

September 18, 2009

***VIA ELECTRONIC FILING***

Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

Attention: David W. Danner  
Executive Director and Secretary

RE: **Advice No. 09-05**  
**Proposed Increase to Schedule 191 – System Benefits Charge Adjustment**

Dear Mr. Danner:

Pursuant to RCW 80.28.050, RCW 80.28.060 and WAC 480-80-121(1), PacifiCorp, d.b.a. Pacific Power (“PacifiCorp” or “Company”) submits for filing the following proposed tariff sheet provided as Attachment C to this filing. The Company respectfully requests that the proposed tariff revisions become effective on October 30, 2009.

Eighth Revision of Sheet No. 191.1      Schedule 191      System Benefits Charge Adjustment

The purpose of this filing is to request a revision to the System Benefits Charge (“SBC”) Adjustment, which is administered through Schedule 191, to support the acquisition of cost effective energy efficiency resources. PacifiCorp proposes to increase the SBC to collect approximately \$8.8 million on an annual basis. The current SBC is designed to collect approximately \$4.5 million annually. The current SBC is approximately 1.7 percent of PacifiCorp’s Washington electric revenues, whereas the SBC proposed in this filing is 3.5 percent of Washington electric revenues. It is anticipated that the collection rate proposed in this filing will balance the SBC account by February 2011.

This adjustment is necessitated primarily by an increase in the rate of acquisition of energy efficiency resources by the Company in the state of Washington. As reported in the Washington Demand Side Management (“DSM”) annual report for 2007<sup>1</sup>, PacifiCorp acquired energy efficiency resources in Washington equal to 27,903,375 kWh or 3.19 aMW. During 2008, 35,281,786 kWh, or 4.03 aMW, of energy efficiency resources were attained<sup>2</sup>, which represents an increase of 26% over 2007 results.

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<sup>1</sup> See PacifiCorp’s “Annual Review of 2007 Energy Efficiency Programs in State of Washington” filed on February 14, 2008.

<sup>2</sup> As reported in PacifiCorp’s “Annual Review of 2008 Energy Efficiency Programs in State of Washington” filed on February 13, 2009.

### Background

The SBC was last adjusted in November 2006 when it was decreased from an annual collection rate of \$6.7 million to the current collection rate of \$4.5 million in order to return a credit balance that had accrued in the SBC account to customers.<sup>3</sup> The SBC account has since been balanced and an adjustment to the collection rate is needed to true up the SBC with ongoing program expenditures. Furthermore, the Company has recently proposed changes to its Energy FinAnswer and FinAnswer Express programs<sup>4</sup> which will increase DSM program expenditures above the current run rate. If these program modifications are approved, an adjustment to the SBC will be necessary to fund the additional program expenditures. In summary, an increase to the SBC is necessary in order to allow the Company to:

1. true-up the SBC with ongoing expenses of current approved DSM programs
2. recover increased expenditures for the Energy FinAnswer and FinAnswer Express programs driven by the recently proposed changes to these programs

PacifiCorp is requesting the adjustment to the SBC proposed in this filing at this time in order to proactively address the status of the SBC and to ensure that the collection rate is sufficient to fund the Company's portfolio of DSM programs in Washington.

### True-up the SBC with Current DSM Program Expenditures

Prior to the SBC adjustment in 2006, the collection rate was set higher than the ongoing program run rate in order to accumulate enough funds to pay a large incentive to an industrial customer through the Energy FinAnswer program. The SBC was set in 2006 at a rate sufficient to support ongoing program expenditures and to return a credit balance that had accumulated in the SBC account to customers. Given the credit balance in the SBC account, the rate was set below the rate of ongoing annual expenditures. As of December 2008, the credit in the SBC account had been returned to customers.<sup>5</sup> As of June 2009, the balance in the SBC account was \$23,218.<sup>6</sup> In order to mitigate the further development of a debit balance in the SBC account, an adjustment is needed to true up the collection rate with program expenditures.

