

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
Utah Power & Light Company for an)
Order Approving Amendment No. 3 to)
the Electric Service Agreement)
between PacifiCorp and Nucor)
Corporation)

DOCKET NO. 99-035-13
ORDER ON CLARIFICATION

ISSUED: December 14, 2000

By The Commission:

On December 4, 2000, the Commission issued an order approving Amendment No. 3 to PacifiCorp's service contract with Nucor Corporation (Nucor). PacifiCorp filed a Petition for Clarification on December 8, 2000, asking that the Commission make clear that we do not intend to impute revenues to PacifiCorp if the contract fails to recover its costs. The language of our order that concerns the Company follows: "We believe that existing regulatory tools and processes are available to protect other customers where past and future non-compensatory circumstances arise, without having to delay approval of the proposed amendment for further analyses."

We acknowledge and clarify that one of the existing regulatory tools that could be included in that phrase is imputation of revenues. In our review of past cases, however, we would point out that the Commission has not imputed revenues to special retail contracts. We believe there are additional means by which to protect the Company's other customers. In addition, even if we were to impute revenues in a rate case, the Company could request a change in this contract prospectively in order to remain whole. After all, the Company is in the best position to know if the contract is compensatory.

Frankly, we are troubled by the Company's preoccupation with revenue imputation. PacifiCorp management has represented in the original application and more recently in a letter that the Nucor contract covers its costs and is in the public interest. Imputation, therefore, should pose no threat to the Company if those representations are accurate. We have relied on those representations to approve the amendment to the contract.

Dated at Salt Lake City, Utah, this 14th day of December, 2000.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary