

To: Utah Public Service Commission

From: Ric Campbell, Director
Lowell Alt, Manager
Ron Burrup, Technical Consultant

Date: March 16, 2000

RE: PacifiCorp Proposed Schedule 79 - New Wind, Geothermal and Solar Power Rider
Docket 00-035-T01 (Revised filing dated March 10,2000)

Issue:

In accordance with the Commission's order in Docket 98-2035-04, PacifiCorp has filed a green resource tariff. PacifiCorp requests that the new *Proposed Schedule 70 - New Wind, Geothermal and Solar Rider* be effective April 12, 2000. Details concerning the program are included in the revised filing.

Recommendation:

The Division, after meeting with the Company and other interested parties, recommends that the revised filing be approved. The Division understands that other parties have concerns about this tariff, and that they will file their concerns with the Commission by March 23, 2000. The Commission may decide the issues based on the filings of the parties, or may schedule a hearing to gain additional information.

The Division also recommends the Commission order PacifiCorp to convene an advisory group of interested parties whose purpose would be to address problems and recommend revisions to this tariff during the next two years and make recommendations to the Company. The Company should report the recommendations of the advisory group to the Commission prior to the second anniversary, April 12, 2002.

Finally, the Division understands that PacifiCorp has made the following commitments in its revised filing, and recommends that these be included in the Commission's order.

1. PacifiCorp commits to stay within the budgeted expenses outlined in the attachment to the filing for the first two years of the program.

2. PacifiCorp will allocate revenues and costs between state jurisdictions based on then current generation factors.
3. PacifiCorp will seek recovery of any costs associated with this tariff in excess of revenues in a separate rate proceeding, authorization for cost recovery is not included in approval of the tariff.
4. PacifiCorp will seek Commission approval for changes in the tariff conditions or rate.
5. PacifiCorp will provide copies of advertising relating to this tariff to interested parties.
6. PacifiCorp will make normalizing adjustments in its Semi Annual reports to remove revenues and costs associated with the tariff. This is to ensure that no costs are borne by non-participants .

Explanation:

The Division views this tariff as an experimental undertaking. It is uncertain how many customers will participate in the tariff, participation drives revenue and ultimately the \$4.75 monthly rate. The budgeted annual expenditures of \$564,333 in 2000, and \$710,000 in 2001, for the total company are not excessive. The anticipated penetration rate of 1.20% for the second year is expected to cover the costs. There is little risk to customers who do not participate.

Because the program is experimental it should be reviewed periodically. The advisory group recommended by the Division and the report to the Commission also minimize risk to non participants because of the short time frame before review.

cc: Office of Energy and Resource Planning, Jeff Burks
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