Because the SBC collection rate was intentionally set low in 2006, the annual level of ongoing expenditures incurred for Commission approved DSM programs in Washington is greater than what is being recovered through the current SBC. In 2008, DSM program expenditures amounted to \$6.1 million, with SBC revenue of \$4.5 million. For 2009, the Company expects to incur \$6.4 million in expenditures for DSM programs. In 2010, the Company expects to incur \$7.3 million in DSM expenditures. The increase in expenditures that has been realized and is

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<sup>3</sup> See Docket No. 061440. This annual revenue level was proposed in Advice 06-006 and approved by the Washington Utilities and Transportation Commission effective November 1, 2006.

<sup>4</sup> See PacifiCorp Advice filing No. 09-04, filed on September 18, 2009

<sup>5</sup> Refer to the "Annual Review of 2008 Energy Efficiency Programs in the State of Washington", filed February, 2009.

<sup>6</sup> See the Company's semi-annual report on demand side management expenditures and system benefits charge collections made in Docket No. UE-001457 on August 13, 2009.

anticipated for the Company's currently approved DSM programs is driven primarily by an increase in participation in the programs and therefore the acquisition of energy efficiency resources. An adjustment to true-up the SBC is necessary for the Company to recover the ongoing costs of its Commission approved DSM programs in Washington.

It is important to note that these expense figures do not reflect increased expenditures expected to be realized should the Commission approve the changes proposed by the Company to the Energy FinAnswer and FinAnswer Express programs in Advice filing No. 09-04. Considering only the existing balance in the SBC account and the projected expenditures for existing DSM programs, a collection rate of \$7.8 million is necessary to balance the SBC account by the timeframe proposed in this filing. An analysis of the SBC, not reflecting the proposed changes to the FinAnswer programs, is provided as Attachment D.

#### Recovery of Proposed Changes to FinAnswer Programs

In Advice filing No. 09-04, PacifiCorp proposed several modifications to the Energy FinAnswer and FinAnswer Express programs intended to increase the level of energy efficiency resources acquired through these programs. As reported in Advice filing No. 09-04, PacifiCorp expects these modifications to increase energy savings by nine percent over 2008 program results. In order to achieve the increased savings, an increase in program expenditures is necessary. For the remainder of 2009, it is expected that the proposed FinAnswer program changes will result in approximately an additional \$200,000 in expenditures.<sup>7</sup> For 2010, it is expected that expenditures for the FinAnswer programs will increase by approximately \$1 million. Including the proposed modifications to the FinAnswer programs, total DSM expenditures for 2009 are expected to be \$6.6 million, with 2010 expenditures totaling \$8.3 million.

When the increased expenditures associated with the proposed modifications to the FinAnswer programs are reflected in the analysis, a SBC collection rate of \$8.8 million is necessary in order to balance the SBC account by February 2011. Provided as Attachment E is an analysis of the SBC which provides detail on program expenditures, SBC revenue and SBC account balances going forward reflecting the collection rate of \$8.8 million requested in this filing. As is illustrated in Attachment E, it is expected the collection rate proposed in this filing will result in a credit balance of approximately \$128,000 as of February 2011 which, in effect, brings the SBC account into balance. Absent an increase to the collection rate, it is expected that the SBC account balance will grow to an uncollected amount of \$6.3 million as of February 2011.<sup>8</sup>

#### Cost Effectiveness of DSM Programs

PacifiCorp's portfolio of DSM programs in Washington is cost effective. Table 1 below provides a summary of the cost effectiveness results of existing programs based on 2008 actual results.<sup>9</sup> As demonstrated in Table 1, the portfolio of existing programs is cost effective from the Total

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<sup>7</sup> This assumes an October 1, 2009 effective date for the proposed FinAnswer program modifications.

<sup>8</sup> This figure assumes approval of the FinAnswer program modifications.

<sup>9</sup> This analysis reflects the most current cost effectiveness results available.

Resource Cost test and Utility Cost test perspectives. Further detail on the cost effectiveness of the Company's DSM programs is provided in Attachment F.

