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Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
PACIFICORP DBA UTAH POWER & LIGHT ) CASE NO. PAC-E-03-3  
COMPANY FOR APPROVAL OF AMENDED )  
ELECTRIC SERVICE SCHEDULE 72 - ) COMMENTS OF THE  
IRRIGATION LOAD CONTROL CREDIT ) COMMISSION STAFF  
RIDER PROGRAM. )**

**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Scott Woodbury, Deputy Attorney General, and in response to the Notice of Application, Notice of Modified Procedure and Notice of Comment/Protest Deadline issued on February 13, 2003, submits the following comments.

**BACKGROUND**

On January 31, 2003, PacifiCorp dba Utah Power & Light Company (PacifiCorp; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a proposed amended electric service Schedule 72 – Irrigation Load Control Credit Rider program. The Company’s filing is Attachment A to these comments. PacifiCorp contends that its filing complies with the Company’s commitment to irrigators and Commission Order No. 29034 wherein the Company agreed to work with irrigators to develop an optional load control program beginning with the 2003 irrigation season. (Case No.

PAC-E-02-1, O.N. 29034 at 18) Under the proposed tariff schedule, customers opting to participate in the load control program will receive credits to their bills during three and one-half months of the irrigation season. Each participating customer would be interrupted during two six-hour blocks each week. The interruption would be 2:00 PM to 8:00 PM on two days of the Company's choosing, except, the Company would not interrupt on Sundays. The Commission Staff (Staff) understands that the program was developed with irrigator input and Staff does not oppose the Company's plan for interruption.

## **IMPLEMENTATION**

The time for review and implementation of Schedule 72 for 2003 is very short because irrigators will soon be required to make commitments for the coming season. The Company's Application, Tariff Sheet No. 72.2 contains an implementation schedule for 2003, which begins with a customer Notification of Credit "no later than February 28<sup>th</sup>." To allow for processing of the Application the Commission suspended the proposed effective date, which necessitates a new implementation schedule. It is expected that a final order will not be issued until almost the middle of March, so action dates such as the February 28<sup>th</sup> - Notification of Credit, the March 14<sup>th</sup> - Customer Intent to Participate, the March 31<sup>st</sup> - Notification of Load Control Schedule and the April 11<sup>th</sup> - Load Control Service Agreement trigger dates will need to be set back. Staff proposes, with Company agreement, to tie the trigger dates to the date the final order is issued. The proposed changes to the "Schedule" portion of Tariff Sheet 72.2 are Attachment B to these comments. For clarity calendar dates should be substituted when the final order is issued. Staff recognizes that delay in establishing the program may cause problems for irrigators considering participation. However, Staff believes some opportunity for review is critical to assure that the program is properly implemented.

## **LANGUAGE**

Staff has reviewed proposed Schedule 72 and has asked the Company questions concerning the design of the program, the obligations of the parties and the calculation of the credit. As a result of that process the Company and Staff agree as follows:

- The Load Control Service Agreement will include typical costs that the customer may incur for early termination.
- Early termination costs will not include costs for replacement power.

- The Company will delete the language from Special Condition No.1, Metering, which states “Participation is subject to meter availability.”
- The following language will be added to Special Condition No. 5. “PacifiCorp reserves the right to determine if the participating customer is in violation of Special Condition 5, Load Shifting. Violation of Special Condition No. 5 shall result in Early Termination under the terms of Special Condition No.7, forfeiture of the Load Control Service Credit for the current month, and removal from the program for the remainder of the Irrigation Season.”
- The following additional Special Condition will be added. “9. Free Riders. Customers may not participate in this program with accounts and meters that would not have used power during the Irrigation Season irrespective of participation in the program. PacifiCorp reserves the right to determine if the participating customer is in violation of Special Condition 9, Free Riders. Violation of Special Condition No. 9 shall result in Early Termination under terms of Special Condition No. 7, forfeiture of the Load Control Service Credit for the current month, and removal from the program for the remainder of the Irrigation Season.”

Staff points out that the Load Control Service Agreement (LCSA) requested from the Company, is, at the time of this filing, still being developed and cannot be reviewed except for the representations that the Company has made concerning what it will contain. With these changes Staff is satisfied with program design, terminology and the obligations of the parties.

