



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

January 20, 2011

VIA OVERNIGHT DELIVERY

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

Re: Case No. PAC-E-11-06
In the Matter of the Application of Rocky Mountain Power Requesting Approval
of Revisions to its Dispatchable Irrigation Load Control Program.

Dear Ms. Jewell:

Enclosed for filing please find an original and nine (9) copies of Rocky Mountain Power's Application in the above referenced matter and of Ms. Carol Hunter's testimony filed in support of the Application. Also enclosed is a CD containing the Application and testimony for the Court Reporter in their original format.

On January 11, 2011, the Company filed Tariff Advice 11-01 proposing modifications to its Schedule 72A Dispatchable Irrigation Load Control Program. Subsequent to discussions with Commission Staff regarding Tariff Advice 11-01, the Company has elected to voluntarily withdraw Tariff Advice 11-01 and to process the proposed tariff modifications in this Application.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager, at (801) 220-2963.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey K. Larsen".

Jeffrey K. Larsen
Vice President, Regulation

Enclosures

Mark C. Moench
 Daniel E. Solander
 Yvonne R. Hogle
 Rocky Mountain Power
 201 South Main Street, Suite 2300
 Salt Lake City, Utah 84111
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Attorneys for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF ROCKY)	CASE NO. PAC-E-11-06
MOUNTAIN POWER REQUESTING)	
APPROVAL OF REVISIONS TO ITS)	APPLICATION OF
DISPATCHABLE IRRIGATION)	ROCKY MOUNTAIN POWER
LOAD CONTROL PROGRAM)	

COMES NOW, Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”) and in accordance with Idaho Code §§ 61-502 and 61-503 and RP 052, hereby requests that the Idaho Public Utilities Commission (“IPUC” or “Commission”) issue an order on or before February 15, 2011, authorizing prospective changes to its Dispatchable Irrigation Load Control Program. In support of this Application, the Company submits the following:

I. BACKGROUND

1. Schedule 72A, Dispatchable Irrigation Load Control Credit Rider Program (“Program”), is a voluntary load control program available to agricultural irrigation customers receiving service under Schedule 10, Irrigation and Soil Drainage Pumping Power Service. The purpose of the Program is to allow the Company to control demand and manage the system

summer peak by turning off participating pumps periodically, not to exceed 52 hours, during June 1 through August 31 (the “Program Season”).

2. Under voluntary participation in the Program, participants voluntarily agree to allow the Company to turn off pumps, with a day ahead notification, any Monday through Friday between 11:00 a.m. and 7:00 p.m. Mountain Daylight Time during the Program Season.

3. Rocky Mountain Power implemented the Program as a pilot for the 2007 irrigation season with approximately 65 MW of participating load. During the 2007 pilot the Company was able to achieve the anticipated results so the Company applied in 2008 with the Commission and was granted authorization to roll out the Program in 2008. Participation in the Program grew to 203 MW its first year in 2008; it continued to grow in 2009 to 254 MW and in 2010 reached approximately 278 MW of participation.

4. During 2008 and 2009 the Company began to notice voltage excursions during dispatch events. A review during these years determined the voltage excursions to be caused by two factors, both factors having to do with the Program size and corresponding magnitude of load loss during Program dispatch events. Due to the concentration of participating agricultural pumping loads on specific Company circuits, the circuits were experiencing unacceptable increases at the moment of dispatch. The second contributing factor was the magnitude of the loss of load. Even with adequate time to adjust, the dominance of the participating agricultural pump loads on some circuits is simply beyond the compensatory abilities of the Company’s installed voltage control equipment.

5. By 2010, the Company, working with participating customers, implemented a phasing process to ramp load off and back on during dispatch events. While this phasing process helped mitigate the first factor mentioned above, the sudden loss of load at the moment of dispatch, providing time needed for the circuit’s voltage control equipment to step into and out of a dispatch event, it did little to mitigate the second factor as the size of the loss of load was beyond the voltage control equipment’s ability to compensate. To address the second factor, the

Company determined that it was necessary to move some of the participating customer loads to other control hours, effectively diluting the magnitude of control during the specific peak load hours when the curtailment of load is most needed.

II. PROPOSED PROGRAM MODIFICATIONS

6. Rocky Mountain Power believes that the Program has grown beyond the size that the transmission and distribution systems can absorb in its Idaho service territory as demonstrated by the voltage excursions. In response to these issues, and in an effort to optimize the impact provided by the participating loads, the Company proposes the following Program changes. These Program changes are more fully explained in the testimony of Ms. Carol Hunter that accompanies this Application.

a. Rocky Mountain Power seeks to add language to Schedule 72A which will enable the Company to manage Program participation levels. Idaho Power has similar language in their Irrigation Peak Rewards Program tariff (Schedule 23). Rocky Mountain Power's proposed language includes additional criteria for Program cost effectiveness and impact on the operation of the Company's transmission and distribution system. The Company is proposing the addition of the following language:

The Company shall have the right to select and reject Program participants, regardless of an existing LCSA, 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, impact on the operation of the Company's transmission and distribution system, billing demand, location, pump horse power, pumping system configuration, and/or electric system configurations. Past participation does not ensure selection into the Program in future years. Participation may be limited based upon availability of the Program equipment and funding.

