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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. ) TO PACIFICORP  
) ALTERNATIVE SCHEDULE 72  
) METHODOLOGY**

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**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Scott Woodbury, Deputy Attorney General, and submits the following comments in response to PacifiCorp's Alternative Schedule 72 methodology.

### 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. On March 6, 2003 the Commission Staff (Staff) and the Idaho Irrigation Pumpers Association (Irrigators) submitted comments. On March 10, 2003 the Company submitted Reply Comments. At its Decision Meeting on March 10, 2003 the

STAFF COMMENTS TO PACIFICORP  
ALTERNATIVE SCHEDULE 72  
METHODOLOGY

Commission held the agenda item until March 14, 2003 and suggested that the parties work to find an acceptable method for determining the credit that excluded lost revenue considerations. After discussion among the parties, the Company filed Supplemental Reply Comments on March 13, 2003 identifying an alternate method of calculating the credit that does not include Lost Revenue.

### **COMPANY ALTERNATE PROPOSAL**

In its filing the Company proposes an alternate method of determining the load reduction credit. The method assumes the same interruption criteria as originally proposed by the Company, but assumes that interrupted energy would be shifted from Super Peak Hours to Light Load Hours instead of not used. Therefore, the value of interruption becomes the difference in energy price between Super Peak Hours and Light Load Hours. Due to program uncertainties, the Company proposes to pass 70% of that difference back to participating irrigators. The Company identifies the uncertainties as a) the amount of load that actually is shifted, b) the hours of the day that load is actually shifted to, c) the level of load control equipment failure, d) unexpected differences between estimated load and actual load, e) failure of customers to curtail, and f) customer termination from the program for previously failing to curtail.

The rates associated with the credit have been recalculated by the Company and are contained in the Company's filing. As in its previous proposal, the credit is applied first to offset the customer's monthly demand charge. The new credit rates are higher than those previously proposed by the Company. The larger credit should encourage greater irrigator participation.

Finally, the Company proposes a review of the program at the end of the 2003 irrigation season.

### **STAFF COMMENTS**

For the 2003 irrigation season the Staff supports the alternate method proposed by the Company in its Supplemental Reply Comments. The proposal avoids the Lost Revenue issue by assuming that energy consumption and Company revenues will not change. Energy use is presumed to shift to a lower cost period. This cost difference is the value captured in the credit, 70% of which would be returned to program participants. The Company's proposal also

provides a substantial credit to participating irrigators and should allow a program to be implemented in 2003.

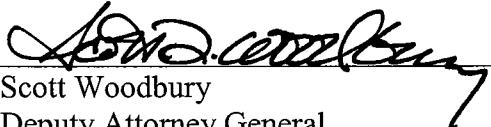
As a point of reference, Staff notes that the rate difference between Schedule A and C that existed in the previous tariff was about \$1.41/kW-month. This rate was for very similar service, which allowed for interruptions of up to 12 hours per week.

Staff rejects the Company's proposal that program uncertainties should include "the amount of load that actually is shifted", because, if the interrupted energy is not shifted it is lost which brings Lost Revenue considerations back into the determination of the credit. Staff believes that the change in the uncertainty factor from 80% to 70 % is justified by the fact that all of the interrupted load may not be shifted to Light Load Hours, but may be shifted to Heavy Load Hours that are not Super Peak Hours. If this happens, it decreases the value of the load shift and, therefore, the credit.

Staff supports the Company's proposal to file a report at the end of the season. The 30% "uncertainty" reduction in the value of the credit proposed by the Company is one of the items that should be addressed in the report. A year's experience should be beneficial in determining the appropriate credit discount. As previously proposed, Staff recommends a filing date no later than December 1, 2003. The filing of the Company's report should initiate a process of program review that should result in a program for 2004 and possibly beyond. Staff continues to support and recommend the non-rate issues addressed in its initial comments.

In summary, Staff believes that the Company's proposal is a reasonable compromise and should be approved in order to get the program in place for this irrigation season. Questions related to the methodology, including the question of whether or not 70% is the proper discount, can be addressed in greater detail in the evaluation report that should be required to be filed this fall.

Respectively submitted this 13<sup>th</sup> day of March 2003.

  
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Deputy Attorney General

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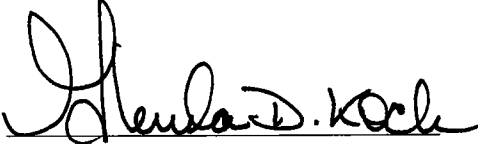
## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 13TH DAY OF MARCH 2003, SERVED THE FOREGOING **STAFF COMMENTS TO PACIFICORP ALTERNATIVE SCHEDULE 72 METHODOLOGY**, IN CASE NO. PAC-E-03-3, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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