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Attorneys for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
ROCKY MOUNTAIN POWER REQUESTING A)	CASE NO. PAC-E-14-07
PRUDENCY DETERMINATION ON ITS)	
DEMAND-SIDE MANAGEMENT)	COMMENTS OF THE
EXPENDITURES FOR YEARS 2010-2013.)	COMMISSION STAFF
)	

The Staff of the Idaho Public Utilities Commission by and through its attorneys submits the following comments regarding the above referenced case.

BACKGROUND

On July 7, 2014, PacifiCorp dba Rocky Mountain Power ("Rocky Mountain Power" or "the Company") filed an Application requesting the Commission find that the utility prudently incurred \$25,765,486 in demand-side management (DSM) expenditures for the years 2010 through 2013. This amount includes \$17,664,805 funded through Schedule 191 (Customer Efficiency Services Rate Adjustment) and \$8,100,681 from Irrigation Load Control incentive payments. "DSM" generally refers to utility activities and programs that encourage customers to use less overall energy or use less energy during peak usage hours. Rocky Mountain's energy efficiency programs include: Low Income Weatherization/Education (Schedule No. 21); FinAnswer Express (Schedule No. 115); Refrigerator Recycling (Schedule No. 117); Home Energy Saver (Schedule No. 118); Energy FinAnswer (Schedule No. 125); and Agricultural

Energy Services (Schedule No. 155). Rocky Mountain also offers a peak reduction program, the Irrigation Load Control Program. In this Application, the Company is requesting permission to recover its DSM expenses from the deferral account and is not requesting an increase in its DSM tariff Rider (Schedule No. 191).

Rocky Mountain asserts that its six energy efficiency programs resulted in gross energy savings of 55,435,250 kWh for the years 2010-2013. The Company acknowledges that two of the six energy efficiency programs were not cost-effective in all years. First, the Agricultural Energy Service Program was not cost-effective in 2013 when its benefit/cost ratio for the Total Resource Cost (TRC) test¹ was 0.84. Second, the Low Income Weatherization Program was not cost-effective under the TRC or Utility Cost Test (UCT) in any of the years under review. The Company reports that it has taken actions to improve the cost-effectiveness of the Low Income Weatherization Program. *Id.* at 16.

STAFF ANALYSIS

Staff has reviewed the Company's Application along with the accompanying Testimony and Exhibits of Kathryn Hymas. Staff performed an audit of the Company's internal controls and processes, interviewed program managers, and reviewed different projects for proper documentation, including invoices, engineering estimates, and post-installation verification. Throughout its audit, Staff discovered the Company has rigorous internal controls designed to prevent the imprudent use of Rider funds. Staff also believes that the internal controls help ensure the correct benefits and costs are allocated properly to each of the Company's jurisdictions. Based upon the results of the audit, Staff recommends that the Commission approve the Company's request that \$25,765,486 in DSM expenses from 2010-2013 were prudently incurred. This amount consists of \$17,664,805 in Rider funded expenditures and an additional \$8,100,681 in incentive payments associated with the Idaho Irrigation Load Control (ILC) program.

¹ The Company calculates cost-effectiveness from several perspectives. The TRC compares the total cost of a supply side resource to the total cost of a demand side resource; the UCT compares the total utility cost to the total benefits associated with displacing or deferring supply side resources; the participant cost test (PCT) compares total participant costs to the total participant savings; the ratepayer impact perspective (RIM) compares the impact of a demand side resource on utility rates.

The comments below discuss Staff's calculation and verification of the Rider balance and expenses, the acquired savings, and each of the Company's program offerings. Additionally, Staff discusses the Company's marketing activities and the progress of the Company's Low Income Weatherization Assistance (LIWA) and education programs.

Rider Balance and Expenses

Staff has calculated the balance in the Company's DSM tariff Rider account as of December 31, 2013 to be a surplus (Company owes Customers) of \$625,565. Table 1 below illustrates the beginning and ending balances for 2010 through 2013.

