



State of Utah

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May 5, 2021

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 2019 Fuel Inventory Policies and Practices; Docket No. 20-035-12*

Dear Mr. Parker:

The Public Service Commission of Utah (PSC) reviewed the Division of Public Utilities' (DPU) March 30, 2021 memorandum concerning its audit of Rocky Mountain Power's (RMP) 2020 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 ("2009 Order"),¹ summarizes the results of DPU's annual audit of RMP's fuel inventory management policies, procedures, and actual practices. The Memo also identifies actions taken by RMP in response to DPU's suggestions in the previous year's audit report, including a 2021 third-party independent review and report of RMP's coal inventory levels ("2021 Kaptur Report").

DPU states RMP updated its 2021 Policies and Procedures based on the analysis in the 2021 Kaptur Report and the operational and contract expectations at the various plants. DPU further states RMP is in compliance with the PSC's 2009 Order with respect to its fuel inventory policies and procurement practices and that RMP's efforts to manage the fuel inventory in 2020 resulted in savings for Utah ratepayers. DPU recommends no PSC action is required at this time.

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

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.

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Sincerely,

/s/ Gary L. Widerburg

PSC Secretary

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