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REPORT NAME: 2015 Report on Irrigation Time-of-Use Pilot, Schedule 215 Compliance Report

COMPANY NAME: Pacific Power

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? [X]No []Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: [X]RE (Electric) []RG (Gas) []RW (Water) []RO (Other)

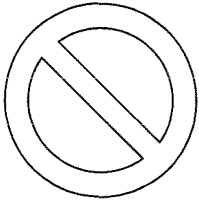
Report is required by: []OAR
[]Statute
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[X]Other Advice Nos. 14-005

Is this report associated with a specific docket/case? []No [X]Yes

If yes, enter docket number: RE 153, Advice Nos. 14-005, 15-003, 15-006

List applicable Key Words for this report to facilitate electronic search:
Irrigation Time-ofUse Pilot Compliance Report

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December 1, 2015

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-1166

Attn: Filing Center

**RE: Advice Nos. 14-005/15-003/15-006 – Compliance Report
2015 Report on Irrigation Time-of-Use Pilot, Schedule 215**

The purpose of this letter is to provide a report on the implementation and results of PacifiCorp's d/b/a Pacific Power (PacifiCorp or Company) irrigation time-of-use pilot program, Schedule 215. The pilot was initially implemented by PacifiCorp through Advice No. 14-005, which was approved by this commission to become effective on April 30, 2014, and revised through Advice No. 15-003, effective March 25, 2015. In 2014, the Company committed to file a report on the pilot within 90 days following the end of each irrigation season.

Background

The Company's Advice No. 14-005 proposed a new supply service rate schedule providing time-of-use (TOU) rates for irrigation customers. The Company committed to implementing a pilot time-of-use rate program for irrigation customers (pilot) as part of the Company's 2013 Integrated Resource Plan (IRP) Action Plan for the 2014 irrigation season.¹ The goal of the pilot proposed by the Company was to test the interest, willingness, and ability of irrigators in Oregon to shift their usage away from designated on-peak periods. The results of the pilot will be used to inform future decisions on rate design and on future Class 3 potential studies for a future IRP.

The pilot, approved in Advice No. 14-005, was designed as a two-year program to be in effect for the summers of 2014 and 2015. Only six irrigators signed up for the pilot in 2014. Following the end of the 2014 irrigation season, the Company conducted surveys with pilot participants and non-participants and held in-person meetings with irrigators in the Klamath Falls area where interest in the program was greater. Based on the survey results along with direct feedback from these meetings, the Company filed Advice No. 15-003 which proposed modifications to the pilot for the second year and requested to reopen the pilot to 75 irrigation meters in the Klamath Falls area. The Commission approved the Company's modifications to the pilot and later approved the Company's request (Advice No. 15-006) to increase the participation cap to 95 meters, which allowed all interested parties to participate in the pilot.

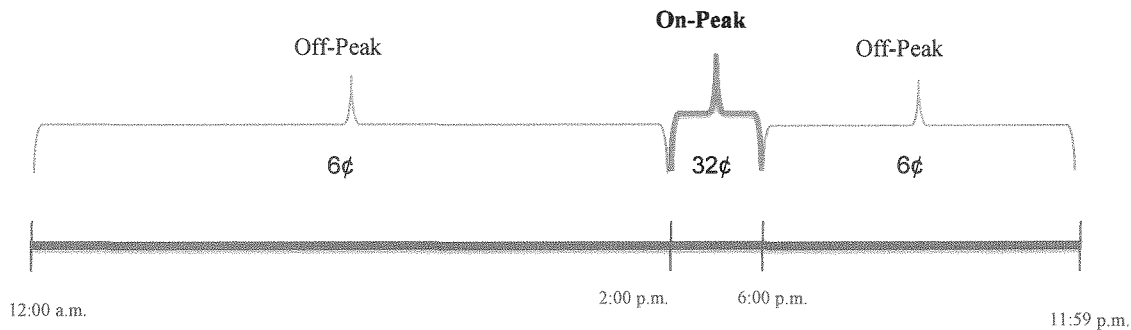
Pilot Design - 2015

The 2015 pilot design was generally the same as the 2014 pilot design. The pilot employs time-based energy rates for the months of June, July, and August only, which is designated as the

¹ See PacifiCorp 2013 IRP, Docket LC 57, Volume 1, Chapter 9, page 250.