b. The Company proposes to eliminate the graduated rate schedule since participation has exceeded the top level. The Company also proposes to change the Load Control Service Credit to \$25.30 per kW per year.

c. The Company also proposes to revise the opt-out penalty from the posted market price of energy to a graduated scale as listed below:

Opt-Out Cost

Number of Opt-Outs	Amount of LCSC Available to Participant
1	100% of the participation credit paid to participant
2	90% of the participation credit paid to participant
3	70% of the participation credit paid to participant
4	50% of the participation credit paid to participant
5	25% of the participation credit paid to participant
6	0% of the participation credit paid to participant

d. The Company proposes minor administrative language changes in the tariff, including: modifying language about continued participation in the Program; eliminating the requirement for internet access; deleting duplicate language dealing with calculation of the credit; removing references to air time communication costs; removing use of equipment charges; and changing “irrigation season” to “Program Season” in the tariff.

III. MODIFIED PROCEDURE

7. Rocky Mountain Power requests this Application be processed under Modified Procedure, i.e., by written submissions rather than hearing according to RP 201, et seq. If, however, the Commission determines that a technical hearing is required, the Company stands ready to present testimony and support the Application in such hearing. In support of this Application, Rocky Mountain Power has submitted the pre-filed direct testimony of Carol Hunter.

IV. COMMUNICATIONS

8. Communications regarding this Application should be addressed to:

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

and to:

Daniel E. Solander
201 South Main, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-4014
Fax: (801) 220-3299
Email: 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

V. CONCLUSION

9. Rocky Mountain Power respectfully requests the Commission issue an Order on or before February 15, 2011, approving the requested Program modifications to its Dispatchable Irrigation Load Control Program (Schedule 72A). Rocky Mountain Power represents that it stands ready for immediate consideration of this Application.

DATED this 20th day of January, 2011.

Respectfully submitted,

By Mark Moench (AM)
Mark C. Moench
Daniel E. Solander
Yvonne R. Hogle
Attorneys for Rocky Mountain Power

ATTACHMENT NO. 1

(This attachment will contain the clean and legislative copies of the proposed Schedule 72A tariff sheets)



I.P.U.C. No. 1

Fifth Revision of Sheet No. 72A.1
Canceling Fourth Revision of Sheet No. 72A.1

ROCKY MOUNTAIN POWER
ELECTRIC SERVICE SCHEDULE NO. 72A
STATE OF IDAHO

Dispatchable Irrigation Load Control Credit Rider Program

PURPOSE: This optional tariff allows Customers to participate in a dispatchable control service interruption program in exchange for a Load Control Service Credit (LCSC). Customers participating in this program will be considered participants in the Irrigation Load Control Credit Rider program (Program).

PARTICIPATION: Prior to participation, and in order to qualify under this Schedule, Customers, or their designated representative, must execute a Load Control Service Agreement (LCSA) with the Company. The Company shall have the right to select and reject Program participants, regardless of an existing LCSA, 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, impact on the operation of the Company's transmission and distribution system, billing demand, location, pump horse power, pumping system configuration, and/or electric system configurations. Past participation does not ensure selection into the Program in future years. Participation may be limited based upon availability of the Program equipment and funding.

APPLICABLE: To qualifying Customers served on Schedule 10 who have signed an LCSA and have been selected by the Company for participation in the Program.

PROGRAM SEASON: The Program Season will be from June 1 to August 31, annually.

(Continued)

Submitted Under Case No. PAC-E-11-06

ISSUED: January 20, 2011

EFFECTIVE: February 15, 2011



I.P.U.C. No. 1

Fifth Revision of Sheet No. 72A.2
Canceling Fourth Revision of Sheet No. 72A.2

ELECTRIC SERVICE SCHEDULE NO. 72A – Continued

LOAD CONTROL SERVICE AGREEMENT: The Customer and Company will execute a LCSA for irrigation load control participation. The LCSA will define the terms and conditions of Program participation. Once executed, the agreement shall remain in force for subsequent Program Seasons unless explicitly canceled by the participating Customer, by the Company, or this tariff is suspended or terminated.

LOAD CONTROL SERVICE CREDIT: The Load Control Service Credit (LCSC) for a participating site shall be issued to the participating customer in the form of a check, or as a credit against the participating site account if an outstanding account balance exists that is 30 days or more past due two weeks before the credit issuance. The LCSC will be issued no later than October 31 following each Program Season. The LCSC is composed of a Fixed Annual Participation Credit that shall remain fixed throughout the Program Season. The LCSC shall be computed at the conclusion of the Program Season by multiplying the Fixed Annual Participation Credit times the Load Control kW at the Schedule 10 metered pump site. The Load Control kW shall be computed by taking the most recent 2-year billing demand (kW) average for that particular site. In situations where the pump has been replaced and/or re-wound the kW shall be computed by taking the manufacturer's revised nameplate Hp and converting it to the kW using standard engineering conversion metrics.

The Participation Credit for 2011 is \$25.30/kW-yr.

SCHEDULE:

Notification of Credit: The Company will provide notification of the total LCSC to eligible Schedule 10 customers in advance of the Program Season.