Table 1

	2010	2011	2012	2013
Beginning Balance	\$(2,238,820)	\$(3,845,842)	\$(1,564,181)	\$ 370,754
Tariff Rider Revenue	5,939,833	5,356,975	5,245,005	4,024,339
Carrying Charges	(31,829)	(24,350)	121	10,042
DSM Expenditures	<u>(7,515,026)</u>	<u>(3,050,965)</u>	<u>(3,310,191)</u>	<u>(3,779,570)</u>
Ending Balance	<u>\$(3,845,842)</u>	<u>\$(1,564,181)</u>	<u>\$ 370,754</u>	<u>\$ 625,565</u>

The \$8,100,681 in Irrigation Load Control (ILC) program expenses related to demand response credits are not included in the table above. In April 2011, the Commission ordered ILC expenses to no longer flow through the Company's DSM Rider and instead be system-allocated with Idaho's share of program costs shifted to base rates. Order No. 32196. The \$8.1 million in incentive payments is already reflected in base rates. An additional \$4.2 million in administrative costs for 2010 was charged to the Rider and has been included in the table above. Although the Company recovered the 2010 incentive payments through base rates, it still seeks a prudence determination on those funds.

In 2011 the Company changed its reporting for the DSM Rider account from cash basis to accrual basis. Table 1 above reflects accrued expenses and Rider balances as reported in the annual DSM reports. The amount for which the Company seeks a prudence determination is based on cash accounting, thus the expenses reflected above do not match with the Company's Application. The actual prudently incurred expenses by year are shown below:

YEAR	EXPENDITURES
2010	\$ 7,515,026
2010	\$8,100,681 (load control incentives)
2011	\$ 2,815,694
2012	\$ 3,459,989
2013	<u>\$ 3,874,096</u>
	\$25,765,486

Energy Savings

Staff compared the Company's acquired energy savings to its Conservation Potential Assessment (CPA) and the Integrated Resource Plan (IRP) to determine if the Company is pursuing all cost effective DSM. A CPA is developed by an independent evaluator approximately every two years to estimate future DSM potential system-wide over a 20-year period. The CPA includes two categories, technical potential and achievable technical potential. Technical potential assumes all energy efficiency available is acquired. Achievable technical potential assumes that 85% of the technical potential is achieved. This latter "ramp rate" considers customer acceptance levels and is consistent with the Northwest Power Council's methodology. The CPA results are important because they help evaluate the IRP process. The IRP methodology bundles measures with similar leveled costs and selects cost-effective resources.

From 2010 – 2013, the Company acquired 55,435 MWh of energy savings. This outpaced its IRP savings by 17,327 MWh, but fell short of its achievable technical potential derived from its CPA by 2,974 MWh. The Company's acquired savings each year surpassed its annual IRP target with the exception of 2010. However, the Company's acquired savings exceeded their CPA achievable technical potential in 2012 and 2013. Table 2 as follows summarizes and compares the Company's acquired energy savings to its CPA and IRP goals from 2010-2013.

Table 2

Program	2010 *	2011*	2012*	2013*
Low Income Weatherization-21	78,448	276,486	279,528	113,440
Home Energy Savings-118	3,662,254	2,651,341	2,916,774	2,800,547
See ya later, refrigerator-117	1,138,658	1,037,069	898,533	772,235
Subtotal Residential	4,879,360	3,964,896	4,094,835	3,686,222
Energy FinAnswer-125	1,609,040	532,135	342,904	2,528,961
FinAnswer Express-115	3,864,185	2,442,275	4,884,553	5,836,802
Subtotal Commercial/Industrial	5,473,225	2,974,410	5,227,457	8,365,763
Agricultural Energy Services-155	2,742,918	2,574,126	3,292,325	8,159,713
Subtotal Agricultural	2,742,918	2,574,126	3,292,325	8,159,713
Total Energy Efficiency	13,095,503	9,513,432	12,614,617	20,211,698
IRP Goal	15,145,000	6,856,000	8,482,000	10,690,000
CPA Achievable Technical Potential	23,065,000	9,694,000	11,088,000	14,563,000

*Savings reported as kWh/Yr gross savings at generation.

