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| EXHIBIT NO. | <i>Chevron-1</i> |
| Case | <i>94-2035-03</i> |
| Date | <i>10-2-94</i> |
| Witness | |
| Reporter | <i>Stacy</i> |

Attorneys for Chevron U.S.A.

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

| | | |
|----------------------------|---|-----------------------------------|
| IN THE MATTER OF THE |) | Docket No. 94-2035-03 |
| APPLICATION OF PACIFICORP |) | |
| FOR AN ORDER APPROVING ITS |) | Position Statement of Chevron USA |
| AVOIDED COST RATES |) | Products Company |

Introduction:

In the Public Service Commission (Commission) Order in Docket No. 94-2035-03 dated October 18, 1994 the Commission requested that the parties provide their views and suggestions to the Commission regarding the "handling" of projects greater than 1000 kw in size. This position paper is only in response to the Commissions request to address projects greater than 1000 kw and Chevron reserves its right to address the issues respecting the avoided costs of less than 1000 kw at a future date.

As Chevron stated in its amended petition to intervene, what is most germane in PacifiCorp's (Company) resource acquisition strategy is the analysis and deliberation the Company undertakes when evaluating the benefits to ratepayers derived from these larger projects. The majority of supply opportunities the Company has acquired are characterized by projects or purchases far in excess of 1000 kw. While the issue of how to handle projects larger