Load Control Service Agreement: Concurrent with the Notification of Credit referenced above, the Company will provide a notification or LCSA listing the amount of the credit the Customer will receive for the Program Season if they elect and are selected to participate in the Program. Customers who have not previously entered into a LCSA with the Company and who desire to participate in the Program shall sign the LCSA and return it to the Company by April 15 as an indication of their interest.

(Continued)

Submitted Under Case No. PAC-E-11-06

ISSUED: January 20, 2011

EFFECTIVE: February 15, 2011



ELECTRIC SERVICE SCHEDULE NO. 72A – Continued

DISPATCH CONDITIONS: The Company shall have the right to implement a Dispatch Event for participating customers according to the following criteria:

- (a) Available Dispatch Hours: 11:00 AM to 7:00 PM Mountain Daylight Savings Time
- (b) Maximum Dispatch Hours: 52 hours per Irrigation Season
- (c) Dispatch Duration: Not more than four hours per Dispatch Event or twelve hours per week
- (d) Dispatch Event Frequency: limited to a single (1) Dispatch Event per day
- (e) Dispatch Days: Monday through Friday (inclusive)
- (f) Dispatch Day Exclusions: July 4 and July 24

DISPATCH COMMUNICATIONS: The Company will provide day-ahead notice of intent to dispatch as well as day-of confirmation communication prior to the dispatch event. Communications will be made via voice, text or email messaging depending on each Customer’s communication preference.

SPECIAL CONDITIONS:

Outages: Uncontrolled outages or other types of interruptions do not qualify for payment under the tariff.

Ownership of Control Equipment: The load control equipment remains the property of the Company. Customers may, at their discretion, purchase complementary control components that can work with the Company’s foundational control units. To the extent possible, the Company will cooperate and work with local equipment distributors in facilitating such additional equipment.

Communication: The Company will pay the cost of air time communication .

Liquidated Damages: Customers are permitted to ‘opt-out’ of five (5) Dispatch Events throughout the Program Season. Customers electing to ‘opt-out’ of a scheduled dispatch event may do so on the program’s web page, by contacting the program’s call center, or by notifying a program field technician. Each ‘opt-out’ event will incur a cost resulting in a reduction to the Customer’s LCSC as outlined in the “Opt-Out Cost” table below:

Opt-Out Cost

Number of Opt-Outs	Amount of LCSC Available to Participant
1	100% of the participation credit paid to participant
2	90% of the participation credit paid to participant
3	70% of the participation credit paid to participant
4	50% of the participation credit paid to participant
5	25% of the participation credit paid to participant
6	0% of the participation credit paid to participant

(Continued)

ELECTRIC SERVICE SCHEDULE NO. 72A – Continued

Liquidated Damages: (continued)

'Opt-outs' will be computed at the conclusion of the Program Season and will be included as a reduction to the LCSC payment issued to the Customer prior to October 31 each year. Violation of the Liquidated Damages provision shall result in Early Termination under the terms of Special Condition-Early Termination, forfeiture of the entire LCSC.

Liability: The Company is not responsible for any consequences to the participating Customer that result from a load control Dispatch Event or the failure of load control equipment.

Load Shifting: Customers participating in this program may not shift irrigation loads to other facilities served by the Company or purchase replacement production from another facility served by the Company. The Company reserves the right to determine if the participating customer site is in violation of Special Condition-Load Shifting. Violation of the Load Shifting provision shall result in Early Termination under the terms of Special Condition-Early Termination, forfeiture of the entire LCSC, and removal from the Program for the remainder of the Program Season.

Control Equipment Damage / Sabotage: The Company reserves the right to determine if load control devices were intentionally damaged and/or bypassed to limit load control. Violation of this clause shall result in early termination under the terms of Special Condition-Early Termination, forfeiture of the entire LCSC, and removal from the Program for the remainder of the Program Season.

Early Termination: If the Customer is terminated from the Program the Customer shall be responsible for reimbursing the Company for costs associated with participation in the Program. Such costs include, but are not limited to, direct and indirect labor costs associated with enrolling the Customer in the Program, labor costs for installing the equipment, labor to investigate intentional damage to load control devices, removing the Customer from the Program, and will not include costs for replacement power. Customers required to pay costs associated with early termination under terms of this Special Condition will be provided with a statement detailing such costs.

Free Riders: Customers may not participate in this Program with accounts and meters that would not have used power during the Program Season irrespective of participation in the Program. The Company reserves the right to determine if the participating customer is in violation of the Special Condition-Free Riders. Violation of Special Condition-Free Riders shall result in Early Termination, forfeiture of the LCSC, and removal from the Program for the remainder of the Program Season.

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Idaho Public Utilities Commission, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.



I.P.U.C. No. 1

~~Fifth Fourth~~ Revision of Sheet No. 72A.1
Canceling ~~Fourth Third~~ Revision of Sheet No. 72A.1

ROCKY MOUNTAIN POWER
ELECTRIC SERVICE SCHEDULE NO. 72A
STATE OF IDAHO

Dispatchable Irrigation Load Control Credit Rider Program

PURPOSE: This optional tariff allows Customers to participate in a dispatchable control service interruption program in exchange for a Load Control Service Credit (LCSC). Customers participating in this program will be considered participants in the Irrigation Load Control Credit Rider program (Program).

