



## Public Service Commission

THAD LeVAR  
*Chair*

DAVID R. CLARK  
*Commissioner*

JORDAN A. WHITE  
*Commissioner*

State of Utah

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

July 15, 2016

Mr. Chris Parker  
Director, Division of Public Utilities  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84111

Re: *In the Matter of the Division's Audit of PacifiCorp's 2015 Fuel Inventory Policies and Practices*; Docket No. 16-035-11

Dear Mr. Parker:

The Division of Public Utilities (Division) filed a memorandum on June 30, 2016 detailing its audit of PacifiCorp's 2015 fuel inventory policies and practices in compliance with the Commission's directive in Docket No. 09-035-23. The Division notes the objectives of PacifiCorp's fuel management practices are to provide the lowest fuel cost over the long run, maintain adequate inventory levels at each thermal generation station, and build a portfolio of fuels. The Division concludes from its audit that PacifiCorp has formal policies and procedures in place for its fuel procurement and coal inventory levels and has adhered to its policies and procedures in 2015. The Division also concludes that no further action is required.

The Commission commends the Division for its comprehensive audit and finds no further Commission action is required in this matter. The Commission appreciates and supports the Division's continuing efforts to monitor and examine PacifiCorp's fuel management policies and practices to the benefit of PacifiCorp's Utah customers.

Sincerely,

/s/ Gary L. Widerburg  
Commission Secretary

DW#287072