## **LOAD CONTROL VALUE**

A very important aspect of the Company’s filing is the calculation of the value of load control or interruption. Staff has serious concerns with the Company’s calculation of the value of interruption because it includes “lost revenue.” PacifiCorp’s response to production request question 2 (see Attachment C) describes the method used to determine the value. Essentially the Company’s proposal is to credit customers who agree to be interrupted with 80 percent of the difference in the value of the energy at market and the value of the energy that would otherwise be sold to the irrigators at Schedule 10 irrigation rates. The method employed by the Company in determining the value of the credit deducts, what amounts to, “lost revenue” from the market value of the interrupted energy. The Commission in recent orders has not accepted lost revenue

as a legitimate allowable cost that can be recovered from ratepayers. In its findings in Case No. PAC-E-01-16 concerning a new contract for Monsanto the Commission said:

We find it reasonable to eliminate the “lost revenue” adjustment proposed by Pacificorp in its rebuttal. If the Company wishes to pursue the lost revenue issue, it is more appropriately considered in a general rate case.

(Order No. 29157 at 11)

In Case No. IPC-E-01-34 concerning Idaho Power’s irrigation load reduction (buy-back) program the Commission said:

In its Application Idaho Power requests that the Commission include reduced revenue [lost revenue] costs that it claims to have incurred as a result of the Irrigation Load Reduction Program in the 2002/2003 PCA year. Idaho Power and Staff quantified the amount that is alleged to have accrued through September 2001 at approximately \$9,783,625. We decline to include these costs in the 2002/2003 PCA year.

(Order No. 28992 at 7)

On reconsideration in that same case the Commission said:

The Commission finds that lost revenue is not a recoverable “expense” to be recovered from ratepayers like the direct costs from this program (i.e., the payments to irrigators). In general, the Commission finds that rates should accurately reflect the actual costs incurred to provide service. Given the unique context that caused this Program to be implemented, we find that lost revenue does not constitute an actual cost of providing service that should be borne by ratepayers.

(Order No. 29103 at 9)

That Order goes on to conclude:

Based on the foregoing, we find that our decision in Order No. 28992 to deny Idaho Power the authorization to recover lost revenue from operation of the Irrigation Load Reduction Program during 2001 was not unreasonable, unlawful, erroneous or unduly discriminatory. We also find that Order No. 28992 conforms with the facts of record and/or applicable law. Furthermore, the Commission does not find that the denial of the recovery of lost revenue results in confiscatory rates. The Commission also finds that Order No. 28992 is not an unlawful collateral attack on Order No. 28699. Finally, we decline to modify our Order to provide that Idaho Power is entitled to recover all “costs” that it would incur as a result of the implementation of any demand-side management program.

(Order No. 29103 at 12,13)

In order to be consistent with previous Commission findings, Staff proposes that the Company's method of valuing load control be adjusted to exclude lost revenue considerations. It appears that the dollar amount of the credit would then become 80 percent of the market value of the interrupted energy.

## **DESIGN OF THE LOAD CONTROL CREDIT**

PacifiCorp's response to production request question 1 (see Attachment C) contains the proposed load control credits for 2003. Each month has a Monthly Participation Credit and a kWh Credit. The kWh Credit is \$0.00 for all months and the Monthly Participation Credit varies from \$0.98 to \$2.25 per kW-Month when lost revenues are included in the calculation.

The Company proposed Schedule 27 rate rider offsets the Schedule 10 demand charge with a credit; then, if a portion of the load control credit remains after the demand charge is completely offset, Schedule 10 energy rates are offset with an energy based rate rider credit. The design of the 2003 monthly credits produces offsets to the irrigation demand charges as previously discussed, but is not large enough in any month to completely offset the demand charge and produce an energy credit.

This methodology is acceptable to Staff. Staff believes that the monthly demand and energy rate credits will be substantially larger when they are recalculated without lost revenue.

## **RECOMMENDATIONS**

Staff recommends that the Commission approve the Irrigation Load Control Program for 2003 with the changes proposed in these comments. The only unresolved difference between Staff and Company is the lost revenue issue. The exclusion of lost revenues from the credit calculation should result in much higher Schedule 72 credits that should encourage additional irrigator participation. Due to the short time available for review, the Staff has had no discussion with the irrigators concerning the proposed changes in the program.