PARTICIPATION: Prior to participation, and in order to qualify under this Schedule, Customers, or their designated representative, must execute a Load Control Service Agreement (LCSA) with the Company. The Company shall have the right to select and reject Program participants, regardless of an existing LCSA, 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, impact on the operation of the Company's transmission and distribution system, billing demand, location, pump horse power, pumping system configuration, and/or electric system configurations. Participants in the dispatchable program will be considered program participants for subsequent years unless the Customer explicitly communicates the desire to no longer participate in the Load Control Credit Rider program. Past participation does not ensure selection into the Program in future years. Participation may be limited based upon availability of the Program equipment and funding.

APPLICABLE: To qualifying Customers served on Schedule 10 who have signed an LCSA and have been selected by the Company for participation in the Program.

~~and who have continuous access to the Internet from May 1 through September 15. Access to the internet beginning May 1 is required to allow for program information sharing, training, and communication testing in advance of the control season. In addition, Schedule 10 Customers participating in the dispatchable program must:~~

- ~~(a) Meet minimum irrigation equipment motor load size of 30 Hp. The Company may evaluate individual pumps or motors smaller than 30 Hp to determine if participation is cost effective or necessary because such pumps are part of a larger participating system.~~
- ~~(b) Use advanced 2-way remote control equipment as specified by the Company to manage ALL pumping requirements throughout the Company defined Irrigation Season (June 1 through September 15).~~
- ~~(c) Participate in Company defined training to set up their pump sites for dispatch.~~

Submitted Under Advice Case No. PAC-E-11-0609-05

~~ISSUED: October 28, 2009~~ January 20, 2011

~~EFFECTIVE: February 15, 2011~~ December 31, 2009



I.P.U.C. No. 1

Fifth ~~Fourth~~ Revision of Sheet No. 72A.1
Canceling ~~Fourth~~ Third Revision of Sheet No. 72A.2

(d) ~~Incur air time communication charges for communication transactions exceeding 70 per month. Charges for communication transactions in excess of 70 per month will be deducted from the Customer's LCSC.~~

~~DISPATCHABLE PROGRAM SEASON: The Program Season is rider is applicable will be from June 1 to August 31, annually.~~

(Continued)

Submitted Under ~~Advice~~ Case No. PAC-E-11-0609-05

ISSUED: ~~October 28, 2009~~ January 20, 2011

EFFECTIVE: February 15, 2011 ~~December 31, 2009~~



I.P.U.C. No. 1

~~Fifth~~ ~~Fourth~~ Revision of Sheet No. 72A.2
 Canceling ~~Fourth~~ ~~Third~~ Revision of Sheet No. 72A.2

ELECTRIC SERVICE SCHEDULE NO. 72A – Continued

LOAD CONTROL SERVICE AGREEMENT: The Customer and Company will execute a LCSA for irrigation load control participation. ~~The LCSA shall specify the Load Control kW amount that each of the Customer's sites shall curtail during each Dispatch Event. The agreement will also include typical costs that the Customer may incur for Early Termination.~~ define the terms and conditions of Program participation. Once executed, the agreement shall remain in force for ~~subsequent Program Irrigation Seasons unless explicitly canceled by the participating Customer, by the Company, or this tariff is suspended or terminated.~~

~~Cancellation of an existing LCSA may occur only between September 16 and May 30 each year.~~

LOAD CONTROL SERVICE CREDIT: The Load Control Service Credit (LCSC) for a participating site shall be ~~calculated and issued to the participating customer in the form of a check, or as a credit against the participating site account if an outstanding account balance exists that is 30 days or more past due two weeks before the credit issuance.~~ The LCSC will be issued no later than October 31 following each Program Irrigation season. ~~The LCSC is composed of a Fixed Annual Participation Credit that shall remain fixed throughout the Program Irrigation Season each year.~~ The LCSC shall be computed at the conclusion of the Program Irrigation Season by multiplying the Fixed Annual Participation Credit times the Load Control kW at the Schedule 10 metered pump site. ~~The Load Control kW shall be computed by taking the most recent 2-year billing demand (kW) average for that particular site. In situations where the pump has been replaced and/or re-wound the kW shall be computed by taking the manufacturer's revised nameplate Hp and converting it to the kW using standard engineering conversion metrics.~~

~~The Fixed Annual Participation Credit for 2010, 2011 and 2012 is based upon total program participation volumes as defined in the table below (Participation Credit Schedule). The participation credit is increased for each tier of program participation volume to encourage participation in the program.~~

The Participation Credit for 2011 is \$25.30/kW-yr. ~~Schedule~~

Program Participation Volumes (MW)	Participation Credit (\$/kW-yr)
Less than 150	\$23.00
150 to less than 175	\$26.00
175 or greater	\$28.00

SCHEDULE:

Notification of Credit: The Company will provide notification of the total LCSC to all eligible Schedule 10 customers in advance of the Program Season ~~by February 15 each year.~~

Load Control Service Agreement: Concurrent with the Notification of Credit referenced above, the Company will provide a notification or LCSA listing the amount of the credit the Customer will receive for the Program Irrigation ~~season if they elect and are selected to participate in the Pprogram.~~ Customers who have not previously entered into a LCSA with the Company and who desire to participate in this load