To determine the energy savings for its prescriptive programs, the Company uses measure-level savings estimates from the Regional Technical Forum (RTF) and “RMP deemed”² savings. The Company’s deemed savings are calculated using the results of its impact evaluations and the RTF methodology. During Staff’s audit, Rocky Mountain explained that while it supports and frequently uses the methodology of RTF estimates, the secondary data on which the RTF relies often comes from very urban service territories that may not reasonably reflect the baselines, market characteristics, customer usage patterns, and other assumptions in Rocky Mountain’s rural service territory.

In addition, Rocky Mountain maintains a transparent and detailed Technical Resource Library (TRL) that documents the sources, dates, methodology, and workpapers used to derive all prescriptive savings estimates. Staff reviewed the TRL during its audit and believes it will

² The RTF is a NW Power and Conservation Council advisory committee that develops standards to estimate savings from energy efficiency measures. The Company has confirmed that in this case, “deemed” means “prescriptive.”

continue to be useful for additional audits if Staff has future concerns over the derivation of Rocky Mountain's savings. Consequently, Staff believes that the Company's approach to calculating its prescriptive savings is reasonable.

The current filing is the Company's first prudence request under the 2009 DSM Memorandum of Understanding (MOU). Staff notes the Company's annual reporting has gradually aligned with the intent of the MOU for reporting purposes. For example, the Company now includes a more comprehensive measure list in its 2012 and 2013 reports. However, Staff believes the Company's annual DSM reports should include a more detailed description of the assumptions used to calculate cost effectiveness. Consequently, Staff recommends the Company work with Staff on its reporting measures so that these are included.

All standard service classes fund DSM programs through Schedule No. 191, which specifies a uniform percentage to be applied to a customer's monthly bill. Staff reviewed the energy savings over the period to determine whether energy savings parity exists between customer classes. Although yearly fluctuations exist, a four-year average of energy savings yielded residential savings of 30%, commercial/industrial of 40%, and agricultural at 30%. Beginning in 2012, the Company no longer includes its evaluation, measurement and verification costs as a program expense, but as a portfolio cost. Therefore, it was difficult to determine whether the Company's expenditures were equitable for the customer classes.

The Company did not provide funding for the Northwest Energy Efficiency Alliance (NEEA). Staff believes this is reasonable because the Company's largely agricultural and industrial load characteristics did not compare with NEEA's more urban, residential market transformation efforts.

Staff also compared the measures offered in the Company's Utah service territory to those offered in its Idaho service territory. With the recent Commission approved "wattsmart" Business tariff, all non-residential measures offered in Utah are also offered in Idaho except the agricultural prescriptive measures. Per Commission Order No. 32879, these agricultural measures were removed. *See* Staff comments on page 13 for further discussion. The Company offered several residential measures in Utah not offered in Idaho. However, these measures are intended to reduce cooling load, which the Company believes is less prevalent in its Idaho service territory.

DSM Marketing

Staff thoroughly reviewed the Company's marketing and outreach efforts. The Company uses a variety of media channels to reach out to customers. Some examples include: print, bill inserts, radio, digital ads, email blasts, social media, and TV spots. While Staff is satisfied with the messaging content, Staff notes that despite the Company's efforts, a majority of industrial and commercial customers are unaware of the Company's energy efficiency programs. Staff believes the lack of a structured non-residential marketing plan could be the primary cause of low non-participant awareness.

