



201 South Main, Suite 2300  
Salt Lake City, Utah 84111

November 9, 2006

Julie P. Orchard  
Commission Secretary  
Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, Utah 84111

**Re: Docket No. 05-035-47: In the Matter of the Application of PacifiCorp for Approval of a 2009 Request for Proposals for Flexible Resource**

Dear Ms. Orchard:

PacifiCorp (d.b.a. Rocky Mountain Power) hereby submits for filing an original and five copies of PacifiCorp's Comments in Support of its Revised RFP. An electronic version of this filing will be provided to [mlivingston@utah.gov](mailto:mlivingston@utah.gov).

PacifiCorp respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com); [Dave.Taylor@PacifiCorp.com](mailto:Dave.Taylor@PacifiCorp.com); and [Dean.Brockbank@PacifiCorp.com](mailto:Dean.Brockbank@PacifiCorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Informal inquiries may be directed to Dave Taylor at 220-2923.

Sincerely,

Doug Larson  
Vice President, Regulation

Enclosures

cc: Service List 05-035-47

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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of  
PacifiCorp for Approval of a Request for  
Proposals for a Flexible Resource

DOCKET NO. 05-035-47

**PACIFICORP'S COMMENTS IN SUPPORT  
OF ITS REVISED RFP**

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PacifiCorp filed its revised RFP on November 1, 2006 ("Revised RFP"). Pursuant to the Commission's ruling on November 3, 2006 allowing additional comments to be filed in this case, PacifiCorp respectfully submits the following brief comments on the issue of credit in support of its Revised RFP.

While Merrimack Energy Group, Inc. indicated in its most recent comments filed on October 13, 2006, that "PacifiCorp has made significant progress on credit issues from the Initial RFP and has developed a credit methodology which the IE believes should be fair, equitable, and balanced to all bidders and should not discourage bidders from competing in the process on the basis of credit requirements." Responsive Comments of Merrimack Energy as Independent Evaluator at 9 ("IE's Comments"). Furthermore, in the IE's Comments, the IE "commends PacifiCorp for the high level of transparency and openness provided to bidders regarding the Company's methodology for determining credit requirements." *Id.* At the hearing on November 3, 2006, the IE testified that PacifiCorp's credit methodology contained in the Revised RFP was within industry standards and the IE did not see any outstanding issues with respect to credit.

Notwithstanding the IE's comments, other participants raised questions about the transparency and flexibility of PacifiCorp's credit provisions contained in its Revised RFP and credit was discussed in more detail at the November 3, 2006 hearing.

On October 26, 2006, NRG Energy, Inc. ("NRG") filed comments with the Public Service Commission of Delaware on another utility company's proposed RFP, Delmarva Power & Light Company ("Delmarva"). *See* Exhibit A attached hereto. In their comments, NRG was criticizing Delmarva's proposal for limitless security requirements for replacement energy as being inconsistent with other RFPs currently in the marketplace. NRG cited PacifiCorp's current RFP as an example of a utility RFP that provides "a clear, coherent methodology for how its security requirements have been produced." *See* Exhibit A at 10. In referring to PacifiCorp's RFP, NRG states that such an "objective approach avoids the appearance of a utility preferring a self-build option by providing a cogent rationale for arriving at a particular collateral figure." *Id.* at 11. NRG goes on to suggest that Delmarva should adopt objective criteria:

such as those employed by PacifiCorp to arrive at a reasonable figure for the collateral requirement during the operational period. This will increase the transparency of the RFP process, which in turn may increase the number of bids. Transparency is of particular importance to bidders that will be utilizing a projected financed special purpose entity, because of the particular challenges they face in obtaining financing. Moreover, the use of an objective methodology will most certainly result in a "hard number" for the collateral requirement.

PacifiCorp respectfully requests that the Commission take notice of NRG's comments as that of a market participant supporting the credit methodology proposed by PacifiCorp in its Revised RFP.

Dated: November 9, 2006.

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Doug Larson  
Vice President, Regulation  
PacifiCorp

**EXHIBIT A**