Submitted Under ~~Advice~~ Case No. PAC-E-11-0609-05

ISSUED: ~~October 28, 2009~~ January 20, 2011

EFFECTIVE: ~~February 15, 2011~~ December 31, 2009



I.P.U.C. No. 1

Fifth ~~Fourth~~ Revision of Sheet No. 72A.2
Canceling Fourth ~~Third~~ Revision of Sheet No. 72A.2

~~control the~~ Program shall sign the LCSA and return it to the Company by April 15 ~~to indicate their~~
~~participation as an indication of their interest.~~

-(Continued)

Submitted Under ~~Advice~~ Case No. PAC-E-11-0609-05

ISSUED: ~~October 28, 2009~~ January 20, 2011

EFFECTIVE: February 15, 2011 ~~December 31, 2009~~

ELECTRIC SERVICE SCHEDULE NO. 72A – Continued

DISPATCH CONDITIONS: The Company shall have the right to implement a Dispatch Event for participating customers according to the following criteria:

- (a) Available Dispatch Hours: 11:00 AM to 7:00 PM Mountain Daylight Savings Time
- (b) Maximum Dispatch Hours: 52 hours per Irrigation Season
- (c) Dispatch Duration: Not more than four hours per Dispatch Event or twelve hours per week
- (d) Dispatch Event Frequency: limited to a single (1) Dispatch Event per day
- (e) Dispatch Days: Monday through Friday (inclusive)
- (f) Dispatch Day Exclusions: July 4 and July 24

DISPATCH COMMUNICATIONS: The Company will provide day-ahead notice of intent to dispatch as well as day-of confirmation communication prior to the dispatch event. Communications will be made via voice, text or email messaging depending on each Customer's communication preference.

SPECIAL CONDITIONS:

~~Load Control kW:~~ The ~~Load Control kW~~ amount for the Irrigation Season shall be computed as follows:

- ~~1. The maximum kW for the past two (2) years (or available history) for each of the four irrigation months shall be averaged by month (June 1 through September 15).~~
- ~~2. The average monthly values calculated in Step 1 above shall be averaged.~~
- ~~3. The output of Step 2 above shall be multiplied by the appropriate participation credit as defined in the Participant Credit Schedule above.~~

Outages: Uncontrolled outages or other types of interruptions do not qualify for payment under the tariff.

Ownership of Control Equipment: The load control equipment remains the property of the Company. Customers may, at their discretion, purchase complementary control components that can work with the Company's foundational control units. To the extent possible, the Company will cooperate and work with local equipment distributors in facilitating such additional equipment.

Communication: The Company will pay the cost of air time communication for up to 70 transactions per month. ~~Additional Customer communication with irrigation control equipment is permitted. The cost of such transactions will be the Customer's responsibility but will be managed through the Company (Note: Customer air time communication costs, if any, will be calculated as a reduction to the LCSC).~~

:

Liquidated Damages: Customers are permitted to 'opt-out' of five (5) Dispatch Events throughout the ~~Program~~ Irrigation Season. Customers electing to 'opt-out' of a scheduled dispatch event may do so on the program's web page, by contacting the program's call center, or by notifying a program field technician.

Each 'opt-out' event will incur a cost resulting in a reduction to the Customer's LCSC as outlined in the "Opt-Out Cost" table below:

Opt-Out Cost

<u>Number of Opt-Outs</u>	<u>Amount of LCSC Available to Participant</u>
<u>1</u>	<u>100% of the participation credit paid to participant</u>
<u>2</u>	<u>90% of the participation credit paid to participant</u>
<u>3</u>	<u>70% of the participation credit paid to participant</u>
<u>4</u>	<u>50% of the participation credit paid to participant</u>
<u>5</u>	<u>25% of the participation credit paid to participant</u>
<u>6</u>	<u>0% of the participation credit paid to participant</u>

~~The costs will be calculated based on the \$/MWh the Company otherwise has to pay for power at the time of the Dispatch Event. Such \$/MWh prices will be provided by day ahead on peak price as published at <http://theice.com> and will be based on the established Four Corners trading hubs.~~

(Continued)

ELECTRIC SERVICE SCHEDULE NO. 72A – Continued

Liquidated Damages: (continued)

‘Opt-outs’ will be computed at the conclusion of the Program ~~Sirrigation~~ season and will be included as a reduction to the LCSC payment issued to the Customer prior to October 31 each year. ‘Opt-outs’ ~~beyond those identified above are not permitted.~~ Violation of the Liquidated Damages provision shall result in Early Termination under the terms of Special Condition-Early Termination, forfeiture of the entire LCSC.

Liability: The Company is not responsible for any consequences to the participating Customer that result from a load control Dispatch Event or the failure of load control equipment.

~~**Use of Load Control Equipment:** The Customer shall be required to exclusively use the 2-way load control equipment to manage their irrigation equipment through the duration of the Irrigation Season.~~

Load Shifting: Customers participating in this program may not shift irrigation loads to other facilities served by the Company or purchase replacement production from another facility served by the Company. The Company reserves the right to determine if the participating customer site is in violation of Special Condition-Load Shifting. Violation of the Load Shifting provision shall result in Early Termination under the terms of Special Condition-Early Termination, forfeiture of the entire LCSC, and removal from the Pprogram for the remainder of the Irrigation Program Season.

