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Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Phil Powlick, Director
Artie Powell, Energy Section Manager

Date: October 21, 2010

Re: 10-035-89, Request for Clarification, Decision on UIEC's Motion to Defer Recovery of Major Plant Addition Costs

In its order dated October 13, 2010 (Order), the Commission stated that "The MPA alternate ratemaking process is efficient in its reliance on the **revenue requirement spread** inherent in the Company's most general rate case final order." (Order, p. 10; Emphasis added) One could interpret this to mean that the spread in the MPA case should follow exactly that which was ordered in the rate case. However, the Commission also states in its Order that "the data and class **allocation methods** relied on in the Company's most recent general rate case should be the basis for any MPA-related rate recovery." (Order, p. 10; Emphasis added) This later could mean that it is the methods and data that should be used to determine the spread, which may differ from the revenue requirement spread approved by the Commission in the most recent general rate case. The Division respectfully asks the Commission to clarify the intent of its order on this matter. Given the Division, and other parties, are preparing testimony to be filed On Tuesday October 26, 2010, the Division requests that the Commission respond as soon as practicable.

CC Dave Taylor, Rocky Mountain Power
Michele Beck, Office of Consumer Services