use of funds. Nor did their Application explain why the previous rate increase, intended in part to reduce the back balance, did not do so. *See* Order No. 30543 at 1. Instead of imputing a false contradiction onto ICL, if Rocky Mountain requires more money to capture all cost effective energy efficiency opportunities they should ask for, and justify, a larger increase.

2. Rocky Mountain claims ICL “erroneously argues that the costs associated with the irrigation energy services program are not ‘legitimate’.” Rocky Mountain Reply at 3. The Company then refers to the Utility Cost Test as proof the program is cost effective. *Id.* However, the Company’s reply omits that the program fails the Total Resource Cost test. *See* 2009 DSM Report at 24.

ICL pointed to the results of the TRC test because it, unlike the UTC, includes both the costs incurred by the company and those incurred by program participants. *See* California Standard Practice Manual at 23. ICL believes the TRC results are important because the Company explained some of the rider funds paid for “customer specific costs associated with equipment investments that delivered operational efficiencies in addition to energy efficiency benefits.” Application at 10-11. As we explained in our Comments, the only costs ICL believes may not be a proper use of DSM rider funds are those that deliver operational efficiencies to specific customers beyond energy efficiency benefits. It is not erroneous to argue that energy efficiency funds should only pay for energy efficiency benefits.

3. ICL is baffled that Rocky Mountain “is unable to find any statement that would lead it to

believe that ‘the Commission has previously explained that before granting any adjustment to the DSM tariff,’ they will determine the prudence of program spending.” Rocky Mountain Reply at 3. Contrary to the Company’s claim, ICL did not “misrepresent the intent of the Commission Order” No. 29976. *Id.* In fact, ICL directly quoted this Order, which states

The Commission will examine the distribution of DSM program dollars both within and among customer classes, the cost effectiveness of the programs and the reasonableness and prudence of the Company’s program management and administrative costs during general rate cases and in all proceedings proposing an adjustment to the DSM tariff rider.

Order No 29976, at 7 (emphasis added).

In closing, ICL wholeheartedly supports the DSM tariff rider as an important tool to provide timely cost recovery of program expenses. ICL merely urges the Commission to utilize the review procedure it announced when originally approving the DSM rider. In our prior comments we highlighted some of the issues we believe the Commission should consider when conducting this review. While unorthodox, ICL submits these reply comments because we feel compelled to correct Rocky Mountains distortions of our position.

Respectfully submitted this 16th day of June 2010.



Benjamin J. Otto
Idaho Conservation League

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of June, 2010, true and correct copies of the foregoing IDAHO CONSERVATION LEAGUE'S RESPONSE were delivered to the following persons via the method of service noted:

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