**Table 1 – Summary of 2008 Washington DSM Program Cost Effectiveness Results**

Program	Gross Savings aMW (at gen)	SBC Expenditures (Total Utility Cost)	Weighted Measure Life (years)	Total Resource Cost Test (PTRC) + Conservation Adder		Utility Cost Test (UCT)	
				Levelized \$/kWh	PTRC benefit/cost ratio	Levelized \$/kWh	UTC benefit/cost ratio
Energy Education in Schools (113)	0.25	\$ 424,780	6.6	\$ 0.0437	1.32	\$ 0.0437	1.20
Refrigerator Recycling (107)	0.46	\$ 386,636	8.0	\$ 0.0349	1.63	\$ 0.0432	1.20
Home Energy Savings (118)	0.22	\$ 754,066	13.5	\$ 0.0786	0.85	\$ 0.0616	0.99
Energy Star New Homes (108)	0.01	\$ 70,172	30.0	\$ 0.0987	0.66	\$ 0.0820	0.72
<b>Total Residential (w/o Low Income)</b>	<b>0.94</b>	<b>\$ 1,635,654</b>	<b>9.2</b>	<b>\$ 0.0572</b>	<b>1.09</b>	<b>\$ 0.0525</b>	<b>1.08</b>
Low Income Weatherization (114)	0.04	\$ 571,926	28.1	\$ 0.1138	0.53	\$ 0.1138	0.48
<b>Residential Portfolio (with Low Income)</b>	<b>0.94</b>	<b>\$ 2,207,580</b>	<b>10.3</b>	<b>\$ 0.0653</b>	<b>0.96</b>	<b>\$ 0.0612</b>	<b>0.93</b>
Energy FinAnswer total	2.39	\$ 2,696,611	15.0	\$ 0.0303	2.14	\$ 0.0183	3.21
FinAnswer Express total	0.67	\$ 752,471	13.0	\$ 0.0469	1.37	\$ 0.0183	2.89
<b>Total Commercial/Industrial</b>	<b>3.05</b>	<b>\$ 3,449,082</b>	<b>14.6</b>	<b>\$ 0.0402</b>	<b>1.92</b>	<b>\$ 0.0224</b>	<b>3.14</b>
<b>Total (w/o Low Income)</b>	<b>3.99</b>	<b>\$ 5,084,736</b>	<b>13.5</b>	<b>\$ 0.0429</b>	<b>1.73</b>	<b>\$ 0.0274</b>	<b>2.47</b>
<b>Total (with Low Income)</b>	<b>4.03</b>	<b>\$ 5,656,662</b>	<b>13.7</b>	<b>\$ 0.0444</b>	<b>1.65</b>	<b>\$ 0.0296</b>	<b>2.27</b>
Administration costs related to prior programs		\$ 1,004					
Northwest Energy Efficiency Alliance expenditures		\$ 404,103					
<b>Total System Benefits Charge expenditures</b>		<b>\$ 6,061,769</b>					

In addition, as provided in Advice filing No. 09-04, it is expected that the FinAnswer programs will remain cost effective with the proposed program modifications.

PacifiCorp is requesting the SBC collection rate proposed in this filing become effective on October 30, 2009. As the ongoing run rate of the currently approved DSM programs exceeds the revenue collected through the SBC, the Company believes the requested increase is just and reasonable as any delay in implementing the new collection rate will contribute to the accrual of a debit balance in the SBC account.

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

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

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

Washington Utilities & Transportation Commission

September 18, 2009

Page 5

Informal questions should be directed to Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,

  
Andrea L. Kelly  
Vice President, Regulation

Enclosures

Attachments

Attachment A: Notice

Attachment B: Summary Page of Tariffs

Attachment C: Tariff

Attachment D: System Benefits Charge Analysis – Not Reflecting Changes to FinAnswer Program

Attachment E: System Benefits Charge Analysis – Reflecting Changes to FinAnswer Program

Attachment F: Cost Effectiveness of DSM Programs

# **ATTACHMENT A**

**NOTICE  
PACIFIC POWER**

Pursuant to Washington Law (including without limitation RCW 80.28.050 and -060) and the Washington Utilities and Transportation Commission's ("Commission") Rules & Regulations (including without limitation WAC 480-80-121), Pacific Power has filed with the Commission an original tariff schedule for electric service in the State of Washington.

**Overview**

The purpose of this filing is to revise Pacific Power's currently effective System Benefits Charge Adjustment – Schedule 191.

