

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL**

DATE: JUNE 11, 2012

**SUBJECT: APPLICATION OF ROCKY MOUNTAIN POWER FOR AUTHORITY
TO DECREASE THE CUSTOMER EFFICIENCY SERVICES RATE,
CASE NO. PAC-E-12-11**

On May 30, 2012, PacifiCorp dba Rocky Mountain Power filed an Application requesting authority to reduce its customer efficiency services rate (Schedule 191). Currently the Schedule 191 rate is 3.4% and produces annual revenues of approximately \$5.7 million. The Company requests authority to decrease the rate to 2.1%, to generate approximately \$3.5 million per year. The Company believes the rate reduction is appropriate to align the Company's recovery of costs associated with future demand-side management (DSM) related expenditures, and requests the new rate be effective July 1, 2012. The Company requested that its Application be processed by Modified Procedure.

The Company asserts that although its DSM balance account was in deficit by approximately \$1 million as of April 30, 2012, the Company expects it will begin to over collect on the Energy Efficiency Rider beginning August 2012. The Company's Application provides a summary review of each of its DSM programs along with expected levels of funding in the near term. The Company does not propose to modify or decrease any of its DSM activities as part of this Application. The Company states that it "will continue to review funding needs on a routine basis to determine whether this proposed adjustment is sufficient to fund ongoing program expenses and continue to recover the remaining balance owed the Company in the DSM balancing account." Application, p. 5.

Because there is inadequate time to complete a process prior to the Company's proposed effective date for the new rate, Staff recommends the Commission suspend the proposed effective date of July 1, 2012, and issue a Notice of Application. After Staff has further evaluated the Application and the need for additional information, if any, Staff will recommend a schedule for Modified Procedure to complete the process for the case.

COMMISSION DECISION

Should the Commission issue a Notice of Application and Order suspending the proposed July 1, 2012 effective date for the new customer efficiency rider rate?



Weldon B. Stutzman
Deputy Attorney General

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