

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Request of Rocky)	<u>DOCKET NO. 08-035-35</u>
Mountain Power for a Waiver of the)	
Solicitation Process and for Approval of)	<u>ORDER GRANTING REQUEST FOR</u>
Significant Energy Resource Decision)	<u>WAIVER OF SOLICITATION</u>
)	

ISSUED: April 30, 2008

By the Commission:

On April 1, 2008, Pacificorp, doing business as Rocky Mountain Power (RMP), filed a verified Request for a Waiver of Solicitation Process (Solicitation Waiver); as well as a Request for Approval of a Significant Energy Resource Decision. Accompanying the filing were the testimonies of Bruce N. Williams and Stefan A. Bird. The Solicitation Waiver is filed pursuant to Utah Code 54-17-501 and requests Commission approval allowing RMP to acquire a significant energy resource, code named "Project Blue," without undertaking a solicitation process required by Utah Code 54-17-201. Utah Code 54-17-501 allows a waiver of a solicitation process if the Commission determines a solicitation waiver is in the public interest if there exists a clear emergency, a time-limited commercial or technical opportunity provides value to the customers of the utility, or any other factor that makes waiving the requirement in the public interest. RMP characterizes acquisition of Project Blue as being a time-limited commercial opportunity the provides value to its customers.

Pursuant to Utah Code 54-17-501(5), an April 9, 2008, technical conference was held where RMP presented information supporting the Solicitation Waiver and responded to questions concerning Project Blue and the proposed acquisition of this significant energy resource. Pursuant to Utah Code 54-17-501(6), comments on the Solicitation Waiver have been

submitted by the Division of Public Utilities (Division) and the Committee of Consumer Services, both of the Utah Department of Commerce; the Utah Association of Energy Users; and Merrimack Energy, acting as the Commission's Independent Evaluator. RMP's Reply to these comments was filed April 25, 2008.

Pursuant to Utah Code 54-17-501(7), the Commission now issues this Order granting RMP's request for waiver of a solicitation process to acquire Project Blue. RMP has complied with the statutory filing requirements of Utah Code 54-17-501 and the filing requirements of Utah Administrative Rule R746-430-4. Based upon the information provided by RMP and the investigation and comments by the Division and Merrimack Energy, the Commission concludes that RMP has shown: 1. that acquisition of Project Blue is consistent with RMP's current Integrated Resource Plan, 2. that acquisition is consistent with RMP's pending solicitations and procurement of Project Blue will have no detrimental effect upon RMP's pending solicitations, 3. how Project Blue compares in value to similar resources, 4. how Project Blue will be connected to and will be integrated with RMP's electrical transmission and distribution systems, 5. the costs RMP may incur to acquire Project Blue and the effects upon RMP's power costs and revenue requirements, and 6. the effect Project Blue will have on future resource acquisitions.

No objection to granting the Solicitation Waiver has been submitted. What negative comments or concerns have been expressed address RMP's request for approval of a significant energy resource decision, pursuant to Utah Code 54-17-302, and the recovery of costs associated with the acquisition of this significant energy resource pursuant to Utah Code 54-17-

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303, not the Solicitation Waiver itself. We conclude that acquisition of Project Blue is a time-limited commercial opportunity that provides value to RMP's customers. Acquisition of Project Blue is consistent with RMP's projected electric generation resource needs and plans and will not have a detrimental impact upon RMP's pending or future significant energy resource solicitations. Based upon the information provided and comments received, we find no basis to condition or deny the request for waiver of a solicitation process to acquire Project Blue. Based upon the record presented, we conclude that waiver of the solicitation process for Project Blue is in the public interest.

Dated at Salt Lake City, Utah, this 30th day of April, 2008..

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
GW#57217