



State of Utah

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May 2, 2019

Mr. Chris Parker
Director, Division of Public Utilities
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Re: *Division of Public Utilities' Audit of PacifiCorp's 2018 Fuel Inventory Policies and Practices;*
Docket No. 19-035-07

Dear Mr. Parker:

The Public Service Commission of Utah (PSC) reviewed the Division of Public Utilities' (DPU) March 27, 2019 memorandum concerning its audit of PacifiCorp's 2018 fuel inventory policies and practices (Memo). The Memo, prepared pursuant to the PSC's February 18, 2010 Report and Order on Revenue Requirement, Cost of Service and Spread of Rates in Docket No. 09-035-23,¹ summarizes the results of the DPU's annual audit of PacifiCorp's fuel inventory management policies, procedures, and actual practices. The Memo also identifies several key findings related to PacifiCorp's coal procurement and inventory management.

The DPU concludes PacifiCorp has formal policies and procedures in place for its fuel procurement and coal inventory levels that provide flexibility to react to market changes. The DPU further concludes PacifiCorp has generally adhered to its policies and procedures in 2018. The DPU recommends no further action be taken.

The PSC appreciates the DPU's ongoing efforts to monitor and audit PacifiCorp's fuel inventory policies and practices and to identify coal inventory-related issues.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#308071

¹ See *In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations*, Docket No. 09-035-23.