Control Equipment Damage / Sabotage: The Company reserves the right to determine if load control devices were intentionally damaged and/or bypassed to limit load control. Violation of this clause shall result in early termination under the terms of Special Condition-Early Termination, forfeiture of the entire LCSC, and removal from the pilot pprogram for the remainder of the Irrigation Program Season.

Early Termination: If the Customer is terminated from the Pprogram the Customer shall be responsible for reimbursing the Company for costs associated with participation in the Pprogram. Such costs include, but are not limited to, direct and indirect labor costs associated with enrolling the Customer in the Pprogram, labor costs for installing the equipment, labor to investigate intentional damage to load control devices, removing the Customer from the Pprogram, and will not include costs for replacement power. Customers required to pay costs associated with early termination under terms of this Special Condition will be provided with a statement detailing such costs.

Free Riders: Customers may not participate in this Pprogram with accounts and meters that would not have used power during the Irrigation Program Season irrespective of participation in the Pprogram. The Company reserves the right to determine if the participating customer is in violation of the Special Condition-Free Riders. Violation of Special Condition-Free Riders shall result in Early Termination, forfeiture of the LCSC, and removal from the Pprogram for the remainder of the Irrigation Program Season.

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service



I.P.U.C. No. 1

Fourth ~~Third~~ Revision of Sheet No. 72A.4
Canceling Third ~~Second~~ Revision of Sheet No. 72A.4

Regulations of the Company on file with and approved by the Idaho Public Utilities Commission, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

Submitted Under Advice Case No. PAC-E-11-0609-01

ISSUED: ~~February 11, 2009~~ January 20, 2011

EFFECTIVE: February 15, 2011 ~~June 1, 2009~~

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
APPLICATION OF ROCKY) **CASE NO. PAC-E-11-06**
MOUNTAIN POWER REQUESTING)
APPROVAL OF REVISIONS TO ITS) **Direct Testimony of Carol L. Hunter**
DISPATCHABLE IRRIGATION)
LOAD CONTROL PROGRAM)

ROCKY MOUNTAIN POWER

CASE NO. PAC-E-11-06

January 2011

1 **Introduction**

2 **Q. Please state your name and business address.**

3 A. My name is Carol L. Hunter. My business address is One Utah Center, 201 South
4 Main, Salt Lake City, UT 84111.

5 **Q. By whom are you employed and in what position?**

6 A. I am a Vice President for Rocky Mountain Power.

7 **Q. Please describe the responsibilities of your current position.**

8 A. I am responsible for demand-side management for Rocky Mountain Power and
9 for Pacific Power. This includes the planning, development, design, approval and
10 implementation of programs designed to reduce energy consumption through
11 energy efficiency and behavioral changes and to reduce consumption during peak
12 periods of usage through load control.

13 **Qualifications**

14 **Q. Please describe your background.**

15 A. I received a B.S. in mechanical engineering in 1977 and an M.B.A. in 1987 from
16 the University of Utah. I joined PacifiCorp in 1977 as a customer service engineer
17 and have held various management positions in resource planning, wholesale
18 marketing, community and business services and economic development. In 2004,
19 I was promoted to vice president.

20 I have held numerous board positions over my 30 year career and
21 currently serve on the executive board of the Salt Lake Chamber of Commerce,
22 the Idaho Strategic Energy Alliance and the energy efficiency subcommittee of
23 the Utah Energy Taskforce.

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to describe the proposed changes to the
3 Company's Dispatchable Irrigation Load Control Program, Schedule 72A (the
4 "Program").

5 **Q. What is the purpose of the Program and who is eligible to participate?**

6 A. The Program is a voluntary load control program available to agricultural
7 irrigation customers receiving service under the Company's Schedule 10,
8 Irrigation and Soil Drainage Pumping Power Service. The purpose of the Program
9 is to allow the Company to control demand and manage the system summer peak
10 by turning off participating pumps periodically, not to exceed 52 hours, during
11 June 1 through August 31 (the "Program Season"). Participants voluntarily agree
12 to allow the Company to turn off pumps, with a day ahead notification, any
13 Monday through Friday between 11:00 a.m. and 7:00 p.m. Mountain Daylight
14 Time during the Program Season. In return, participants receive a load control
15 payment or credit against their outstanding bill before October 31st of each year.

16 **Irrigation Load Control Program**

17 **Q. What is the current status of the irrigation load control Program?**

18 A. The Company's irrigation load control Program has grown from 65 MW in 2007
19 to 203 MW in 2008. During the 2010 Program Season, approximately 278 MW of
20 load was enrolled in the Program. During the 2008 and 2009 Program Seasons,
21 the Company began noticing voltage excursions outside industry acceptable
22 standards during dispatch events. By 2010, the Company began to phase-in and
23 out of dispatch events to try to minimize these excursions. While this phasing

1 approach helped minimize excursions, the Company was still unable to take the
2 entire participating load off during the peak time period between 2:00 and 6:00
3 p.m. due to the magnitude of participating loads on some circuits. The
4 participating loads were simply too dominant on some circuits for the Company's
5 voltage control equipment to compensate for the loss of loads. As a result, with
6 the agreement of the customers, some loads had to be scheduled for curtailment
7 outside of the primary dispatch hour or hours. While this action, coupled with the
8 phase-in and out of dispatch events, was effective in stabilizing the voltage
9 excursions, doing so diluted the total control available during any peak hour when
10 the Program's resources are needed to manage system demands. The Company
11 realized that Program modifications were required to provide the Company the
12 flexibility to select Program participation by system circuit.

