

UCE Data Request 3.9

Uncertainty analysis: In the Utah Commission Order acknowledging the 2008 IRP, the Commission encouraged the Company to fully implement the “three-stage approach” for developing its preferred portfolio that it outlined in the prior IRP. Namely, the Commission encouraged the Company to: “1) Identify optimal portfolios for a relatively broad, and consistently applied, set of fixed input assumptions; 2) subject the unique sets of these portfolios to stochastic risk analysis and identify superior portfolios with respect to the tradeoff between expected cost and risk exposure; 3) examine the cost consequences of the superior portfolios *with respect to uncertainty* by subjecting them to evaluation under the initial set of relatively broad fixed input assumptions.” Docket No. 09-2035-01, Report and Order (Issued April 1, 2010), page 19 (emphasis added). Please explain whether the Company conducted any “step three” analysis for the 2013 IRP or otherwise examined cost consequences of “the world unfold[ing] in unexpected ways.” *Id.*

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The Company did not perform a deterministic risk analysis (“step three” analysis) in the 2013 Integrated Resource Plan (IRP). The Company communicated its intentions to not perform a deterministic risk analysis with stakeholders at the April 5, 2013 public input meeting. Please refer to slide 22 in the presentation materials available at the following hyperlink:

http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Integrated_Resource_Plan/2013IRP/2013IRP_PIM19-Presentation_Port_AP_4-05-13.pdf

The “superior” or top performing resource portfolios, as summarized in Volume I of the 2013 IRP; specifically Figure 8.25 at page 223, have similar resource types, timing, and quantities among the planning period most critical to influencing the 2013 IRP Action Plan. Given these similarities among the top performing portfolios, a deterministic risk analysis would not be productive in identifying cost consequences by subjecting them to a range of fixed input assumptions.

Consistent with Utah Commission requirements, the Company does include in the 2013 IRP an Acquisition Path Analysis. Please refer to Volume I, Chapter 9, beginning page 265.