

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Rocky Mountain)
Power Application for Alternative Cost) DOCKET NO. 10-035-89
Recovery for Major Plant Additions -) DECISION ON UIEC’S APPLICATION
Populus to Ben Lomond Transmission) FOR REVIEW AND CLARIFICATION
Line and Dunlap I Wind Project) OF THE COMMISSION’S ORDER
) REGARDING UIEC’S MOTION TO
) DEFER RECOVERY OF MAJOR
) PLANT ADDITION COSTS
)

ISSUED: November 16, 2010

By The Commission:

This matter is before the Commission on the application of Utah Industrial Energy Consumers (“UIEC”) for review and clarification of the Commission’s decision regarding UIEC’s motion to defer recovery of major plant addition (“MPA”) costs.

Our October 13, 2010, decision in this docket presents our rationale for declining to grant UIEC’s motion to defer recovery of MPA costs, prior to hearing evidence from all parties on when and how such costs, to the extent found reasonable, should be recovered. Among other things, the decision discusses pertinent elements of the MPA statute and options available to the Commission in implementing recovery in rates of approved MPA costs. The decision explains why we are not required to await the completion and litigation of new cost-of-service studies before evaluating revenue spread or rate design proposals in the MPA alternative cost recovery procedure.

In describing our rationale for denying UIEC’s requested deferral in advance of any hearing, we did not decide “the rate spread and cost of service issues be identical to that already determined by the last general rate case,” nor “that all rate

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recovery will begin January 1, 2011.” See *UIEC Application for Review and Clarification...*, dated October 25, 2010, p. 3. Our revenue spread and rate design findings in PacifiCorp’s most recent general rate case provide helpful context for the decisions we will reach on similar issues in this MPA case. Yet, we are open to considering parties’ proposals in the upcoming hearings on how best to achieve rate recovery in light of our prior findings and the bounds of the MPA process.

The other issues raised in UIEC’s application are addressed in our October 13, 2010, decision. That decision denying UIEC’s motion to defer recovery of MPA costs remains in effect.

DATED at Salt Lake City, Utah, this 16th day of November, 2010.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#69699