BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF PACIFICORP DBA ROCKY MOUNTAIN POWER'S REQUEST FOR APPROVAL OF REVISIONS TO ITS DISPATCHABLE IRRIGATION LOAD CONTROL PROGRAM	)))))	**CASE NO. PAC-E-11-06** **ORDER NO. 32235**

On January 20, 2010, PacifiCorp dba Rocky Mountain Power ("Rocky Mountain" or "Company") filed an Application, pursuant to *Idaho Code* §§ 61-502 through -503 and Commission Rule of Procedure 52, IDAPA 31.01.01.052, requesting an Order from the Commission allowing the Company to enact prospective changes to its Dispatchable Irrigation Load Control Program ("Program").

On February 4, 2011, the Commission issued a Notice of Application and Modified Procedure with a 45-day comment period. *See* Order No. 32173. Thereafter, the Commission received written comments from the Idaho Conservation League ("ICL"), Idaho Irrigation Pumpers Association ("IIPA), Commission Staff ("Staff"), and several Program participants.

On April 7, 2011, the Commission received a Stipulated Agreement ("Stipulation") signed by Rocky Mountain, IIPA, Staff and endorsed by the ICL.

THE APPLICATION

PacifiCorp is a Utah corporation providing retail electric service to customers in Utah, Wyoming and Idaho. The Company lists its principal place of business as Salt Lake City, Utah.

The Schedule 72A Program is a voluntary program available to irrigation customers receiving service under Schedule 10. Program participants agree to curtail demand during the Company's summer peak usage period by turning off their pumps intermittently, total curtailment not to exceed 52 hours for any Program participant, during the summer season (June 1 to August 31). The Company is authorized to turn off pumps, with a prior day notification, from 11 a.m. to 7 p.m. MDT, Monday through Friday, during the Program season.

Rocky Mountain noted that Program participation reached 278 MW of curtailment in 2010. According to the Company, the success of the Program has led to certain voltage control problems. In 2010, the Company claims that it was able to mitigate the problem somewhat by implementing a "phasing process to ramp load off and back on during dispatch events." However, Rocky Mountain states that it is now necessary to shift some Program participants to other load control hours in order to lessen the magnitude of load loss during summer peak load hours.

Accordingly, Rocky Mountain proposed the following modifications to the Schedule 72A Program:

1. The addition of language, similar to that found in the Schedule 23 Irrigation Peak Rewards Program, allowing the Company to reject prospective Program participants and pertaining to the Program's cost-effectiveness and the impact of Program participation on the Company's transmission and distribution system;

2. Elimination of the graduated rate schedule;

3. Fixing the Load Control Service Credit at $25.30 per kW per year;

4. Changing the opt-out penalty schedule from the current market price of energy to a graduated scale (more fully described in the Application);

5. Other administrative language changes in the Tariff including: modifying language about continued Program participation; elimination of the internet-access requirement; excising redundant language regarding the calculation of the credit and references to air-time communication costs; discontinue the use of equipment charges; and substituting the phrase "Program Season" for "irrigation season" in the Tariff.

In support of its Application, Rocky Mountain filed the direct testimony of Carol Hunter, Vice President in charge of the Company's demand-side management programs.

STIPULATION

On April 7, 2011, Rocky Mountain filed a Stipulated Settlement Agreement ("Stipulation"). The initial paragraph of the Stipulation states that Rocky Mountain, IIPA and Staff (collectively referred to as "Parties") have entered into the Agreement. It also states that, while it is not a signatory to the agreement, ICL does not oppose Commission approval of the Stipulation.

The Stipulation contains the following terms and conditions:

1. In 2011, Rocky Mountain will pay the current Load Control Service Credit of $28.00 per kW-year plus a $2.00 incentive totaling $30.00 per kW-year for the 2011 program season for a combined program participation at 175 MW or greater. This credit will be reduced for the impact of 11 MW of

unobtainable curtailment due to constraints on the Company's transmission system (shown below). If the program participation levels are greater than 175 MW, then the reduction to the credits paid is as follows: \$30.00 per kW-year x 11,235 kW = \$337,050 / 232,100 kW = \$1.45 per kW-year, or a credit of \$28.55 per kW-year. If the program participation levels are less than 175 MW then all participants will be paid according to the Participation Credit Schedule listed on Electric Service Schedule 72A, Sheet No. 72A.2, less an adjustment of \$1.45 per kW-year.