The purpose of this filing is to request an adjustment to the System Benefits Charge Adjustment, which is administered through Schedule 191, to support the acquisition of cost effective energy efficiency resources. An increase to the SBC is necessary in order to allow the Company to:

1. true-up the SBC with ongoing expenses of current approved DSM programs
2. recover increased expenditures for the Energy FinAnswer and FinAnswer Express programs driven by the recently proposed changes to these programs

PacifiCorp proposes to adjust the System Benefits Charge to collect approximately \$8.8 million on an annual basis.

Unless suspended by the Commission, these tariffs will become effective October 30, 2009.

DATED: September 18, 2009

PACIFIC POWER

By Andrea L. Kelly /ca  
Andrea L. Kelly  
Vice President, Regulation

# **ATTACHMENT B**



## Attachment B

The proposed tariff sheets to be revised in the Company's currently effective Tariff WN-U-74 are designated as follows:

Eighth Revision of Sheet No. 191.1      Schedule 191      System Benefits Charge Adjustment

# **ATTACHMENT C**

# **ATTACHMENT D**

**Attachment D**  
**System Benefits Charge Analysis**  
**True-up Adjustment for Approved Programs**

System Benefits Charge Balance as of December 2008		\$	(75,797)
<b>Forecast 2009 Expenditures</b>			
Energy Education in Schools	\$	420,000	
Refrigerator Recycling	\$	350,000	
Residential New Construction	\$	8,660	
Home Energy Savings	\$	1,300,000	
Loan Administration--Previous Programs	\$	3,000	
<b>Residential</b>			\$ 2,081,660
<b>Low Income Weatherization</b>	\$	1,017,075	\$ 1,017,075
<b>NW Energy Efficiency Alliance</b>	\$	670,000	\$ 670,000
Energy FinAnswer	\$	1,892,714	
FinAnswer Express	\$	752,471	
<b>Commercial &amp; Industrial</b>			\$ 2,645,185
<b>Total Expenditures</b>			\$ 6,413,920
Forecast 2009 Carrying Charges			\$ (6,877)
Forecast 2009 SBC Revenue at Current Rates			\$ (4,396,467)
Forecast Dec 2009 SBC Balance at Current Rates			\$ 1,934,779
<b>Annual SBC Collection Rate Required for Existing Programs</b>	\$	(7,805,800)	
<b>Forecast 2009 Carrying Charges w/ SBC Required for Existing Programs</b>			
			\$ (6,877)
<b>Forecast 2009 SBC Revenue w/ SBC Required for Existing Programs</b>			
			\$ (5,224,972)
<b>Forecast Dec 2009 SBC balance w/ SBC Required for Existing Programs</b>			
			\$ 1,106,274
<b>Forecast 2010 Expenditures</b>			
Energy Education in Schools	\$	435,000	
Refrigerator Recycling	\$	425,000	
Home Energy Savings	\$	1,300,000	
Loan Administration--Previous Programs	\$	3,000	
<b>Residential</b>			\$ 2,163,000
<b>Low Income Weatherization</b>	\$	1,017,075	\$ 1,017,075
<b>NW Energy Efficiency Alliance</b>	\$	670,000	\$ 670,000
Energy FinAnswer	\$	2,696,611	
FinAnswer Express	\$	752,471	
<b>Commercial &amp; Industrial</b>			\$ 3,449,082
<b>Total Expenditures</b>			\$ 7,299,157
Forecast 2010 Carrying Charges			\$ (18,501)
Forecast 2010 SBC revenue w/ SBC Required for Existing Programs			\$ (7,805,800)
<b>Forecast Dec 2010 SBC balance w/ SBC Required for Existing Programs</b>			
			\$ 581,129
<b>Forecast Jan &amp; Feb 2011 Expenditures</b>			
Energy Education in Schools	\$	85,206	
Refrigerator Recycling	\$	39,726	
Home Energy Savings	\$	165,270	
Loan Administration--Previous Programs	\$	268	
<b>Residential</b>			\$ 290,470
<b>Low Income Weatherization</b>	\$	77,621	\$ 77,621
<b>NW Energy Efficiency Alliance</b>	\$	74,243	\$ 74,243
Energy FinAnswer	\$	449,045	
FinAnswer Express	\$	52,923	
<b>Commercial &amp; Industrial</b>			\$ 501,967
<b>Total Expenditures</b>			\$ 944,300
Forecast Jan & Feb 2011 Carrying Charges			\$ -
Forecast Jan & Feb 2011 SBC revenue w/ SBC Required for Existing Programs			\$ (1,642,341)
<b>Forecast Feb 2011 SBC balance w/ SBC Required for Existing Programs</b>			
			\$ (116,911)

