



State of Utah

Gary R. Herbert
Governor

Greg Bell
Lieutenant Governor

Public Service Commission

TED BOYER
Chairman

RIC CAMPBELL
Commissioner

RON ALLEN
Commissioner

August 10, 2012

Dave Taylor
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, UT 84111

RE: Docket No. 09-035-23, Division's Audit of PacifiCorp's 2011 Fuel Inventory Policies and Practices

Dear Mr. Taylor:

On April 19, 2012, the Division of Public Utilities ("Division") issued a report to the Utah Public Service Commission ("Commission") regarding the Division's Audit of PacifiCorp's ("Company") 2011 Fuel Inventory Policies and Practices.

In its report, the Division indicates it has reviewed the Company's Coal Inventory Policies and Procedures ("Manual"), third-party reports, and has conducted its own analysis of target levels versus actual inventory of coal at the Company's generation plants. The Division concludes (1) the Company has formal policies and procedures in place for its fuel procurement and coal inventory levels; (2) the Company has adhered to its policies and procedures in 2011, as formally stated in its Manual; (3) the Company is in compliance with its target inventory ranges for the year 2011; and (4) the Company's policies provide some flexibility to react to favorable market conditions.

Based on the recommendations of the Division, the Commission determines:

- 1) The Company is in compliance with the 2009 General Rate Case Report and Order, dated February 18, 2010;
- 2) When changes are made to the Company's Manual, the Company should forward a copy of the revised or updated Manual to the Division within 60 days;
- 3) Since the Division will perform a similar audit each year, future audit reports filed by the Division should reference Docket Number 09-035-23 but will be assigned a separate docket number by the Commission.

Sincerely,

/s/ Gary L. Widerburg
Commission Secretary

D#232340