Staff further recommends that at the end of the Schedule 72 program in 2003, the Company prepare a detailed report on the program and file it with the Commission. The filing should contain the number of irrigation customers who: 1) were eligible to participate in the program; 2) filed a letter of intent to participate; 3) entered into a Load Control Service Agreement; 4) participated in the program for the full three and one-half months, and 5) are not eligible to participate next year. The report should also include the total dollar amount of credits

provided under the program identified by month. The filing should include any proposed changes or recommendations to improve the program that the Company wishes to make as well as any other information that the Company wishes to present. This filing should be made no later than December 1, 2003. The Commission should then allow comments and recommendations from other interested parties prior to any reauthorization of the program in 2004. The reason for this recommendation springs from the extremely short review period available in this case and the potential to improve the program with a year's experience.

Respectively submitted this 06<sup>th</sup> day of March 2003.

  
Scott Woodbury  
Deputy Attorney General

Technical Staff: Dave Schunke  
Keith Hessing

SW:jo:i:umisc/comments/pace03.3swdeskh

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IDAHO PUBLIC  
UTILITIES COMMISSION

# NEW CASE

January 31, 2003

Idaho Public Utilities Commission  
472 West Washington  
Boise, ID 83702-5983

Attention: Jean D. Jewell  
Commission Secretary

*PAC-E-03-03*

Re: Advice No. 03-01  
Schedule 72 – Irrigation Load Control Credit Rider

PacifiCorp (d.b.a. Utah Power & Light Company) hereby submits for electronic filing a copy of the following tariffs with a proposed effective date of March 3, 2003.

Seventeenth Revision of Sheet No. B-2		Table of Contents
First Revision of Sheet No. 72.1	Schedule 72	Irrigation Load Control Credit Rider
First Revision of Sheet No. 72.2	Schedule 72	Irrigation Load Control Credit Rider
Second Revision of Sheet No. 72.3	Schedule 72	Irrigation Load Control Credit Rider
Original Sheet No. 72.4	Schedule 72	Irrigation Load Control Credit Rider

The purpose of this filing is to comply with the Company's commitment and Commission Order No. 29034 wherein the Company agreed to work with irrigators to develop an optional load control program beginning with the 2003 irrigation season. The Company committed to file such a program with the Commission no later than January 31, 2003.

On December 5, 2002 and January 17, 2003 the Company met with representatives of the Idaho Irrigation Pumpers Association and the irrigation customer class to explain the Company's proposed tariff and to solicit comments and suggestions from the impacted customers.

Under the proposed tariff schedule, customers opting to participate in the program will receive credits during the irrigation season for the Company's ability to interrupt a designated amount of the customer's load. The Company will determine the value of the credits each year and advise customers of those values. This approach is similar to that taken in Schedule 71, the Energy Exchange Program Rider, although the value of the credits will be fixed for the duration of the irrigation season.

In response to comments and concerns expressed by irrigation customers the Company modified its original proposed tariff in the following areas:

- The Load Control Service Credit was broken into two elements (a Fixed Monthly Participation Credit and a KWh credit) to accommodate concern that a single element credit may not be capable of delivering a credit large enough to attract significant participation in the program. For example, a demand credit could be equal to the Customer's present Schedule 10 demand charge and still not be high enough to encourage participation.
- Load control events were limited to two events of 6 hours duration each per week in response to concerns that the Company's original proposal of three load control events of 4 hours duration per week would place an undue burden on potential participants.
- The six hour load curtailment block was shifted to end earlier in the evening to accommodate comments by the irrigation customers that they needed as much time as possible to reset their irrigation systems following the curtailment.
- Sunday was removed as a curtailment day in response to customers' indications that resetting irrigation systems after a curtailment on Sunday presented planning problems related to the availability of employees.

While it was not possible to respond to all the suggestions and concerns expressed by the irrigation customers, the Company attempted to respond as positively as possible without diminishing the value of the program.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By e-mail (preferred) to: [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
By regular mail to: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 800  
Portland, Oregon, 97232  
By fax to: (503) 813-6060

Informal questions should be directed to Bob Lively (801) 220-4052.

