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Sent: 12/19/2011 12:35:53 PM
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Bcc:
Subject: DR program continuity

Bruce,

Per my voicemail message to you earlier today, below is language drafted by the utilities that can be used in a ruling to avoid disrupting DR programs, as the Commission sees fit. Such a ruling could then be affirmed by the Commission in its final decision on A1103001.

1. Pursuant to the current demand response decisions, the utilities are authorized to operate their demand response programs in 2012 pending issuance of a final Commission decision in A.11-03-001.
2. The utilities are directed to continue to record all expenses in the accounts where such expenses are currently recorded as authorized in prior Commission Demand Response decisions.
3. In order to ensure continuity in demand response programs, the utilities should anticipate that the final Commission decision in A.11-03-001 will authorize revenue requirements effective January 1, 2012 and thus allow recorded costs to be recovered for the period beginning January 1, 2012, provided that such costs are reasonably incurred consistent with the demand response program decisions and schedules. Any review of the reasonableness of such costs shall be premised on the IOUs' compliance with the Commission decisions and rules currently in place.

I have spoken to Scarlet and Simon about this, and left a message for Damon letting him know that we are working with you and your staff. If you have any questions, concerns or insights we should be aware of, please let me know.

Happy holidays!

Billy

Billy Blattner

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