

DOCKETED

In the Matter of the Application)	<u>DOCKET NO. 92-2035-07</u>
of PACIFICORP for an Accounting)	<u>ORDER ACCEPTING WITHDRAWAL</u>
Order Authorizing Treatment of)	<u>OF APPLICATION AND SETTING</u>
Demand Side Resource Costs)	<u>SCHEDULING CONFERENCE FOR</u>
)	<u>DOCKET NO. 92-2035-04</u>
)	

ISSUED: February 12, 1993

By the Commission:

On October 13, 1992 PacifiCorp applied for an accounting order authorizing its proposed accounting treatment of Demand Side Resources, (DSR). On January 22, 1993 PacifiCorp formally petitioned to withdraw its application and requested that a series of technical conferences be initiated under the 92-2035-04 docket, entitled "In the Matter of Ratemaking Treatment of Demand-Side Resources and the Analysis of Regulatory Changes to Encourage Implementation of IRP".

An accompanying letter from Company representative, Doug Larson, explained the rationale for the petition. The difficulty separating the accounting treatment for DSR from other regulatory issues was the main reason cited for the withdrawal. Instead, the Company requests that other issues surrounding DSR be analyzed in conjunction with its cost recovery.

The Company proposes to sponsor a series of technical conferences, beginning in February, for parties interested in its Utah DSR programs. It is the Company's intent that this collaborative process minimize the number of issues that go to formal hearing. They propose to investigate a wide variety of issues surrounding DSR, including: cost effectiveness measures, program methods, cost recovery/accounting procedures, other regulatory changes, e.g., decoupling.

The Company recommends that the current Utah DSR Evaluation Task Force be incorporated into this process. The Company suggests that by August 31, 1993, a report be filed with the Commission identifying areas of agreement and unresolved issues. The unresolved issues can then be addressed in a formal 92-2035-04 hearing.

PARTIES' RESPONSE TO PETITION

The Division recommends that the Company be allowed to withdraw its application in Docket No. 92-2035-07 and that the issues be studied, evaluated and resolved in the 92-2035-04 docket. The Division supports the recommendation for a series of Technical Conferences to study the issue. The Division recommends that the Utah DSR Task Force should continue separately to fulfill its specific mission of DSR program evaluation.

The Committee also supports the Company's request and argues that the task forces remain separate. The Committee acknowledges that the interested parties are the same for the two issues and suggests that meetings for the task forces be scheduled on the same day.

The Land and Water Fund of the Rockies' (LAW Fund) supports PacifiCorp's concern that it is premature to litigate DSM incentive issues now. They urge support for the Company's proposed Technical Conferences, but recommend that the Commission provide guidance in the structuring of such conferences through a formal Order. They believe guidance is needed with regard to timing, work scope, and information flows between parties. The LAW Fund supports the Company's specific deadline (August 31, 1993) for submission of results of the Technical Conferences to the Commission. If agreement

can not be reached, then parties can present either a joint or individual DSR incentive proposals that could be implemented upon Commission approval.

They recommend that the scope of the Technical Conferences should include:

- comparability of supply side and demand side resources;
- regulatory barriers that discourage implementation of the Company's IRP;
- disincentives associated with DSR, including lost revenues and cost recovery;
- potential solutions such as lost revenue adjustments, decoupling, rate design and frequent rate cases;
- alternative approaches to DSR program design that mitigate lost revenues and other cost recovery issues.

Having reviewed the filings and thoroughly considered the matter, the Commission issues the following:

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

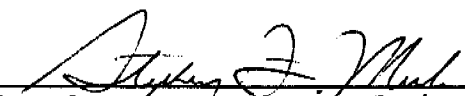
1. The Company's withdrawal of its October 13, 1992, petition for an accounting order authorizing its proposed accounting treatment of demand side resources is accepted by the Commission.
2. In accepting the withdrawal, the Commission formally closes the 92-2035-07 docket.
3. The Commission directs the parties to file any new petitions for DSR cost recovery or incentive regulation under the 92-2035-04 docket. The Commission desires that this

docket be investigative in nature with the objective to analyze the issues surrounding DSR and the implementation of the Company's IRP.

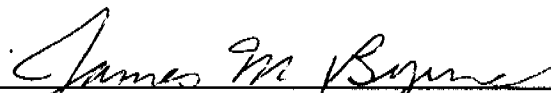
4. The Commission supports the Technical Conference/ Collaborative process as a viable step to aid in the Commission's decision making process on the issues to be presented in this docket.
5. To facilitate the organization of the Technical Conferences/Collaborative the Commission announces a scheduling conference to discuss such organizational issues. This will include scope of issues, timing of conferences and informational flows between parties. The scheduling conference will be held on Monday, March 8, 1993, at 10:00 a.m., in Room 427 on the Fourth Floor of the Heber M. Wells Building, 160 East 300 South in Salt Lake City.
6. This collaborative process should remain separate from the current DSR task force that is reviewing the evaluation process of the Company's DSR programs.

DATED at Salt Lake City, Utah, this 12th day of February,

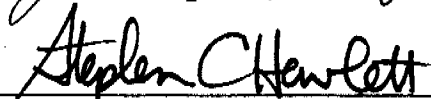
1993.



Stephen F. Mecham, Chairman



James M. Byrne, Commissioner



Stephen C. Hewlett, Commissioner

Attest:



Julie Orchard, Commission Secretary

-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

DOCKETED

AFFIDAVIT OF MAILING

In the Matter of the Application)
of PACIFICORP for an Accounting)
Order Authorizing Treatment of)
Demand Side Resource Costs.)

DOCKET NO. 92-2035-07
ORDER ACCEPTING WITHDRAWAL
OF APPLICATION AND SETTING
SCHEDULING CONFERENCE FOR
DOCKET NO. 92-2035-04

County of Salt Lake)
State of Utah) ss.

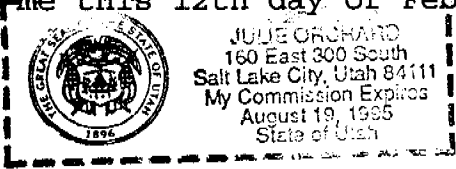
Beverly A. Grossaint, being duly sworn, deposes and says that she is a secretary regularly employed in the office of the Public Service Commission of Utah, whose office is located at the Heber M. Wells Building, Fourth Floor, 160 East 300 South, Salt Lake City, Utah.

That there is a United States Post Office at Salt Lake City, and at the place of residence or place of business of the persons whose names are set forth below; and between Salt Lake City and residence or places of business, there is a regular communication by mail.

That on the 12th day of February, 1993, affiant served a true copy of the hereto attached ORDER ACCEPTING WITHDRAWAL OF APPLICATION AND SETTING SCHEDULING CONFERENCE FOR DOCKET NO. 92-2035-04 on the said person by mailing such copy on said date in a post office in Salt Lake City, Utah properly enclosed in a sealed envelope with postage prepaid thereon, legibly addressed to the following persons, at the addresses shown:

Attached Mailing List

Subscribed and sworn to before me this 12th day of February, 1993.



My Commission Expires August 19, 1996

Beverly A. Grossaint
Secretary

Julie Orchard
Notary Public
Residing at Salt Lake City, Utah

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