Sincerely,



D. Douglas Larson  
Vice President, Regulation

Enclosures



I.P.U.C. No. 28

Seventeenth Revised Sheet No. B.2  
Cancels Sixteenth Revised Sheet No. B.2

**ELECTRIC SERVICE SCHEDULES - Continued**

Schedule No.	Class of Service	Sheet No.
23	General Service - Small Power	23.1 - 23.3
23A	General Service - Small Power (Residential and Farm)	23A.1 - 23A.4
24	Interruptible Power Service	24.1 - 24.5
34	Pacific Northwest Electric Power Planning and Conservation Act - Residential and Farm Kilowatt-Hour Credit	34.1 - 34.5
35	Optional Time-of-Day General Service - Distribution Voltage	35.1 - 35.3
35A	Optional Time-of-Day General Service - Distribution Voltage (Farm)	35A.1 - 35A.4
36	Optional Time of Day Residential Service	36.1 - 36.3
71	Energy Exchange Pilot Program	71.1 - 71.5
72	Irrigation Load Control Credit Rider	72.1 - 72.4
93	Power Cost Adjustment	93
94	Rate Mitigation Adjustment	94
120	Commercial Energy Services - Optional to Qualifying Customers	120.1 - 120.8
122	Commercial Energy Services - Optional to Qualifying Customers	122.1 - 122.5
300	Regulation Charges	300.1 - 300.4
400	Special Contracts	400.1 - 400.2

C

Schedule numbers not listed are not currently used.

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Submitted Under Advice Letter No. 03-01

ISSUED: January 31, 2003

EFFECTIVE: March 3, 2003  
Attachment A  
Case No. PAC-E-03-3  
Staff Comments  
03/06/03 Page 3 of 7



I.P.U.C. No. 28

First Revision of Sheet No. 72.1  
Canceling Original Sheet No 72.1

UTAH POWER & LIGHT COMPANY  
ELECTRIC SERVICE SCHEDULE NO 72  
STATE OF IDAHO

Irrigation Load Control Credit Rider

**PURPOSE:** This optional tariff allows Customers to participate in pre-scheduled controlled service interruptions in exchange for a Load Control Service Credit (LCSC).

**APPLICABLE:** To qualifying Customers served on Schedule 10. Prior to participation, and in order to qualify under this Schedule, customers must execute a Load Control Service Agreement with the Company.

**IRRIGATION SEASON:** This rider is applicable only during the Irrigation Season from June 1 to September 15 each year.

**LOAD CONTROL SERVICE CREDIT:** The LCSC shall be applied to the participant's monthly billing. The LCSC shall be applied in addition to the Customer's other monthly electric service charges. The LCSC is composed of a Fixed Monthly Participation Credit plus a KWh Credit paid for the hours over which a load control event occurs. In any year, the Company may set either the fixed monthly participation credit or the kWh credit at \$0.00.

**BILLING:** The Load Control Service Credit shall be computed monthly by multiplying the Fixed Monthly Participation Credit times the Load Control kW, plus the KWh Credit times all Load Control kWh. Load Control kWh shall equal Load Control kW times total number of load control hours in the month.

The Monthly Participation Credit and the kWh Credit shall remain fixed throughout the irrigation season each year.

(Continued)

Submitted Under Advice Letter No. 03-01

ISSUED: January 31, 2003

EFFECTIVE: March 3, 2003  
Attachment A  
Case No. PAC-E-03-3  
Staff Comments  
03/06/03 Page 4 of 7



**ELECTRIC SERVICE SCHEDULE NO 72 -- Continued**

**SCHEDULE:**

**Notification of Credit:** Commencing in 2004 the Company will determine the Fixed Monthly Participation Credit and the kWh Credit and shall provide notification of the LCSC to Schedule 10 customers by January 15<sup>th</sup> of each calendar year. In 2003, notification of the LCSC shall occur no later than February 28<sup>th</sup>.

**Customer Intent to Participate:** Customers desiring to participate in this load control program for the upcoming Irrigation Season shall submit Intent to Participate notification to the Company by February 15<sup>th</sup> of each calendar year commencing in 2004. In 2003, customers shall submit Intent to Participate notification to the Company by March 14<sup>th</sup>. Customers failing to execute a Load Control Service Agreement after submitting an Intent to Participate notification shall be ineligible to participate in the program the following year.

**Notification of Load Control Schedule:** The Company will provide the participating Customers the scheduled hours for load control during the Irrigation Season by March 1<sup>st</sup> of each calendar year commencing in 2004. In 2003, the Company will provide participating Customers the scheduled hours for load control during the Irrigation Season by March 31<sup>st</sup>. Subject to the limitations described in the Load Control Conditions below, the Company shall have the right to establish at its sole discretion the scheduled load control hours for each participating customer, based on what the Company deems most beneficial to its operations. The scheduled load control hours shall be fixed through the Irrigation Season each year in the Load Control Service Agreement.

