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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**In the Matter of PacifiCorp's
2013 Integrated Resource Plan**

Docket No. 13-2035-01

**COMMENTS OF THE UTAH
ASSOCIATION OF ENERGY
USERS (UAE) REGARDING
PACIFICORP'S 2013 IRP**

The Utah Association of Energy Users (“UAE”) hereby submits its comments on PacifiCorp’s 2013 Integrated Resource Plan (“IRP”).

UAE believes that the Commission’s review of the IRP should focus primarily on the following three subjects: (i) determining whether the IRP is sufficiently consistent with the Commission’s published Standards and Guidelines to warrant acknowledgment; (ii) providing feedback on how the IRP process can be improved in the future; and (iii) providing specific “review” and “guidance” to the utility under Utah Code §§ 54-17-101, et seq., on the proposed action plan.

UAE appreciates the significant efforts of PacifiCorp and others in developing this IRP. While UAE has several concerns about the IRP, the resource planning process, and ratepayer impacts, UAE does not oppose Commission acknowledgment of the IRP as generally consistent with the Standards and Guidelines. UAE recommends, however, that the Commission specify in its order that acknowledgment in no way suggests or implies any kind of approval or sanction as to any future Gateway Transmission segment or as to PacifiCorp's System Benefits Tool ("SBT").

PacifiCorp has not yet made a sufficient showing that any remaining segment of the Gateway Transmission project is cost-effective or in the public interest of Utah ratepayers. Nor has PacifiCorp adequately explained or defended its proposed use of the SBT. However, the current IRP action plan does not contemplate construction of any new Gateway segments and the IRP does not ask for Commission approval of the SBT. Before any future transmission segments are approved, UAE submits that a comprehensive evaluation will be necessary as to the costs and benefits of each segment, the primary beneficiaries of any such benefits, and the proper means of allocating such costs to the appropriate recipients of such benefits. The SBT is not yet an appropriate tool for such purposes.

UAE submits the following additional comments on the IRP:

1. UAE appreciates the IRP's evaluation of a third party transmission line scenario as one of the core cases. Page 216 of the IRP notes that this case was removed at the pre-screening step because the underlying transmission project upon which it was based was not far enough along in the development process to be considered. A footnote to the IRP identifies

several other reasons why PacifiCorp does not consider a DC line to be a cost effective alternative in comparison to segment D. UAE does not agree. Ratepayers are impacted on a nominal basis and not a levelized basis if PC builds a transmission line, and may be better off economically if PacifiCorp were to contract with another entity for a level of transmission capacity legitimately needed in the near term rather than building a transmission line that will not be needed for many years. UAE submits that third party transmission projects should be seriously considered and evaluated in future IRPs, and that PacifiCorp should be expected to respond to transmission open seasons and otherwise participate and express serious interest in transmission projects proposed by others. Only in that manner can PacifiCorp potentially help shape the nature of proposed transmission projects, identify possible alternatives that may be economical, and identify probable costs for modeling purposes in future IRPs.

2. Page 62 of the IRP discusses the Sigurd to Red Butte transmission project. Although that transmission segment was justified based primarily on a reliability basis, PacifiCorp used the SBT tool in an attempt to quantify potential benefits. UAE had serious concerns about such use of the SBT and the projected benefits, and it provided written comments expressing those and other concerns. The SBT calculations were not fully or adequately vetted in the Sigurd to Red Butte docket. UAE strongly disagrees with any suggestion or implication in the IRP write-up that the Commission's approval of that project was in any manner influenced by, or is any type of sanction for, the SBT estimates of benefits. UAE submits that the SBT has not been properly tested or vetted in any Commission proceedings, and any implications to the contrary should be disregarded. PacifiCorp is moving forward with Action Plan item 9a, by

establishing a stakeholder group to further review the SBT. UAE will actively participate in the workgroup, notwithstanding its serious concerns about the propriety of certain categories of “benefits” evaluated in the SBT.

3. In quantifying alleged benefits through the SBT, UAE recommends, when possible, that a range of benefits should be quantified for each category of claimed benefits. By providing a range of potential benefits, each segment can be better evaluated and the SBT will be more consistent with the manner in which IRP portfolios are evaluated.

4. Although the planning reserve margin does not appear to drive construction of a premature resource in this IRP as it has in the past, UAE continues to disagree with the use of a 13% or higher planning reserve margin. Higher reserve margins may improve reliability, but a meaningful cost-benefit analysis may not support the same. A planning reserve margin is properly considered in evaluating the timing of resources, but is not a measure of actual or required system reserves. UAE submits that a meaningful cost-risk analysis is critical if any given planning reserve margin may drive a premature acquisition date for new resources.

Dated this 9th day of September, 2011.

Hatch, James & Dodge

/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 9th day of September , 2013, on the following:

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