13 **Q. Did the Company intend to make modifications to the Program earlier?**

14 A. Yes. During the 2010 Program Season the Company prepared an application to
15 address these issues. Before filing the application the Company spoke with
16 Commission Staff who recommended not proposing changes during the Program
17 Season.

18 Later in the year, through discussions with Staff it became apparent that
19 they planned on raising issues concerning the treatment of the Program in the
20 Company's pending general rate case (PAC-E-10-07). Ultimately, Mr. Randy
21 Lobb and Ms. Terri Carlock filed direct testimony proposing that the costs
22 associated with the Program be system allocated rather than directly assigned to
23 Idaho. I sponsored rebuttal testimony requesting that the Commission approve

1 modifications to the Program that I believe will reduce the costs of the Program
2 and increase its effectiveness.

3 **Q. With a pending Commission Order in Case No. PAC-E-10-07 (2010 GRC),**
4 **why is the Company filing this Application?**

5 A. There are three primary reasons for the filing: First, the current tariff language
6 states that the Company will communicate the value of the load control service
7 credit to customers by February 15. It is my understanding that a decision will not
8 be rendered in the 2010 general rate case until the end of February 2011. Second,
9 while I addressed the major Program changes that the Company is proposing in
10 my rebuttal testimony in the 2010 GRC, there are some additional minor tariff
11 language revisions that need to be made. Finally, the Company did not file revised
12 tariff sheets as part of the 2010 GRC. When the Commission's interlocutory order
13 was silent on the proposed Program modifications, the Company realized the only
14 way to have an order approving changes to the Program would be to file a
15 separate tariff advice or application. On January 11, 2011, the Company filed a
16 tariff advice requesting that the proposed changes be processed and approved by
17 February 11, 2011. This timeline would allow the Company to communicate
18 Program changes to customers before the February 15th deadline. On January 13,
19 2011, Staff contacted the Company and requested that the Company withdraw its
20 tariff advice and file this Application.

21 **Q. Has the Company communicated these proposed changes to its customers?**

22 A. Yes. While preparing rebuttal testimony filed in Case No. PAC-E-10-07, I and
23 other Company representatives had several conference calls with representatives

1 of the Idaho Irrigation Pumpers Association. During those calls several options
2 were discussed, including the revisions listed in my testimony. Further, the Idaho
3 Irrigation Pumpers Association actively participated in Case No. PAC-E-10-07
4 and therefore was made aware of the proposed changes.

5 **Q. Please identify the changes that you are proposing to the irrigation load**
6 **control Program.**

7 A. The Company proposes that the following changes be made to the Program tariff:

- 8 • Add similar language to that of Idaho Power's participation selection
9 language to the Company's tariff. The Company proposes the following
10 language be added to Schedule 72A:

11 The Company shall have the right to select and reject Program
12 participants at its sole discretion based on criteria the Company
13 considers necessary to ensure the effective operation of the
14 Program. Selection criteria may include, but will not be limited
15 to; cost effectiveness, impact on the operation of the
16 Company's transmission and distribution system, billing
17 demand, location, pump horsepower, pumping system
18 configuration, and/or electric system configuration. Past
19 participation does not ensure selection into the Program in
20 future years. Participation may be limited based upon the
21 availability of the Program equipment and funding.

- 22 • Reduce the participation credit to \$25.30 per kW per year.
- 23 • Change the penalty for opt-out events available to the Schedule 72A
24 participants to a percentage reduction in the participation credit for each
25 event as follows:

- 26 ▪ 1 opt out event - 100% of the participation credit paid to
27 participant
- 28 ▪ 2 opt out events - 90% of the participation credit paid to participant
- 29 ▪ 3 opt out events - 70% of the participation credit paid to participant
- 30 ▪ 4 opt out events - 50% of the participation credit paid to participant
- 31 ▪ 5 opt out events - 25% of the participation credit paid to participant

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- 6 opt out events - participation in Program terminated for the year
- Finally, the Company has proposed minor language changes in the Program tariff such as; modifying language about continued participation in the Program, eliminating the requirement for internet access, deleting duplicate language dealing with calculation of the credit, removing references to air time communication costs and to use of equipment charges and changing “irrigation season” to “Program Season” in the tariff.

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Q. Please explain the change in tariff language you are recommending to align the Company’s Program tariff with Idaho Power’s participation selection language.

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A. Beginning in 2008, the Program manager for the irrigation load control Program began fielding complaints from the distribution field engineers regarding voltage excursions during dispatch events. In response, the Program manager began notifying distribution engineering of pending events so the Company could make the necessary adjustments to the system to limit the impact to the system. Program participation continued to grow and in 2009 the solution implemented in 2008 was insufficient to address the issue.

