

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)	<u>DOCKET NO. 07-035-94</u>
PacifiCorp, by and through its Rocky)	
Mountain Power Division, for Approval of a)	
Solicitation Process for a Flexible Resource)	<u>PROCEDURAL ORDER</u>
for the 2012-2017 Time Period, and for)	
Approval of a Significant Energy Resource)	
Decision)	
)	

ISSUED: March 18, 2010

By The Commission:

By order issued October 26, 2009, the Commission approved the resumption of the Request for Proposal (“RFP”) process associated with PacifiCorp’s application filed in this docket to issue an All Source RFP. In the October 26, 2009, order, the Commission approved a schedule for the resumed RFP.

In a letter, dated November 19, 2009, PacifiCorp informed the Commission that it planned to postpone the bidder and stakeholder meeting, scheduled for November 20, 2009, to December 15, 2009. PacifiCorp also indicated it would like to schedule the stakeholder meeting to a date after the RFP is issued to the market, which it stated was planned for December 2, 2009. PacifiCorp said it planned to postpone the December 17, 2009, date scheduled for bidders to submit their notice of intent to bid, to December 22 , 2009.

In an order dated December 2, 2009, the Commission treated PacifiCorp’s November 19, 2009, letter as a request to alter the prior schedule approved in our October 26, 2009, order, and requested comments from interested parties concerning the schedule change

proposed by PacifiCorp. The Commission requested written comments be filed on or before December 14, 2009. On December 14, 2009, the Utah Division of Public Utilities (“Division”) filed comments.

The Division does not oppose the Company’s proposed change in the date for the bidder and stakeholder meeting from November 20, 2009, to December 15, 2009, or the proposed change in date for bidders to submit a notice of intent to bid from December 17, 2009, to December 22, 2009. The Division states these changes do not appear to be material. Based on this representation and hearing no opposition, we ratify these two schedule changes.

In its comments to the Commission, the Division also articulates its various concerns about repeated delays in PacifiCorp’s RFP process, and the lack of transparent information, and provides details supporting its concerns. The Division makes nine recommendations to avoid further schedule delays and to improve the transparency of information in this proceeding.

The Division recommends PacifiCorp: 1) file quarterly progress reports on the All Source RFP; 2) inform the Commission immediately in writing of any delays extending beyond three days in the approved schedule detailing the reasons for the delay, impact of the delay on the schedule, the RFP and the online date of the significant energy resource; 3) immediately file a letter certifying whether the 2008 All Source RFP was issued on December 2, 2009; 4) immediately file, in Word format, both a redline and final version of the All Source RFP issued on December 2, 2009, and an explanation and supporting reasons and documentation for all changes from the approved All Source RFP issued on October 2, 2008; 5) immediately file, in Word format, a final version of the All Source RFP issued on October 2, 2008; 6) immediately

file a detailed explanation of how bids in the intermediate class will be evaluated without a proposed benchmark; 7) immediately file a detailed explanation of its bridging strategy to meet its retail loads in Utah for the years 2010 through 2014 and an explanation of why it is considering lowering the total megawatts sought under the All Source RFP; 8) immediately explain the language changes in the Evaluation Section of the All Source RFP to the satisfaction of the Commission or remove the language from the document; and 9) amend the All Source RFP to indicate it is seeking up to 2,000 megawatts.

On March 2, 2010, the Company responded to the Division's recommendations. In this response the Company agrees to and addresses seven of the nine recommendations and objects to two of the recommendations.

The Company objects to the first recommendation, proposing instead that the Commission enforce Utah R746-420 (6)(4). The Company represents this rule requires the Utah Independent Evaluator to prepare and file with the Commission, and provide copies to the Company and the Division, monthly progress reports on all aspects of the solicitation process, including progress, milestones achieved and issues that could affect the outcome or success of the All Source RFP. The Company argues the Division's request for a quarterly report duplicates existing communication and is an inefficient use of resources.

The Company objects to the ninth recommendation to amend the All Source RFP. The Company argues the All Source RFP included up to 2,000 megawatts but the Company subsequently purchased the Chehalis power plant. Subtracting the Chehalis power plant from the total megawatts requested, the Company now requests the remaining 1,500 megawatts as part of the All Source RFP. The Company argues this is consistent with the initial All Source RFP in

which the Company stated it would adjust the amount of resource solicited subject to certain changes in its resource requirements.

On March 10, 2010, the Division filed a reply indicating it was in agreement with the Company's response to its recommendations. The Division added it is in agreement with the Company's response wherein it proposed to address Recommendation No. 7, the Division's request for an explanation of the Company's bridging strategy, in its 2008 Integrated Resource Plan Update ("2008 IRP Update"), which is expected to be filed in late March. The Division notes if it continues to have concerns it will address them in its review of the IRP 2008 Update.

We ratify the Company's proposed schedule changes and accept the Company's response to the Division's recommendations. With respect to the Division's Recommendation No. 2, we remind the Company it must also request Commission approval of any proposed schedule change in this docket.

ORDER

Wherefore, pursuant to our discussion herein, we order:

1. The date for the bidder and stakeholder meeting is changed from November 20, 2009, to December 15, 2009.
2. The date for bidders to submit a notice of intent to bid is changed from December 17, 2009, to December 22, 2009.

DOCKET NO. 07-035-94

- 5 -

DATED at Salt Lake City, Utah, this 18th day of March, 2010.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#65695