**Load Control Service Agreement:** Commencing in 2004, customers desiring to participate in this load control program shall execute a Load Control Service Agreement with the Company by March 31<sup>st</sup> of each calendar year. In 2003, customers shall execute a Load Control Service Agreement with the Company by April 11<sup>th</sup>.

**LOAD CONTROL CONDITIONS:** The Company shall have the right to implement a load control event for participating customers during the hours 2PM to 8PM Mountain Daylight Savings Time. Duration of the load control event can be no more than six (6) continuous hours. Allowable days for load control shall be each Monday through Saturday. No more than two (2) load control events per participating customer per week shall be allowed. Maximum number of hours of load control per participating customer is twelve (12) hours per week. No more than one load control event per participating customer may occur in one day.

(Continued)

Submitted Under Advice Letter No. 03-01

ISSUED: January 31, 2003

EFFECTIVE: March 3, 2003  
Attachment A  
Case No. PAC-E-03-3  
Staff Comments  
03/06/03 Page 5 of 7



**ELECTRIC SERVICE SCHEDULE NO 72 – Continued**

**LOAD CONTROL SERVICE AGREEMENT:** The Customer and Company will execute an agreement for irrigation load control participation. The agreement shall specify the Load Control kW amount that the customer shall curtail during a load control event. The agreement shall also specify the cost of timers or other load control devices required to achieve scheduled load control events. Participating customers shall sign a written agreement for a term of one year. Except as provided in this Schedule, termination of the agreement may only occur on the annual expiration date of the agreement. Participating customers are required to execute a Load Control Service Agreement annually.

**SPECIAL CONDITIONS:**

1. Metering. The Customer must have a meter provided by the Company, which is capable of recording usage intervals no less than 15 minutes. Participation is subject to meter availability.
2. Specified Load Control kW. The Load Control kW amount for each month of the Irrigation Season shall be the average of the past three (3) years (or as available history) kW demand for each month for the specific pump installation.
3. Outages. Uncontrolled outages or other types of interruptions do not qualify for payment under this tariff.
4. Liability. The Company is not responsible for any consequences to the participating Customer that result from a Load Control Event or the failure of load control equipment.
5. Load Shifting. Customers participating in this program may not shift irrigation load to other facilities served by the Company or purchase replacement production from another facility served by the Company.
6. Failure to Interrupt During a Load Control Event. A Customer must participate in each scheduled load control event during the irrigation season, except to the extent unable to due to mechanical failure or malfunction of the load control device. PacifiCorp reserves the right to determine if load control devices were intentionally damaged to limit load control. Failure to participate in scheduled load curtailment shall result in termination of the load control service agreement, forfeiture of the Load Control Service Credit for the current month and immediate removal from the program for the remainder of the Irrigation Season.

(Continued)

Submitted Under Advice Letter No. 03-01

ISSUED: January 31, 2003

EFFECTIVE: March 3, 2003  
Attachment A  
Case No. PAC-E-03-3  
Staff Comments  
03/06/03 Page 6 of 7



**ELECTRIC SERVICE SCHEDULE NO 72 – Continued**

**SPECIAL CONDITIONS: (Continued)**

7. Early Termination. If the Customer is terminated from this 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, labor costs associated with enrolling the Customer in the program, investigating intentional damage to load control devices, and removing the customer from the program.
8. Cost of Control Devices. The participating Customer shall pay the cost of timers or other load control devices and associated installation costs required to achieve scheduled load control events.

**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.

## **SCHEDULE:**

**Notification of Credit:** Commencing in 2004 the Company will determine the Fixed Monthly Participation Credit and the kWh Credit and shall provide notification of the LCSC to Schedule 10 customers by January 15 of each calendar year. In 2003, notification of the LCSC shall occur no later than *ten days following issuance of the final order*.

**Customer Intent to Participate:** Customers desiring to participate in this load control program for the upcoming Irrigation Season shall submit Intent to Participate notification to the Company by February 15 of each calendar year commencing in 2004. In 2003, customers shall submit Intent to Participate notification to the Company *within 31 days of the Commission's final order*. Customers failing to execute a Load Control Service Agreement after submitting an Intent to Participate notification shall be ineligible to participate in the program the following year.