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During the period following the 2009 control season, the Program manager, working with the Company’s engineers, identified the upper limits of the load that could be removed from each circuit without adversely impacting the distribution circuit, distribution substation, transmission substation and/or generating voltages that impacted end-use loads. On a circuit by circuit basis, and

1 ultimately on a grower by grower basis, loads were organized so they could be
2 “stair-stepped” on and off in three minute intervals. While this approach resolved
3 part of the issue, there was still an issue on select distribution substations where
4 reductions were limited to a certain magnitude. In these instances, the only
5 solution was to allocate some loads away from the 2:00 – 6:00 p.m. dispatch to
6 two dispatch periods: 11:00 a.m. – 3:00 p.m. and 3:00 – 7:00 p.m. The result was
7 three distinct dispatch periods and within each of the dispatch periods
8 approximately five different “stair step” dispatches. While this best utilizes the
9 loads under management, it dilutes the Program’s contribution during the highest
10 peak hours when the control is needed the most.

11 By including the proposed language in the Company’s tariff, Rocky
12 Mountain Power can improve the impact of the load control Program at peak,
13 lower Program costs and, as a result, maintain and or improve Program cost
14 effectiveness.

15 **Q. What would the impact be to the Program if the incentive payments are**
16 **lowered to the proposed level of \$25.30 per kW per year?**

17 A. The Program provides significant benefits to customers, even at a reduced rate of
18 \$25.30 per kW per year. While the Company anticipates that the reduced
19 participation credit will result in some customers electing to not participate in the
20 Program, given the number of other factors that may impact a customer’s decision
21 to participate the Company is unable to provide an estimate of the impact on
22 participation from the proposed reduction in participation credit.

1 **Q. How was the \$25.30 per kW per year arrived at as a recommendation?**

2 A. In its Interlocutory Order in Case No. PAC-E-10-07, the Commission indicated
3 that the Program should be treated as a system resource and allocated system-
4 wide. In that case, I requested that the Commission reduce the participation credit
5 to \$25.00 per kW-year. Since the Interlocutory Order was silent on this issue, the
6 Company has calculated the proposed credit based on its recommendation of
7 \$25.00 with 94 percent of the Program costs being shifted to other states, and
8 \$30.00 based on the current level in Idaho absent approval from the Commission
9 to lower it to the \$25.00 as requested in Case No. PAC-E-10-07.

10 **Q. Please explain the changes to the opt-out penalties you are recommending.**

11 A. Let me start by summarizing the current Program. Participants in the Schedule
12 72A Dispatchable Irrigation Program agree to allow the Company to dispatch
13 their pumps for 52 hours per year. Each dispatch event cannot exceed four hours
14 totaling a maximum of 13 interruptions annually. Program participants are
15 permitted to “opt-out” of up to five events; upon opting out of a sixth event, they
16 are terminated from the Program. Pursuant to terms of the existing Program tariff,
17 participants opting out of an event have their annual participation credit reduced
18 by the posted day ahead market price of electricity. While the Company only
19 experienced 2.9 percent of customers opting out of control events, the penalty
20 associated with opting out is inconsistent with the impact to the Program and no
21 clear price signal is available to customers. Consider the following example:

- 22 • Assume an irrigator opts a 135 Hp pump (100kW) out of the Program
23 during five control events.

- 1 • Assume an average value of the liquidated damages in 2010 currently
2 provided for in the tariff.
- 3 • Under the current tariff provision, the irrigator would receive 96 percent of
4 the total participation credit while only curtailing load during a maximum
5 of approximately 60 percent of the events during a Program Season.
- 6 • Based on the proposed opt-out schedule, the irrigator would only retain 25
7 percent of the credits.

8 The proposed change will improve the performance of the Program by (1)
9 reducing the number of opt-outs and, as a result, increasing the amount of load
10 curtailed during events, and/or (2) reducing the total incentives, thereby reducing
11 the overall cost of the Program. This change has no impact on a participant's
12 ability or rights within the Program to opt-out of an event, but rather provides a
13 framework that better aligns the costs associated with doing so with the value
14 provided through the participation credits.

15 **Q. If the proposed modifications are approved, how will the Company select**
16 **which irrigation customers participate in the Program?**

17 A. The Company believes with the proposed revisions the selection process will be
18 accomplished to a degree through customer self selection. As discussed during the
19 hearings in Case No. PAC-E-10-07, limiting participation to larger pumps should
20 eliminate approximately 13 MW of participation. In addition to this, the reduction
21 in the load control credit and the change in the opt-out penalty are likely to result
22 in additional customers who elect to not participate in the Program. Additionally,
23 during the public hearings held December 14th and 15th as part of the Company's

1 2010 general rate case, Program participants on canal systems indicated that the
2 Program did not work for them due to flooding and water losses once water is in
3 the canal. Accordingly, this may be another area of focus. However, ultimately
4 the Company will need to review participation on a circuit by circuit basis to
5 avoid the current over concentration of participation in any one area and use its
6 discretion provided by the proposed language addition above (that similar to the
7 language found in Idaho Power's tariff) to accept or reject participation requests
8 in order to maintain voltage integrity and to maximize Program impact and
9 economics.

10 **Q. How would customers benefit from these Program changes?**

11 A. These changes will reduce the cost of Program delivery while enabling the
12 Company to more efficiently manage the Program and achieve optimal load
13 control results.

14 **Q. Does this conclude your testimony?**

15 A. Yes.