The Company's third party evaluator conducted a non-participant study for its non-residential programs. The evaluator concluded that 72% of Rocky Mountain's industrial customers and 57% of its commercial customers were unaware of the Company's efficiency incentives and technical assistance. According to the evaluation, "low awareness that RMP offers technical assistance and incentives may limit participation by eligible customers." (Navigant, Energy FinAnswer Evaluation, pg. 56.) Both programs are marketed primarily through local trade allies with support from the Company's consultants, and customer and community managers. In response to Staff's production request to provide marketing plans for all its programs, the Company provided marketing plans for its residential programs only. While Staff recognizes that local trade allies have a vested interest to market the Company's efficiency programs, Staff believes the Company should develop a more structured method to advertise its non-residential DSM programs. Staff notes that a majority of agriculture non-participants were aware of the Company's incentives and technical assistance, but believes the Irrigation Load Control program is the basis of such high awareness. A non-participant study for the residential sector was not conducted.

Staff was unable to determine the Company's total marketing expenditures compared to its total DSM budget because marketing costs are embedded in the program administrator's cost. Staff was able to determine the Company's marketing efforts rely upon a combination of external marketing firms, internal marketing and its third-party program administrators.

The Company is aware of its marketing challenges and has informally indicated it will work to enhance its marketing and outreach efforts in part through its recent wattsmart Business tariff.

Residential Programs

Rocky Mountain Power offers three residential programs: See Ya Later, Refrigerator (SYLR), Home Energy Savers (HES), and Low Income Weatherization. The Company has effectively augmented and adapted residential program delivery in addition to instituting new programs when necessary.

1. SYLR. Rocky Mountain Power's refrigerator/freezer recycling program, SYLR, is similar to programs offered by many other utilities in the region and throughout the country. But in addition to picking up the refrigerator or freezer for decommissioning and recycling, Rocky Mountain takes the opportunity to deliver an energy savings kit to the participating customer at the same time. The savings kit includes "two CFLs, a refrigerator thermometer card, energy-savings educational materials, and information on other efficiency programs relevant to residential customers."³ While these supplemental measures generate only about 5 percent of the program's total energy savings, it is an effective method for leveraging the existing program to generate extra energy savings. The savings kit educates customers on the Company's other incentive programs and offers additional ideas about how to use energy more efficiently.

However, the program is not without its challenges. Pickups are scheduled an average of 17 days after the initial customer request and are only available on weekdays.⁴ The Company's rural customers often wait longer than 17 days for their refrigerator to be picked up. Although participants report high satisfaction with the program, the average age of participants is 59, which could indicate that the long lead time on pickups makes it difficult for customers with full-time weekday jobs to participate.

In order to capture the savings from those units when a customer cannot wait two weeks for a pickup, Rocky Mountain has started incenting participating retailers to decommission and recycle units collected from customers when the customer replaces an existing refrigerator. Some retailers refurbish and sell collected units on the secondary market, so retailer pickups and decommissioning can help reduce the influx of inefficient units into secondary markets.

2. HES. The Home Energy Savers (HES) program offers "upstream" incentives to manufacturers to reduce retail prices on residential lighting and customer incentives for

³ Rocky Mountain Power, 2013 Idaho Energy Efficiency and Peak Reduction Annual Report, page 24.

⁴ Pickups are scheduled within a two-hour window, which is an improvement from the previous four-hour pickup window.

purchasing high-efficiency clothes washers, refrigerators, electric water heaters, windows, insulation, and high-efficiency HVAC equipment and services. In general, this is another example of a well-run and proactively managed efficiency program. For example, Rocky Mountain recently added online applications for all of its appliance incentives. The online application process automatically validates both customer eligibility (using Rocky Mountain account numbers) and appliance eligibility (using model numbers) instantaneously. This method saves the customer the trouble of trying to locate their model number on a qualifying product list and lets the customer know immediately whether their purchase qualifies for an incentive. In addition, this method improves cost-effectiveness because the Company saves the administrative expense of screening for non-qualifying applications. Since deployment of the online application in late 2013, the Company has seen 50 percent of its applications submitted online and expects that percentage to exceed 75 percent by the end of 2014. Further, Rocky Mountain has begun offering incentives for appliances on the Consortium for Energy Efficiency (CEE) list, which are appliances, rated 20 percent above code, rather than Energy Star models, which are rated 10 percent above code. In addition to online applications, Rocky Mountain was one of the first utilities to recognize the value of LED energy savings and began incenting them in August 2012, well ahead of many other utilities.