**Notification of Load Control Schedule:** The Company will provide the participating Customers the scheduled hours for load control during the Irrigation Season by March 1 of each calendar year commencing in 2004. In 2003, the Company will provide participating Customers the scheduled hours for load control during the Irrigation Season *within 46 days of the Commissions final order*. Subject to the limitations described in the Load Control Conditions below, the Company shall have the right to establish at its sole discretion the scheduled load control hours for each participating customer, based on what the Company deems most beneficial to its operations. The scheduled load control hours shall be fixed through the Irrigation Season each year in the Load Control Service Agreement.

**Load Control Service Agreement:** Commencing in 2004, customers desiring to participate in this load control program shall execute a Load Control Service Agreement with the Company by March 31 of each calendar year. In 2003, customers shall execute a Load Control Service Agreement with the Company *within 67 days of the Commission's final order*.

**FIRST PRODUCTION REQUEST OF THE COMMISSION STAFF TO PACIFICORP  
AND PACIFICORP'S RESPONSES TO PRODUCTION REQUEST  
CASE NO. PAC-E-03-3**

**Request No. 1:** Please provide the proposed amount (rate or rates) for the Load Control Service Credit (LCSC) in 2003.

**Response to Request No. 1:**

Month	Monthly Participation Credit (\$ per KW-month)	KWh Credit (\$ per KWh)
June	\$1.20	\$0.00
July	\$1.85	\$0.00
August	\$2.25	\$0.00
September	\$0.98	\$0.00

This response was prepared by Bruce Griswold, Director, Energy Contracts.

**Request No. 2:** Please provide a description of the methodology used to calculate the LCSC rate, all the supporting calculations, assumptions and related analysis used in the development of this value.

**Response to Request No. 2:**

Methodology

From June 1<sup>st</sup>, 2003 to September 15<sup>th</sup>, 2003, PacifiCorp has the right to physically curtail the irrigation pumping load associated with Idaho Schedule 10 customers for two six-continuous-hour blocks per week (Monday-Saturday). PacifiCorp must nominate in advance (March 31, 2003) those days of the week it will curtail irrigation pump load. Physical curtailment applies to hours ending 1400 through 1900 Pacific Prevailing Time (2PM to 8PM Mountain Prevailing Time). In exchange for physical curtailment rights, PacifiCorp foregoes the retail revenue associated with Schedule 10 customers'<sup>1</sup> load and also pays a monthly credit to the enrolled Schedule 10 customers. This credit will be based on the customer's three-year average historical load level.

Pricing is based on PacifiCorp's next best alternative to serve East Side Load, the forward firm energy market at Mona. PacifiCorp will take six of the most expensive hours in a given day (HE 14-19 PPT), twice a week. The average hourly prices for these days are determined by applying the current monthly forward heavy load hour price at Mona (June, July, August, and September of 2003) to the HE 1400-1900 scalars found in the ID Load Control

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<sup>1</sup> The weighted average retail rate of \$43.58/MWh is used as the opportunity cost to PacifiCorp of curtailing Schedule 10 customers. This weighted average is based on the schedule 10 three retail rates (\$54.32/MWh, \$38.02/MWh, and \$25/MWh), along with the MWh associated with these rates from April 1, 2000 to March 31, 2001.

analysis. The net value PacifiCorp receives from the curtailment product, on a \$/MWh basis, is the difference between the average scaled hourly Mona price (by month), and the Schedule 10 weighted average retail rate.

PacifiCorp has estimated that roughly 20% of the irrigation load committed to the program will be unavailable for curtailment when actually called upon. To account for a portion of the projected irrigation load being unavailable during the curtailment periods, PacifiCorp adjusted the monthly credit down by approximately 20%. The reasons that load may be unavailable for curtailment include equipment failure, unexpected differences between the estimated 3-year load versus actual load, outright failure of customer to curtail, and customer termination from the program for previously failing to curtail.

Additional information is also provided as Attachment ID-PAC-E-03-3 1.2

This response was prepared by Mark Klein, Director, Pricing and Structuring.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 6TH DAY OF MARCH 2003, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-03-3, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

DOUG LARSON  
VICE PRESIDENT REGULATION  
PACIFICORP  
1407 W NORTH TEMPLE  
SALT LAKE CITY UT 84116

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PORTLAND, OR 97232

  
SECRETARY