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MEMORANDUM

To: Utah Public Service Commission

From: Division of Public Utilities
Jeff Millington, Director
Artie Powell, Manager, Energy Section
Charles Peterson, Technical Consultant

Subject: The Division of Public Utilities comments on the “Utah Committee of Consumer Service’s Request for Hearing or in the Alternative to Reopen Docket for Comments” dated January 2, 2008. Docket No. 07-2035-01.

Date: January 8, 2008

ISSUE

The Committee of Consumer Services (Committee) requests that the Public Service Commission hold a hearing on the PacifiCorp 2006 Integrated Resource Plan (IRP) Docket No. 07-2035-01 for further comments by interested parties to respond to PacifiCorp comments and other events¹ that have occurred since PacifiCorp filed its IRP on May 30, 2007. Alternatively, the Committee requests that the Commission reopen the Docket for further comments by interested parties and then decide whether or not to hold a hearing. The Committee also notes that the Commission will consider Questar Gas’ IRP Standards and Guidelines in a separate docket and seems to suggest that issues that would be dealt with in such a docket would be applicable to PacifiCorp as well as Questar Gas.

¹ The other events are primarily the developments since August 2007 in the PacifiCorp RFP Docket No. 05-035-47 and comments made by PacifiCorp in the fall of 2007 related to its IRP.

RECOMMENDATIONS

The Division of Public Utilities (Division) recommends that the Commission open a docket to review and update, as necessary, the Standards and Guidelines for PacifiCorp's Integrated Resource Plan.

As Discussed below, the Division recommends that the Commission neither reopen Docket No. 07-2035-01 for further comments nor hold a hearing at this point in time. The Division believes that it would be a better use of everyone's resources for the Commission to issue its Order, giving PacifiCorp whatever guidance it deems appropriate in this matter, and for PacifiCorp and the Parties to move on to the IRP Update and the 2008 IRP.

DISCUSSION

The Division, in its lengthy August 31, 2007 comments on the PacifiCorp IRP in Docket 07-2035-01, made a number of recommendations regarding the IRP. Other parties also availed themselves of the opportunity to comment on the IRP. A significant observation and recommendation of the Division in its August 31 comments was that the IRP process was already significantly delayed and that PacifiCorp other than making some, in the Division's view, brief and minor changes, should move on to the timely production of the IRP Update and embark on the 2008 IRP which should be timely produced by January 2009. While the Division made 22 recommendations, the large majority of them were aimed at future IRPs. In August 2007, the Division did not believe that it would be the best use PacifiCorp's resources (and the resources of the responding Parties) to try to correct or change the 2006² IRP given that an Update would be due in the same time frame that any corrections/changes could be completed, reviewed and acknowledged. The Division believed in August that such an exercise would not be a beneficial use of time given (1) the need and expectation for an Update, and (2) by the time a conclusion of such an exercise was reached, the 2006 data and events considered in the IRP

²PacifiCorp chose to call this IRP its 2007 IRP.

would be so far in the past that it would render those IRP results to be largely of academic interest.

Now the Committee, more than four months following the close of comments, wants to reopen the matter and extend the process of acknowledging this IRP for an indefinite time. The Committee argues essentially that “circumstances as they now exist” are different from the way they were on the May 30, 2007 filing date of the IRP and since the August 31, 2007 deadline for comments. The Division’s recommendation to “move on” in August 2007 was based upon the recognition by the Division that things had changed since 2006. The Division believes that the fact that “circumstances as they now exist (as of January 2, 2008)” are different than they were months ago is insufficient reason (on January 7, 2008) to grant the request for hearings or to otherwise lengthen the time of this Docket.

The Division believes that all Parties, including PacifiCorp, would be best served by the Commission issuing, as quickly as possible, its Order in Docket 07-2035-01, giving whatever guidance it deems appropriate to PacifiCorp and the Parties for future IRPs and their Updates, and to allow PacifiCorp to “move on.”

The Division does believe that there is merit in reviewing the current IRP Standards and Guidelines applicable to PacifiCorp. The current Standards and Guidelines came out of Docket No. 90-2035-01 and were issued on June 18, 1992, more than 15 years ago. Given the changes that have occurred in the last 15 years which have included changes in technologies and environmental sensitivities, not to mention two corporate reorganizations, the Division believes there is a need to review and, as necessary, update the Standards and Guidelines for PacifiCorp’s IRP. The Division recommends that the Commission open a docket (separate from the Questar Gas docket) for such a review and update.

cc: Michele Beck, Committee of Consumer Services

Dave Taylor, PacifiCorp