



JON HUNTSMAN Jr.
Governor
GARY HERBERT
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

PHILIP J. POWLICK
Director, Division of Public Utilities

MEMORANDUM

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Philip Powlick
Energy Section
Abdinasir Abdulle, Technical Consultant
Jamie Dalton, Utility Analyst II
Joni Zenger, Technical Consultant
Artie Powell, Manager

Date: June 19, 2008

Ref: Docket No. 08-035-56, Request for Comments, "Assessment of Long-Term System-Wide Potential for Demand-Side and Other Supplemental Resources."

RECOMMENDATION

The Division of Public Utilities ("Division") requests that the Public Service Commission ("Commission") extend the June 27, 2008 comment deadline for the review of the "Assessment of Long-Term System-Wide Potential for Demand-Side and other Supplemental Resources" ("DSM Potential Report") prepared for PacifiCorp ("Company") by Quantec. The Division recommends that parties submit their initial comments regarding the DSM Potential Report to the Company for review on a scheduled date. The Company should be given a scheduled period of time to review these comments. The Commission should then schedule a technical conference so that the Company and interested parties have an opportunity to discuss the issues raised. The Company should subsequently incorporate the results of the technical conference into the report and formally file it with the Commission. The parties should then provide formal comments and recommendations to the Commission.

ISSUE

In its April 21, 2008 order, the Commission requested comments from interested parties regarding the DSM Potential Report under Docket No. 08-035-56. This report has not been filed with the Commission.

The Division contacted some of the parties who may provide comments on this issue. There appears to be a concern that most of these groups, including the Division, will not fully complete their comments by the June 27 deadline, as each party is currently dealing with a number of pressing issues requiring immediate attention. As a result, there may not be sufficient input to ensure a comprehensive review of the document.

There is additional concern that since the DSM Potential Report has not been formally filed, it is not clear how each party's issues and concerns will be integrated into the document. The Division recommends that the Commission consider a more formal review process analogous to the recent arrearage report review process. Like the DSM Potential Report review, the arrearage review process was developed in response to the PacifiCorp Acquisition Commitments found in Docket No. 05-035-54. An Arrearage Task Force was formed to meet and review issues with the Company and to develop a formal study plan. The Company formally filed a report on the task force findings and asked the Commission to acknowledge the document.

The Division recommends that the Commission consider a similar approach for this docket. The Division proposes the following review process and schedule:

- July 18, 2008 - Interested parties submit initial comments to the Company;
- August 13, 2008 - A Technical Conference is held to discuss and respond to comments;
- August 29, 2008 - The Company officially files the DSM Potential Report based on input from the Technical Conference;
- Sept 12, 2008 - Formal comments on the document are due to the Commission.

As an alternative, the Commission may consider holding a scheduling conference to determine the appropriate dates and process components.

The Commission should ensure that all relevant parties such as the DSM Advisory Group or the IRP Public Participants be formally notified of changes to the process to ensure broad-based input. The Division believes that this proposed process will provide for a more thorough review of this important document, and will give participants adequate time to compile the input and formulate responses.

CC: Rea Petersen, DPU
Jeff Larsen, RMP
Dave Taylor, RMP
Jeff Bumgarner, RMP
Don Jones, RMP
Michele Beck, CCS