

**PUBLIC SERVICE COMMISSION
OF UTAH**

Docket No. 14-035-147

Exhibit SC___JIF-6

Wyoming Docket 20000-400-EA-11
RMP Motion Requesting Permission to
Withdraw Application

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BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF) Docket No. 20000-400-EA-11
PACIFICORP FOR APPROVAL) Record No. 12953
OF A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO CONSTRUCT THE)
SELECTIVE CATALYTIC REDUCTION SYSTEM,)
PULSE JET FABRIC FILTER SYSTEM AND)
RELATED UPGRADES FOR NAUGHTON UNIT 3)

**MOTION REQUESTING PERMISSION TO
WITHDRAW APPLICATION**

Comes now, Rocky Mountain Power (the “Company”), and hereby requests the Commission allow it to withdraw the Application currently pending in this Docket. Because the Application is being withdrawn, the Company does not intend to formally respond to the intervenors’ surrebuttal testimony but will do so in future proceedings as appropriate. However, the Company does note that several contentions contained in the testimony of Mr. Falkenberg on behalf of the Wyoming Industrial Energy Consumers

(“WIEC”) and Mr. Freeman on behalf of the Wyoming Office of Consumer Advocate (“OCA”) demand a brief response.¹ In support of its Motion, Rocky Mountain Power states as follows:

1. On April 9, 2012, the Company filed rebuttal testimony and exhibits that contained updated analysis and information. The Company’s rebuttal testimony and updated data, based on the analysis undertaken in response to testimony filed by intervenors, showed that the planned environmental upgrades to the Naughton Unit 3 generating facility are no longer cost-effective, and that the interests of the Company and its ratepayers would best be served by converting the Naughton Unit 3 generating facility to a natural gas peaking facility. The analysis shows that the conversion to natural gas is the risk adjusted, lowest cost compliance alternative when compared to the mandated environmental upgrade projects using updated model input assumptions, updated market information and advancements in modeling methodology.

2. In his surrebuttal testimony, Mr. Freeman contends that these are Company decisions that are largely at the discretion of management. In response, the Company would note that the decisions being made are not “largely” at management’s discretion but are, instead, almost completely circumscribed by federal and state requirements and regulatory policies that the Company is attempting to prudently reconcile and manage.

3. Mr. Freeman also criticizes the prudence standard used in nearly every state that judges a utility’s prudence based upon facts and circumstances known or

¹ Because the Application is being withdrawn, the Company does not intend to address all disputed positions taken by these witnesses. Future proceedings appear the proper venue for these exchanges.

reasonably knowable at the time the decision is made.² Mr. Freeman effectively proposes a new prudence test which would assess prudence on the basis of hindsight. While Mr. freemen suggests the current test for prudence is “unfair” and “intolerable” for consumers, it would be even more unfair and intolerable to judge the Company’s decisions on conditions that Mr.Freemen himself acknowledges are uncertain by using 20-20 hindsight.

4. Mr. Freeman’s testimony also references the conversion to natural gas as occurring in 2015. While perhaps not intended, the reference could be interpreted to suggest the decision not to install environmental controls should be judged based upon what will be known in 2015. The Company wants to make clear that the decision not to install environmental controls at this time is being made now.

5. In Mr Falkenberg’s surrebuttal testimony, he contends the Commission should order the Company to perform analyses with the GRID model. In response, the Company would note that substantially more evidence would be required in this docket to justify Mr. Falkenberg’s recommendation. Running multiple models is time-consuming and expensive, and should not be mandated without a convincing record of the need and propriety. This is not the docket for the Commission to make such a determination.

6. Accordingly, Rocky Mountain Power hereby requests that the Commission allow the Company to withdraw the current certificate Application, which requests authority to construct the environmental upgrades. The Company is prepared to present any information that the Commission requests to aid in its review of this request,

² Under the prudent investment rule, the utility is compensated for all prudent investments at their actual cost when made (their “historical” cost), irrespective of whether individual investments are deemed necessary or beneficial in hindsight. *Duquesne v. Barasch*, 488 U.S. 299 (1989).

but respectfully submits that the public hearings currently scheduled for May 29-June 1, 2012, are no longer necessary.

WHEREFORE, by this Motion, Rocky Mountain Power respectfully requests that the Commission allow the Company to withdraw the Application for a certificate of public convenience and necessity for construction of the environmental upgrades to the Naughton Unit 3 generating facility.

DATED this 11th day of May 2012.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mark C. Moench", is written over a horizontal line.

Mark C. Moench
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