Prime Summer season. The on-peak period for the Prime Summer season was Monday through Friday, 2 p.m. to 6 p.m., excluding the Independence Day holiday. All other hours during the Prime Summer months were off-peak. In 2015, pilot participants paid all standard cost of service rates² plus an adder of 22.313 cents per kilowatt-hour of on-peak usage and a credit of (3.161) cents per kilowatt-hour of off-peak usage. With the Schedule 41 cost-based rate of approximately 9 cents per kilowatt-hour, these TOU adders result in a net on-peak rate of approximately 32 cents per kilowatt-hour and a net off-peak rate of approximately 6 cents per kilowatt-hour. This is an on-peak to off-peak price differential of approximately 5 to 1 (i.e., the on-peak rates are five times higher than the off-peak rates) which was an increase over the 4 to 1 ratio from 2014. The chart below summarizes the time-based periods and associated rates.

Pilot Time-of-Use Rate Periods



The large differential between on- and off-peak rates is intended to send a strong signal to participants to eliminate on-peak usage or shift that usage to an off-peak period. The increase in the ratio in 2015 allowed for a greater incentive for irrigators to participate in the pilot by allowing for greater potential savings. With these rates, a pilot participant shifting from the average of 12 percent on-peak energy usage to 100 percent off-peak energy usage could see summer bill savings of 33 percent. Rates outside of the Prime Summer season are the standard cost based rates of approximately 9 cents per kilowatt-hour with no time-based adders.

Pilot enrollment was capped at 95 irrigation meters.³ As with the 2014 irrigation season, the pilot included a Guarantee Payment to ensure that a customer would not pay more than ten percent more under the pilot for the 2015 Prime Summer season than they would have paid under standard cost-based rates.

² PacifiCorp's cost of service rates consist of monthly energy charges with annual basic and load size charges billed in November at the end of the growing season.

³ PacifiCorp initially requested to reopen the pilot to 75 new meters but subsequently requested in Advice No. 15-006 to expand the pilot to allow 95 meters which allowed all interested irrigators to participate in the pilot.

Pilot Participation

All irrigators in the Klamath Falls area were introduced to the pilot via a letter inviting them to attend an agricultural business workshop in Klamath Falls in March. The pilot was presented as part of the workshop and customers were able to ask questions and discuss the pilot with Company representatives. Over 200 customers attended the workshop which also included presentations on energy efficiency and other programs. Customers were invited to preregister for the pilot directly at the workshop and enroll up to two meters each.⁴ Ultimately, 70 new customers signed up for the pilot, resulting in a total enrollment of 91 meters in the pilot for 2015.

Pilot Evaluation

Of the 91 participating meters, 80 meters saved money on summer irrigation bills with an average savings of 28 percent. Seven meters paid slightly more under the pilot than they would have under standard rates, however no customer paid more than three percent extra. Four meters on the pilot had no usage over the summer. Since no customers paid more than 10 percent over what they would have paid under standard rates, no guarantee payments were triggered under the program.

At the end of the irrigation season, on November 4, 2015, PacifiCorp distributed a survey to pilot participants soliciting feedback on the pilot. The survey process is nearly complete. Initial results indicate that customers are satisfied with the program and would like to see it continued, but have shown that issues with low water availability in 2015 may have affected the reliability of the data as representative of a typical irrigation season. Once all survey responses have been received, PacifiCorp will analyze customer responses and compare customers' perceptions to actual electric consumption data. Results will be used to inform the Company's options for 2016.

Next Steps

The company will file early next year to present the results of the survey and to make recommendations as to the potential for TOU irrigation rates for 2016. The low water availability in 2015 may indicate a need to continue the pilot for an additional period of time in order to gather more data.

⁴ Due to the low pilot participation in 2014, the Company retained tariff language allowing up to three meters per customer onto the schedule. Interested customers would have been invited to enroll additional meters if the pilot participation cap had not been reached after the initial sign-up period. Since the initial participation cap was exceeded, this additional step was not necessary.

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Please direct questions about this report to Joelle Steward, Director of Rates and Regulatory Affairs, at (801) 220-4705.

Sincerely,

A handwritten signature in black ink that reads "R. Bryce Dalley" with "EAA" written in smaller letters to the right of the name.

R. Bryce Dalley
Vice President, Regulation