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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of Rocky Mountain Power for Approval of Significant Energy Resource Decision Resulting from 2012 Request for Proposals	<b>Docket No. 08-035-95</b> <b>UAE Position Statement</b>
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The Utah Association of Energy Users (“UAE”) submits this position statement in this matter.

Introduction

UAE appreciates the opportunity to participate in this case. UAE counsel and consultants have participated in the technical conferences in this docket and have reviewed testimony and exhibits filed by Rocky Mountain Power (“RMP”), data responses provided by RMP, the reports filed by the Independent Evaluator (“IE”), and limited other available material regarding the 2012 RFP process and the Lakeside II resource. However, given the complexity of the issues and the extremely short period available for review in this docket, UAE has not been able to

conduct a thorough review of the process or the proposed project. UAE is submitting the prefiled direct testimony of Mark Klein, which provides some general conclusions and observations about the process. This Position Statement is submitted in order to explain UAE's overall position in this matter.

### Position Statement

Based on its limited review, UAE has not identified sufficient reasons for it to oppose RMP's proposed acquisition of the Lakeside II resource. In reaching this conclusion, UAE relies heavily upon the involvement and recommendations of the IE in this matter. UAE was instrumental in supporting legislation and rules to ensure the active involvement of an independent IE in RMP's resource procurement process, and UAE is generally supportive of the IE's role and conclusions.

Notwithstanding the above, UAE has a number of concerns about several aspects of the 2012 RFP process, many of which are identified in Mr. Klein's testimony. For example, UAE is very troubled by the extraordinarily lengthy and cumbersome process of this RFP, the numerous delays and postponements, and the extremely short period of time allowed for review of the process by other parties. Moreover, it appears doubtful that the resource will be completed by July 2012, when it is needed. Also, UAE is concerned by RMP's failure to compare the risk of eliminating a substantive bidder over the required timing of credit support against the increased supply risk inherent in eliminating that bid. UAE believes that RMP must address and remedy these types of deficiencies in future RFPs.

UAE views the approval available in this docket under Utah Code §§ 54-17-301, et seq., as relatively narrow -- limited to a determination that RMP's acquisition of the Lakeside II

power plant as proposed is in the public interest given current realities and circumstances and in comparison to other available resources identified in the RFP process. UAE submits, however, that a number of other, somewhat related, issues are not properly before the Commission for approval and should not and cannot properly be considered to be subsumed in a Commission approval of RMP's acquisition of the Lakeside II resource. For example, this docket has not addressed, and the Commission's order should not approve, the timing or prudence of RMP's resource planning processes in general, the timing of the specific solicitation in this docket, delays and decisions made by RMP during the lengthy RFP process, the failure to conduct critical risk analyses, the failure to also pursue other available resources, or any other similar issues. All such issues are properly left for future prudence analysis and determination if and when they are raised by parties in future rate cases.

Stated differently, UAE respectfully submits that the Commission can approve the acquisition of the Lakeside II resource as proposed by RMP (assuming other parties do not provide evidence demonstrating that the acquisition is not in the public interest and assuming that the preliminary analysis of 2008 RFP bids does not indicate that better or more cost-effective choices are available), as a prudent decision at this time, given current realities, needs, constraints and known available resources. However, the Commission should not and cannot properly approve the utility's planning processes or decisions that determined the timing of the solicitation or analyses, that resulted in a limited universe of resource options presented for consideration, that eliminated other resource options or that may delay the commercial operation date of the selected resource.

Conclusion

Without waiving any of the concerns or caveats described above, UAE's limited analysis has identified no material reasons for it to oppose RMP's acquisition of the Lakeside II resource in accordance with the terms of the relevant agreements. However, the prudence of RMP's resource planning processes and timing in general, and the 2012 RFP process specifically, should be addressed as appropriate in future rate cases.

DATED this 5<sup>th</sup> day of February, 2009

/s/ \_\_\_\_\_  
Gary A. Dodge,  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by email this 5<sup>th</sup> day of February, 2009, on the following:

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