# **ATTACHMENT E**

**Attachment E**  
**System Benefits Charge Analysis**  
**True-up Adjustment for Approved Programs + Proposed Program Changes in Advice No. 09-004**

System Benefits Charge Balance as of December 2008		\$	(75,797)
<b>Forecast 2009 Expenditures</b>			
Energy Education in Schools	\$	420,000	
Refrigerator Recycling	\$	350,000	
Residential New Construction	\$	8,660	
Home Energy Savings	\$	1,300,000	
Loan Administration--Previous Programs	\$	3,000	
<b>Residential</b>			\$ 2,081,660
<b>Low Income Weatherization</b>	\$	1,017,075	\$ 1,017,075
<b>NW Energy Efficiency Alliance</b>	\$	670,000	\$ 670,000
Energy FinAnswer	\$	2,049,932	
FinAnswer Express	\$	824,132	
<b>Commercial &amp; Industrial</b>			\$ 2,874,064
<b>Total Expenditures</b>			\$ 6,642,799
Forecast 2009 Carrying Charges			\$ (6,877)
Forecast 2009 SBC Revenue at Current Rates			\$ (4,396,467)
Forecast Dec 2009 SBC Balance at Current Rates			\$ 2,163,658
<b>Proposed Annual SBC Collection Rate</b>	\$	(8,795,877)	
Forecast 2009 Carrying Charges w/ Proposed SBC			\$ (6,877)
Forecast 2009 SBC Revenue w/ Proposed SBC			\$ (5,465,572)
<b>Forecast Dec 2009 SBC balance w/ Proposed SBC</b>			\$ 1,094,553
<b>Forecast 2010 Expenditures</b>			
Energy Education in Schools	\$	435,000	
Refrigerator Recycling	\$	425,000	
Home Energy Savings	\$	1,300,000	
Loan Administration--Previous Programs	\$	3,000	
<b>Residential</b>			\$ 2,163,000
<b>Low Income Weatherization</b>	\$	1,017,075	\$ 1,017,075
<b>NW Energy Efficiency Alliance</b>	\$	670,000	\$ 670,000
Energy FinAnswer	\$	3,325,483	
FinAnswer Express	\$	1,117,433	
<b>Commercial &amp; Industrial</b>			\$ 4,442,916
<b>Total Expenditures</b>			\$ 8,292,991
Forecast 2010 Carrying Charges			\$ (10,167)
Forecast 2010 SBC revenue w/ Proposed SBC			\$ (8,795,877)
<b>Forecast Dec 2010 SBC balance w/ Proposed SBC</b>			\$ 581,499
<b>Forecast Jan &amp; Feb 2011 Expenditures</b>			
Energy Education in Schools	\$	85,206	
Refrigerator Recycling	\$	39,726	
Home Energy Savings	\$	165,270	
Loan Administration--Previous Programs	\$	268	
<b>Residential</b>			\$ 290,470
<b>Low Income Weatherization</b>	\$	77,621	\$ 77,621
<b>NW Energy Efficiency Alliance</b>	\$	74,243	\$ 74,243
Energy FinAnswer	\$	510,000	
FinAnswer Express	\$	189,000	
<b>Commercial &amp; Industrial</b>			\$ 699,000
<b>Total Expenditures</b>			\$ 1,141,333
Forecast Jan & Feb 2011 Carrying Charges			\$ -
Forecast Jan & Feb 2011 SBC revenue w/ Proposed SBC			\$ (1,850,653)
<b>Forecast Feb 2011 SBC balance w/ Proposed SBC</b>			\$ (127,822)

# **ATTACHMENT F**

**Date: August 10, 2009**  
**To: Nancy Goddard**  
**From: Brian Hedman**  
**Re: Washington 2008 DSM Portfolio Cost Effectiveness**

The tables below present the cost effectiveness analysis for the Washington Energy Efficiency Portfolio based on 2008 costs and savings estimates provided by PacifiCorp in a spreadsheet entitled “WA EF and FE proposed program CE inputs for Brian 4-29-2009”. The Utility discount rate is from the 2007 PacifiCorp Integrated Resource Plan. Individual program cost effectiveness follows the portfolio views.