Despite these accomplishments, Staff noticed two anomalies in the calculation of the program's lighting savings. First, the 2011 impact evaluation found that the estimates for lighting savings did not include a waste-heat factor. More efficient lighting produces significantly less heat than incandescent lamps and therefore increases the amount of energy needed for space heating. It is generally accepted practice for lighting calculations to include this space heat penalty, but Rocky Mountain did not include it in either program planning or program savings estimates until 2012. Second, Staff noticed that the Company used Regional Technical Forum (RTF) savings estimates for its residential lighting program until 2011, when it began using the values from its impact evaluation. When asked about the shift, Rocky Mountain advised Staff that its program had been developed around lamp wattage, so when the RTF began grouping savings by lumen, those findings did not readily transfer into the Company's program. Staff believes the Company's explanation for the change in lighting program savings is reasonable.

3. Low Income Weatherization. Rocky Mountain Power provides \$300,000 annually to the Eastern Idaho Community Action Partnership (EICAP) and Southeastern Idaho Community Action Agency (SEICAA) to provide low income weatherization services for income qualifying customers. Idaho homes receiving weatherization funding through this program decreased by 28 percent from 2012 to 2013. Most of the decline was attributable to SEICAA, which weatherized only 23 homes in 2013. In response to discovery, Staff learned that SEICCA is having difficulty finding electrically-heated, income qualified customers who are willing to participate. Rocky Mountain has committed to “provide a list of the 100 highest kWh users that receive energy assistance in the counties that SEICAA serves in an effort to assist them in identifying potential participants.” The Company also plans to “discuss additional ways to help promote the program.”⁵ Staff believes this collaboration is necessary to improve program participation.

In addition to the shortage of weatherization candidates, SEICCA had approximately 100 energy saving kits remaining at the end of 2013 from the original 500 ordered in late 2010. In 2013 SEICAA purchased 1,495 shower timers and 1,271 night lights to help Rocky Mountain comply with the 2011 Commission order to provide \$25,000 in Conservation Education funding annually.⁶ Staff supports Rocky Mountain’s effort to increase participation for the low income weatherization program and will continue to monitor the distribution of energy kits to determine if more effective or complementary education methods should be adopted. Staff notes the Company reported EICAP and SEICCA information differently in its Annual Report. Staff recommends the Company use a similar reporting format for the EICAP and SEICAA Low Income Education Program. This helps facilitate Staff’s understanding of the similarities and differences in each agency’s program.

During Staff’s audit of Rocky Mountain’s prudency filing, it learned that CAP agencies frequently do not replace inefficient refrigerators in low income homes because state rules appear to require background checks for vendors who enter program participants’ homes. Since the cost-effectiveness of low income programs could be significantly improved by replacing

⁵ Rocky Mountain Power, Response to IPUC Data Request 21.

⁶ Energy saving kits are distributed to low-income RMP customers with electric space heating. The shower timers and night lights will be added to kits, and also will be distributed as stand-alone items to customers who do not have electric heat.

refrigerators, Staff recommends Rocky Mountain and the CAP agencies find ways to replace more inefficient refrigerators through this program.

In response to Staff's production request, Rocky Mountain confirmed that it offers several measures to its Utah residential customers that are not available to Idaho residents. Most of the Utah-specific measures are intended to reduce cooling load which, according to the Company, is less prevalent in the Company's Idaho territory. However, the Company offers both a behavior-based program and an incentive program for new construction in its Utah service territory, neither of which are available in Idaho. In 2015, the Company plans to expand its residential behavior-based program, which are Home Energy Reports distributed by mail through OPOWER to its Idaho customers.