Substations	Circuits	Peak Load	Nominal Participation Load	Nominal Participation Net 18%	Curtailable Load	Additional Reductions Net of 18%	Total Reductions	% of Total Participation
Hamer	HMR11	7,800	13,061	10,710	5,850	4,860	7,211	55%
	HMR12	2,747	2,605	2,136	2,060	76	545	21%
Sand Dune	SND21	12,960	16,927	13,880	9,720	4,160	7,207	43%
Reno	REN13	3,505	5,814	4,768	2,629	2,139	3,186	55%

(4,860 + 76 + 4,160 +2,139 = 11,235 kW)

2. In 2012, Rocky Mountain will pay the current Load Control Service Credit of \$28.00 per kW-year plus a \$2.00 incentive totaling \$30.00 per kW-year for the 2012 program season for a combined program participation at 175 MW or greater. If the program participation levels are less than 175 MW, then all participants will be paid according to the Participation Credit Schedule listed on Electric Service Schedule 72A, Sheet No. 72A.2.

3. The Company commits to investing a minimum of \$1.3 million in capital improvements to identify and install equipment needed to reduce the constraints on the four substations noted above prior to the start of the 2012 irrigation season.

4. As part of the annual irrigation report, the Company agrees to complete a review of circuit loading and recommend any needed changes or investments for the following year's irrigation season to continue to address circuit loading issues.

5. The Parties agree that the dispatch program season will be from June 1 to August 31 of each year.

6. The Parties agree that Schedule 72A will be revised to include the following language which will be in effect for 2011 and 2012. The Company must seek and receive approval from the Commission to include the language in the tariff for years after 2012:

   The Company shall have the right to select and reject new Program participants, at its sole discretion based on criteria the Company considers necessary to ensure the effective operation of the Program and utility system. Selection criteria may include, but will not be limited to, cost effectiveness and impact on the operation of the Company's transmission and distribution system.

7. The Parties agree that the Company will include changes to the tariff to change the penalty for opt-out events available to the Schedule 72A participants to a percentage reduction in the participation credit for each event as follows:

   1 opt out event- 100% of the participation credit paid to participant
   2 opt out events- 90% of the participation credit paid to participant
   3 opt out events- 70% of the participation credit paid to participant
   4 opt out events- 50% of the participation credit paid to participant
   5 opt out events- 25% of the participation credit paid to participant
   6 opt out events- participation in Program terminated for the year

8. The Parties agree that, at the discretion of the Company and by agreement with selected customers, selected irrigators will be required to manually operate their pumps during control events. Failure to operate the pump will be considered an opt-out event.

9. For 2011 and 2012, the Parties agree that *program participation will be targeted to achieve 232 MW of participating load.* (Emphasis added). The Company will work to ratably reduce program participation from the 2010 level of 283 MW by 18% to approximately 232 MW.

   a. The Company will work with individual pumpers participating in the program to identify the approximate reduction necessary to achieve an 18% reduction from their 2010 participating loads.

   b. During this timeframe, new participants or additional load from existing participants will not be accepted into the program, and no new participants will be accepted into the Program until existing participants' load is eligible for inclusion in the program.

   c. Participants without the ability to identify an 18% reduction by segmenting pumps will receive a payment equal to 82% of the incentive, i.e., a pumper that only has one pump will receive 82% of the incentive but the one pump will remain fully in the program.

   d. The participation levels will be worked out and communicated to participants within 20 calendar days of approval of this Stipulation.

   e. The changes noted above will result in the following impacts to the program based on 2010 load levels and achieve a 20% overall reduction to the program:

      2010 Load Participation (MW) 283.0

18% Program Reduction	(50.9)
Total Estimated Program Level	232.1

10. The Parties agree to support efforts by the Company and Staff to encourage the Multi-State Process ("MSP") Standing Committee to propose a resolution at the next MSP Commissioners' Forum on the issue of system allocation of the costs for the Idaho Dispatchable Irrigation Load Control Credit Rider Program. If the system allocation of Program costs is not accepted by the states of Utah, Oregon and Wyoming by June 1, 2012, then the Company may seek Program modifications and/or cost recovery before the Idaho Commission, including but not limited to inclusion in a general rate case filing or a request for deferred accounting treatment.

11. The Parties agree to accept the minor language changes in the Program tariff proposed by the Company in its Application, including: deleting language regarding continued participation in the Program; removing the internet access requirement; deleting duplicate language dealing with calculation of the credit; removing references to air time communication costs; changes to use of equipment charges; and changing "irrigation season" to "Program season" in the tariff. A copy of the proposed Tariff Schedule 72A is attached to the Stipulation as Attachment A.

The remainder of the Agreement contains general provisions regarding the Parties' acknowledgements, duties and obligations under the Stipulation. The Parties agree that the Stipulation is in the public interest and that its terms and conditions are fair, just and reasonable.

COMMISSION DISCUSSION AND FINDINGS

The Commission is satisfied that the major stakeholders in this case have been able to reach an amicable resolution of the disputed issues regarding the proposed revisions to Rocky Mountain's Dispatchable Irrigation Load Control Credit Rider Program. The Irrigation Load Control Program is one of the most successful demand side management programs in the Company's portfolio. However, the Commission finds that the relative success and popularity of the Program has created certain technological problems which must be effectively addressed in order to ensure the Program's continued viability.

Most of the proposed changes to the Program found in the Stipulation are minor. However, the Parties envision that the cumulative effect of the proposed changes will enable the substantial decrease, 18%, in Program participation that is necessary in order to address the aforementioned voltage control problems stemming from a rapid increase in Program participation.

The Commission notes that all of the Parties that have submitted written comments in this case have either signed the Stipulation or do not oppose it. Prior to the submission of the Stipulation, the Commission received comments from the IIPA, as well as several individual irrigators in southern Idaho, expressing concerns regarding the proposed changes. Subsequently, the IIPA represented its membership in negotiations with the Company regarding the proposed revisions. As a result, the Company modified key elements of its initial filing, including the proposed participation credit, to reflect and address the Irrigators' concerns.

The Commission finds that the proposed revisions, found in the Stipulation and more particularly described above, to the terms and conditions of the Schedule 72A Program are fair, just, reasonable and in the public interest. The Commission orders that Attachment A to the Stipulation, Fifth Revision of Sheet No. 72A incorporating the revisions found in the Stipulation and cancelling the Fourth Revision of Sheet No. 72A, shall replace the Company's existing Electric Service Schedule No. 72A.

The Commission's decision to accept the Parties' Stipulation to amend certain aspects of the Schedule No. 72A Program does not constitute a ratemaking determination by the Commission. Any approval of the recovery of the costs associated with the administration of the Program in rates shall be sought by the Company in the context of its next general rate case filing or another separate proceeding as deemed appropriate by the Commission.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp dba Rocky Mountain Power, an electric utility, and the Application in Case No. PAC-E-11-06 pursuant to Title 61, Idaho Code, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

O R D E R

IT IS HEREBY ORDERED that the Parties' Stipulation adopting revisions to the Idaho Dispatchable Irrigation Load Control Credit Rider Program is approved.

IT IS FURTHER ORDERED that Attachment A to the Stipulation, Fifth Revision of Sheet No. 72A, shall replace Rocky Mountain Power's existing Electric Service Schedule No. 72A for the calendar years of 2011 and 2012. After 2012, the Company shall seek the Commission's approval of the language contained in Attachment A.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 27th day of April 2011.

PAUL KJELLANDER, PRESIDENT

MACK A. REDFORD, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Jean D. Jewell
Commission Secretary

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