The portfolio is cost effective cost effective from all perspectives except RIM.

**Table 1: Common Inputs**

Parameter	Value
Discount Rate	7.1%
Residential Line Loss	11.03%
Commercial Line Loss	10.83%
Industrial Line Loss	9.14%
Residential Energy Rate (\$/kWh)	\$0.0672
Commercial Energy Rate (\$/kWh)	\$0.0603
Industrial Energy Rate (\$/kWh)	\$0.0506

**Table 2: 2008 Energy Efficiency Portfolio (excluding Low Income Weatherization)**

Weighted Average Measure Life – 13.50 years					
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0429	\$7,489,520	\$12,978,056	\$5,488,536	1.733
Total Resource Cost Test (TRC) No Adder	0.0429	\$7,489,520	\$11,798,232	\$4,308,712	1.575
Utility Cost Test (UCT)	0.0274	\$4,780,465	\$11,798,232	\$7,017,768	2.468
Rate Impact Test (RIM)		\$17,517,341	\$11,798,232	(\$5,719,109)	0.674
Participant Cost Test (PCT)		\$2,709,055	\$17,341,253	\$14,632,197	6.401
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000928452	



**Table 3: 2008 Residential Portfolio (Excluding Low Income Weatherization)**

Weighted Average Measure Life – 9.23 years					
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0572	\$1,699,105	\$1,857,399	\$158,293	1.093
Total Resource Cost Test (TRC) No Adder	0.0572	\$1,699,105	\$1,688,544	(\$10,561)	0.994
Utility Cost Test (UCT)	0.0525	\$1,560,033	\$1,688,544	\$128,511	1.082
Rate Impact Test (RIM)		\$3,143,828	\$1,688,544	(\$1,455,284)	0.537
Participant Cost Test (PCT)		\$139,072	\$3,600,596	\$3,461,524	25.890
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000354973	

**Table 4: 2008 Commercial & Industrial Portfolio**

Weighted Average Measure Life – 14.57 years					
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0402	\$5,790,415	\$11,120,657	\$5,330,242	1.921
Total Resource Cost Test (TRC) No Adder	0.0402	\$5,790,415	\$10,109,688	\$4,319,273	1.746
Utility Cost Test (UCT)	0.0224	\$3,220,432	\$10,109,688	\$6,889,257	3.139
Rate Impact Test (RIM)		\$14,373,513	\$10,109,688	(\$4,263,825)	0.703
Participant Cost Test (PCT)		\$2,569,983	\$13,740,656	\$11,170,673	5.347
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000636120	

**Table 5: 2008 Residential Portfolio (Including Low Income Weatherization)**

Weighted Average Measure Life – 10.31 years					
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0653	\$2,233,116	\$2,138,274	(\$94,842)	0.958
Total Resource Cost Test (TRC) No Adder	0.0653	\$2,233,116	\$1,943,885	(\$289,231)	0.870
Utility Cost Test (UCT)	0.0612	\$2,094,044	\$1,943,885	(\$150,159)	0.928
Rate Impact Test (RIM)		\$3,994,393	\$1,943,885	(\$2,050,507)	0.487
Participant Cost Test (PCT)		\$139,072	\$3,917,150	\$3,778,078	28.166
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000445893	

**Table 6: 2008 Total Portfolio (Including Low Income Weatherization)**

Weighted Average Measure Life – 13.68 years					
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0444	\$8,023,531	\$13,258,931	\$5,235,400	1.653
Total Resource Cost Test (TRC) No Adder	0.0444	\$8,023,531	\$12,053,573	\$4,030,042	1.502
Utility Cost Test (UCT)	0.0296	\$5,314,476	\$12,053,573	\$6,739,098	2.268
Rate Impact Test (RIM)		\$18,367,906	\$12,053,573	(\$6,314,333)	0.656
Participant Cost Test (PCT)		\$2,709,055	\$17,657,807	\$14,948,751	6.518
Lifecycle Revenue Impacts (\$/kWh)				\$0.0001025082	

### Residential Home Energy Savings Incentive Program

Cost effectiveness was tested using the 2007 IRP 60% west side residential lighting home load factor decrement. The program is not cost effective from the TRC, UCT and RIM perspectives.