The only residential energy efficiency program not offered in Idaho targets new construction. The Company has acknowledged this shortcoming and discussed it with Staff. Since new construction has been sluggish in Rocky Mountain's Idaho territory, Staff understands that this has not been a high priority. However, Staff encourages the Company to continue monitoring the market for evidence that this program should be offered.

Non-Residential Programs

The Company's two commercial and industrial programs, Energy FinAnswer and FinAnswer Express, operate in tandem to provide custom and prescriptive incentives. Agricultural Energy Services provides custom and prescriptive incentives for the irrigation customer class.

1. Energy FinAnswer. This program provides custom incentives for large, comprehensive projects including new construction and retrofits. Interestingly, lighting projects are generally not offered in this program. The Company administers the program, but outsources implementation to energy engineering firms and trade allies in order to perform energy analysis, quality assurance and savings verification. While conducting an on-site audit of the Company's programs, Staff thoroughly reviewed the Company's extensive verification process. For example, after a customer signs a letter of intent to use the Company's energy efficiency services, a pre-approved energy engineering firm is selected to physically inspect the industrial site. A report is generated resulting in an energy analysis that lists all energy efficiency measures, expected savings and costs, and incentive levels. This report is then peer-reviewed by

a separate engineering firm for quality control before the report is sent to the customer. This level of review is important to include early in the process because it is the information customers use to make large investment decisions. This level of quality control is completed for all custom projects.

Following project completion, the same engineering firm that conducted the initial energy analysis then conducts post-installation verification. Most custom projects undergo commissioning, which is usually a 3-4 week process before the incentive is paid. A final inspection report documents measures installation and energy savings. The appropriate invoices are also collected to verify installed measure costs. Following this report, the Company conducts another layer of verification. The Program Manager then signs a compliance form that goes to the Commercial and Industrial (C&I) Director. Some of the Company's engineering firms believe that the extent of reporting "and associated quality control reviews were by far the most rigorous that they had seen among different programs over time" (Navigant, Energy FinAnswer Evaluation, pg. 53). Staff encourages the Company to continue being thorough with its reporting and quality control.

2. FinAnswer Express. This program provides prescriptive incentives for new or retrofit projects, such as lighting, HVAC, motors, building envelope, and other equipment measures. The program also offers customer incentives and technical analysis. According to Staff's review, the majority of savings are derived from lighting, a trend Staff expects to increase in the future. The Company outsources its program administration to Nextant (commercial projects) and Cascade Energy (industrial/agricultural projects) for trade ally coordination, training and application processing services. A series of quality controls exist, such as lighting calculators to determine energy savings, post-inspection requirements to verify measure installation and mandatory receipt/invoice submittal.

Staff reviewed the Company's impact evaluation conducted by Navigant for the 2009-2011 program years. The evaluation concluded that the 2011 program year was cost effective from the UCT perspective, but failed the TRC with a benefit/cost ratio of 0.91. Accordingly, the primary cause of the program failing the TRC in 2011 was due to the inclusion of Office of Energy Resources (OER) projects that used additional measures. When OER projects were excluded, the program was cost effective from all perspectives.

The Company incented 11 OER projects in 2011 and 13 projects in 2012, resulting in 547,389 kWh total OER savings. The Company generally maximizes its energy efficiency programs by offering measures with the highest amount of savings. However, OER projects consisted of measures that were not offered by the Company. Because the TRC calculation includes all costs and all savings, Rocky Mountain had to include the high incremental cost of those lower savings measures that were not offered by the Company. Navigant concluded that the incremental cost of measures installed in 2011 was about 160% of the incremental cost of measures installed in 2010, while the net evaluated savings for 2011 was about 60% of the savings reported in 2010. An impact evaluation for 2012 was not completed by the time of the prudency filing. Staff expects that a future 2012 impact evaluation could yield similar cost effectiveness results. Even though prescriptive commercial and industrial programs are usually quite cost-effective and the OER projects lowered the TRC cost-effectiveness, the Company was not out of compliance with the DSM MOU because the program was cost-effective from the UCT perspective. Further, the Company was consistent in following its tariff language that provided incentives for all individually qualifying measures, even if the total project was not cost-effective.

