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IDAHO PUBLIC
UTILITIES COMMISSION

201 South Main, Suite 2300
Salt Lake City, Utah 84111

July 7, 2014

VIA OVERNIGHT DELIVERY

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

**Re: CASE NO. PAC-E-14-07
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER
REQUESTING A PRUDENCY DETERMINATION ON DEMAND-SIDE
MANAGEMENT EXPENDITURES.**

Dear Ms. Jewell:

Rocky Mountain Power, a division of PacifiCorp, hereby submits for filing an original and seven (7) copies of its Application in the above referenced matter.

Also enclosed for filing are nine (9) copies of the testimony of Kathryn Hymas. One Copy of Ms. Hymas' testimony has been designated as the "Reporter's Copy." In addition, a disk containing a Word version of Ms. Hymas' testimony is enclosed for the Reporter.

If you have any questions about the enclosed documents, please contact Ted Weston at 801-220-2963.

Sincerely,

A handwritten signature in blue ink that reads "Jeffrey K. Larsen".

Jeffrey K. Larsen
Vice President, Regulation & Gov't Affairs

Enclosures

Daniel E. Solander, (ISB# 8931)
Rocky Mountain Power
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Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF ROCKY MOUNTAIN POWER) CASE NO. PAC-E-14-07
REQUESTING PRUDENCY)
DETERMINATION ON DEMAND-SIDE) APPLICATION
MANAGEMENT EXPENDITURES.)**

COMES NOW, Rocky Mountain Power, a division of PacifiCorp (the “Company”), in accordance with RP 052 and RP 201, *et. seq.*, hereby respectfully applies to the Idaho Public Utilities Commission (the “Commission”) for an order designating Rocky Mountain Power’s demand-side management (“DSM”) expenses in the amount of \$25,765,486, as prudently incurred.

In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is authorized to do and is doing business in the state of Idaho. The Company provides retail electric service to approximately 73,500 customers in the state of Idaho and is subject to the jurisdiction of the Commission. Rocky Mountain Power is a public utility in the state of Idaho pursuant to Idaho Code § 61-129.

2. In support of this Application requesting that the Commission deem that the Company’s 2010 through 2013 DSM expenses were prudently incurred, the Company presents the testimony of Ms. Kathryn C. Hymas, annual DSM reports for each year, results of the program cost effectiveness analysis, and the third-party program evaluation reports.

BACKGROUND

3. The Company has offered a variety of DSM programs to its customers since the 1970s. All of the DSM programs offered by Rocky Mountain Power in Idaho have been designed to be cost-effective. On March 2, 2006, the Commission approved an enhanced set of DSM programs and cost recovery through Schedule 191, Customer Efficiency Services Rate, which was applied to customers' bills beginning May 1, 2006.

4. This filing and the Annual DSM reports are consistent with the Memorandum of Understanding the Company entered into in Case No. GNR-E-12-01, as approved by Order No. 32788 ("MOU"). Rocky Mountain Power filed annual reports with the Commission for program years 2010, 2011, 2012, and 2013. These reports followed the format set forth in the MOU and included: Table of Contents, Introduction, Cost Effectiveness, Program specific sections, and Evaluations. Program performance, including expenditures, savings and assessments of cost effectiveness, as well as the balancing account activity associated with Schedule 191 was also included in the annual reports.

5. The Company's DSM portfolio consists of seven distinct programs offering incentives for a wide variety of energy efficiency measures to the Company's residential, business and agricultural customers and participation in the irrigation load management program to the Company's agricultural customers. The Company continues to work with customers and the Commission to provide a comprehensive suite of DSM programs that provides the greatest opportunity for participation by all customer sectors.

6. The seven DSM programs offered by the Company from 2010 through 2013 that were subject to Schedule 191 provided a wide range of services and financial incentives

to of assist customers with energy efficiency projects they wished to pursue. The DSM programs were as follows:

Schedule 21 – Low Income Weatherization/ Low Income Education

Schedule 72 & 72A – Irrigation Load Control (effective in 2011 these program expenditures were no longer included in Schedule 191. Schedule 72 & 72A were later cancelled.¹)

Schedule 115 – FinAnswer Express

Schedule 117 – Residential Refrigerator Recycling

Schedule 118 – Home Energy Saver Incentive

Schedule 125 – Energy FinAnswer

Schedule 155 – Agricultural Energy Services

ENERGY EFFICIENCY SAVINGS

7. The annual energy efficiency program savings of the Company's DSM programs were as follows: 2010 energy efficiency program savings at the meter were 11,963 MWh and the Company's Irrigation Load Control program had participating loads under management of 283 MW at meter. 2011 energy efficiency program savings at the meter were 8,688 MWh and the Irrigation Load Control program reported participating load under management of 258 MW at meter. 2012 energy efficiency program savings at the meter were 11,420 MWh. In 2011, the Irrigation Load Control program was treated as a system-wide benefit. Performance results for 2012 were no longer included in the annual DSM reports but were submitted as a confidential document to the Commission. 2013 energy efficiency program savings at the meter in were 18,324 MWh.