**Table 7: Home Energy Savings  
 Annual Program Costs and Savings**

	Program Costs	Incentives	Total Costs	Net kWh	Net Incremental Cost
Lighting	\$12,136	\$45,011	\$57,147	758,485	\$100,138
Shell	\$100,659	\$203,645	\$304,303	195,335	\$196,685
Appliances	\$37,520	\$29,700	\$67,220	72,811	\$64,118
Clothes Washers	\$176,689	\$147,000	\$323,689	342,878	\$271,286
HVAC	\$457	\$1,250	\$1,707	886	\$2,174
Total	\$327,461	\$426,606	\$754,066	1,370,395	\$634,403

**Table 8: IRP 60% Load Factor Decrement**

Weighted Average Measure Life – 13.52				AC: IRP 60% LF Decrement	
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0786	\$898,099	\$764,419	(\$133,679)	0.851
Total Resource Cost Test (TRC) No Adder	0.0786	\$898,099	\$694,926	(\$203,172)	0.774
Utility Cost Test (UCT)	0.0616	\$704,077	\$694,926	(\$9,150)	0.987
Rate Impact Test (RIM)		\$796,167	\$694,926	(\$101,241)	0.873
Participant Cost Test (PCT)		\$194,022	\$1,095,604	\$901,582	5.647
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000022015	

**See Ya Later Refrigerator**

Cost effectiveness was tested using the 2007 IRP 60% west side residential lighting load factor decrement. The program is cost effective from the TRC, UTC and PCT perspectives. It fails the RIM test indicating some upward pressure on rates.

**Table 9: See-Ya-Later  
 Annual Program Costs and Savings**

Year	Program Costs	Incentives	Total Costs	Net Savings
2008	\$312,416	\$74,220	\$386,636	1,406,385

**Table 10: IRP 60% Load Factor Decrement**

Weighted Average Measure Life – 8.0 years				AC: IRP 60% LF Decrement	
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0349	\$291,705	\$475,176	\$183,471	1.629
Total Resource Cost Test (TRC) No Adder	0.0349	\$291,705	\$431,978	\$140,273	1.481
Utility Cost Test (UCT)	0.0432	\$361,005	\$431,978	\$70,973	1.197
Rate Impact Test (RIM)		\$1,012,677	\$431,978	(\$580,698)	0.427
Participant Cost Test (PCT)		(\$69,300)	\$1,649,432	\$1,718,732	n/a
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000126276	

### Energy Education

Cost effectiveness was tested using the 2007 IRP 60% west side residential home lighting load factor decrement. The program is cost effective from all perspectives except RIM.

**Table 11: Energy Education  
 Annual Program Costs and Savings**

Year	Program Costs	Incentives	Total Costs	Net Savings
2008	\$424,780		\$424,780	1,985,051

**Table 12: IRP 60% Load Factor Decrement**

Weighted Average Measure Life – 6.59 years				AC: IRP 60% LF Decrement	
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0437	\$424,780	\$562,212	\$137,432	1.324
Total Resource Cost Test (TRC) No Adder	0.0437	\$424,780	\$511,102	\$86,322	1.203
Utility Cost Test (UCT)	0.0437	\$424,780	\$511,102	\$86,322	1.203
Rate Impact Test (RIM)		\$1,202,700	\$511,102	(\$691,598)	0.425
Participant Cost Test (PCT)		\$0	\$777,920	\$777,920	n/a
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000095284	

**Residential New Construction**

Cost effectiveness was tested using the 2007 IRP 28% west side residential home heating load factor decrement. The program is not cost effective from the TRC, UTC, and RIM perspectives.