The Company recently filed an Application to condense its non-residential programs into a single wattsmart Business tariff. Case No. PAC-E-14-08. Staff supported the Company's proposal because it believed the current structure of the Company's non-residential programs could unintentionally impede program performance by making customers move between different programs due to a change in project scope midstream. Staff believes the Company's proposed modification may make the programs more comprehensive and increase participation. Order No. 33178.

3. Irrigation. In May 2013, the Company submitted an Application (PAC-E-13-10) to suspend its prescriptive measures for DSM Schedule 155, (Agricultural Energy Services). In its filing, the Company proposed to suspend the nozzle exchange program and the pivot and linear equipment measures because the multi-year, third-party analysis (2009-2011) concluded the two options made the entire program cost-ineffective. By eliminating the poor-performers and continuing to offer the custom option, the Company believed the program would be cost-effective from all perspectives over the 2014-2016 timeframe. In that case, Staff reviewed program energy savings, cost-effectiveness and program participation. Over the three-year

period, the prescriptive measures caused the entire program to fail the TRC. The UCT also failed in each year except 2009 when the TRC was 1.09. The Commission approved the request in August 2013. Order No. 32967. Staff believes the Company's filing was prudent and necessary given the cost-effectiveness of the program.

The program experienced a considerable increase in savings in 2013 that coincided with the planned expiration date of the two options. Staff believes the expiration date may have contributed to the considerable increase in participation. Staff notes some utilities have used the expiration date as a marketing strategy, such as Avista's T12 to T8 lighting transition, which also yielded significant unexpected savings.

Tariff Compliance

Staff reviewed the Company's Schedule No. 191 for compliance and discovered Schedule No. 8 to be subject to Schedule No. 191 charges. However, Schedule No. 8 no longer exists. Consequently, Staff recommends the Company submit a corrected tariff that accurately shows customer schedules subject to Schedule No. 191 changes.

STAFF RECOMMENDATION

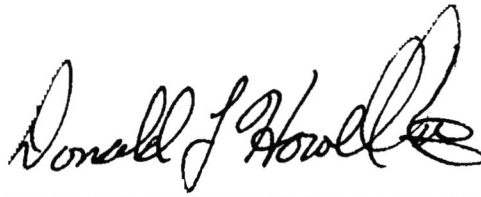
Based on Staff's analysis, it believes the Company's DSM efforts were prudent. Staff recommends the Commission:

1. Find that the Company prudently incurred DSM expenditures of \$25,765,486. This amount consists of \$17,664,805 in energy efficiency expenses and \$8,100,681 in expenses associated with the Idaho Irrigation Load Control program.
2. Require the Company to work with Staff on adequate reporting assumptions used in reporting cost-effectiveness.
3. Require the Company to use a similar reporting format for EICAP and SEICAA Low Income Education program.
4. Require the Company to submit a revised Schedule No. 191 tariff to accurately reflect customer schedules subject to its changes.
5. Require the Company and the CAP agencies to research and report to Staff options for replacing more refrigerators through the Low Income Weatherization program.

Respectfully submitted this

14th

day of November 2014.

A handwritten signature in black ink, appearing to read "Donald L. Howell, II". The signature is fluid and cursive, with a large, stylized initial "D".

Donald L. Howell, II
Deputy Attorney General

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i:umisc/comments/pace14.7dhdjhsdnkdect comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 14TH DAY OF NOVEMBER 2014, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-14-07, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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