¹ Case No. PAC-E-12-14, Order No. 32760.

8. The cost effectiveness results show that of the seven programs for which the Company achieved energy savings, five of the programs had a benefit/cost ratio greater than 1.0 for both the TRC and UCT in all years. The Agricultural Energy Services program was cost effective for both TRC and UCT for all years except in 2013 when the benefit/cost ratio for the TRC was 0.84. The Low Income Weatherization program was not cost effective for the TRC or UCT in any of the years.

PROGRAM EVALUATIONS

9. Evaluations are conducted using best-practice approaches and techniques including those outlined in the National Action Plan for Energy Efficiency (“NAPEE”) Program Impact Evaluation and the California Evaluation Framework guides. The Company conducts process and/or impact evaluations on energy efficiency and load management programs to ensure the ongoing cost effectiveness of its programs through validation of energy savings and to provide information to assist in management of its programs.

10. Process evaluations assess program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what worked, what did not work, constraints, and potential improvements. Identifying opportunities for improvements is essential to making corrections along the way.

11. Impact evaluations determine the impacts (e.g. energy and demand savings) that directly result from a program. Impact evaluations also support cost effectiveness analyses aimed at identifying relative program costs and benefits.

12. Evaluations are based on credible and transparent methods and efforts to be successful in capturing the savings that programs offer. Evaluations develop retrospective estimates of energy savings attributable to a program. While evaluations will be retrospective

in nature, the information obtained will be used to inform future potential assessments, plans, forecasts and targets.

13. The Company completed five process and impact evaluations during 2010. Each of these evaluations was completed by third party consulting firms. Three of the five programs evaluated during 2010 had a TRC and UCT benefit/cost ratio greater than 1.0. Additional details on these two evaluations are presented in Ms. Hymas' testimony.

14. Two evaluations were completed by third party consulting firms in 2011. A process and impact evaluation was conducted on the Low Income Weatherization program. The cost effectiveness results of the 2007-2009 program evaluation found the program to not be cost effective without non-energy benefits. The Irrigation Load Control program was evaluated for 2009 and 2010 to determine demand impacts of the programs.

15. The Company completed two process and impact evaluations during 2012. These evaluations were completed by third party consulting firms. All programs evaluated during 2012 had a TRC and UCT benefit/cost ratio greater than 1.0.

16. Four process and impact evaluations were completed during 2013. Each of these evaluations was completed by third party consulting firms. All programs evaluated during 2013 had a TRC and UCT benefit/cost ratio greater than 1.0 except for Agricultural Energy Services program. The full results of these evaluations are presented in Ms. Hymas' testimony and exhibits.

MODIFIED PROCEDURE

17. Rocky Mountain Power believes that a technical hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing. RP

201 et seq. Rocky Mountain Power has, however, contemporaneously filed Ms. Kathryn Hymas' testimony in support of this Application. The Company stands ready to present the testimony in support of this Application in a technical hearing if the Commission determines such a hearing is required.

COMMUNICATIONS AND SERVICE OF PLEADINGS

18. Communications regarding this Application should be addressed to:

Ted Weston
Daniel E. Solander
201 South Main, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-2963
Fax: (801) 220-2798
Email: ted.weston@pacificorp.com
daniel.solander@pacificorp.com

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to one or more of the following:

By e-mail (preferred): datarequest@pacificorp.com

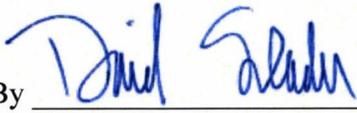
By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

REQUEST FOR RELIEF

19. WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue a final order designating Rocky Mountain Power's 2010 through 2013 DSM expenditures of \$25,765,486 as prudently incurred.

DATED this 7th day of July, 2014.

Respectfully submitted,

By  _____

Daniel E. Solander

Attorney for Rocky Mountain Power