**Table 13: Residential New Construction  
 Annual Program Costs and Savings**

Year	Program Costs	Incentives	Total Costs	Net Savings
2008	\$56,172	\$14,000	\$70,172	54,288

**Table 14: IRP 28% Load Factor Decrement**

Weighted Average Measure Life – 30 years				AC: IRP 28% LF Decrement	
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0987	\$84,522	\$55,591	(\$28,930)	0.658
Total Resource Cost Test (TRC) No Adder	0.0987	\$84,522	\$50,538	(\$33,984)	0.598
Utility Cost Test (UCT)	0.0820	\$70,172	\$50,538	(\$19,634)	0.720
Rate Impact Test (RIM)		\$132,284	\$50,538	(\$81,747)	0.382
Participant Cost Test (PCT)		\$14,350	\$77,641	\$63,291	5.411
Lifecycle Revenue Impacts (\$/kV				\$0.0000005444	

**Low Income Weatherization**

Cost effectiveness was tested using the 2007 IRP 28% west side residential home heating load factor decrement. The program is not cost effective from the TRC, UTC and RIM perspectives.

**Table 15: Low Income Weatherization  
 Annual Program Costs and Savings**

Year	Program Costs	Incentives	Total Costs	Net Savings
2008	\$571,926		\$571,926	290,720

**Table 16: IRP 28% Load Factor Decrement**

Weighted Average Measure Life – 28.10 years				AC: IRP 28% LF Decrement	
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.1138	\$534,011	\$280,875	(\$253,136)	0.526
Total Resource Cost Test (TRC) No Adder	0.1138	\$534,011	\$255,341	(\$278,670)	0.478
Utility Cost Test (UCT)	0.1138	\$534,011	\$255,341	(\$278,670)	0.478
Rate Impact Test (RIM)		\$850,565	\$255,341	(\$595,224)	0.300
Participant Cost Test (PCT)		\$0	\$316,554	\$316,554	n/a
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000082006	

**FinAnswer Express**

Cost effectiveness was tested using the 2007 IRP 67% west side system load factor decrement. The program is cost effective from all perspectives.

**Table 17: FinAnswer Express  
 Annual Program Costs and Savings**

Year	Program Costs	Evaluation	Incentives	Total Utility Costs	Net Customer Costs	Net kWh Savings
2008	\$340,120	\$0	\$412,351	\$752,471	\$1,407,787	4,187,510

**Table 18: IRP 67% Load Factor Decrement**

Weighted Average Measure Life – 13 years				AC: IRP 67% LF Decrement	
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0469	\$1,632,033	\$2,231,676	\$599,643	1.367
Total Resource Cost Test (TRC) No Adder	0.0469	\$1,632,033	\$2,028,796	\$396,763	1.243
Utility Cost Test (UCT)	0.0202	\$702,587	\$2,028,796	\$1,326,209	2.888
Rate Impact Test (RIM)		\$3,124,506	\$2,028,796	(\$1,095,709)	0.649
Participant Cost Test (PCT)		\$929,446	\$2,826,702	\$1,897,256	3.041
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000177880	



**Energy FinAnswer**

Cost effectiveness was tested using the 2007 IRP 67% west side system load factor decrement. The program is cost effective from all perspectives except the rate impact test which indicates the program had an upward pressure on rates.

**Table 19: Energy FinAnswer –  
 Annual Program Costs and Savings**

Year	Program Costs	Evaluation	Incentives	Total Costs	Net kWh Savings
2008	\$845,866		\$1,850,745	\$2,696,611	15,174,934

**Table 20: IRP 67% Load Factor Decrement**

Weighted Average Measure Life – 15 years				AC: IRP 67% LF Decrement	
	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	0.0303	\$4,158,382	\$8,888,981	\$4,730,599	2.138
Total Resource Cost Test (TRC) No Adder	0.0303	\$4,158,382	\$8,080,892	\$3,922,510	1.943
Utility Cost Test (UCT)	0.0183	\$2,517,844	\$8,080,892	\$5,563,048	3.209
Rate Impact Test (RIM)		\$11,249,008	\$8,080,892	(\$3,168,116)	0.718
Participant Cost Test (PCT)		\$1,640,538	\$10,913,954	\$9,273,417	6.653
Lifecycle Revenue Impacts (\$/kWh)				\$0.0000514318	