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UTAH PUBLIC
SERVICE COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF PACIFICORP)	DOCKET NO. 94-2035-03
FOR AN ORDER APPROVING)	
ITS AVOIDED COST RATES)	APPLICATION

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE)	
APPLICATION OF PACIFICORP)	DOCKET NO. 94-2035-03
FOR AN ORDER APPROVING)	
ITS AVOIDED COST RATES)	APPLICATION

PacifiCorp, dba Utah Power & Light Company, ("PacifiCorp" or "Applicant") hereby applies to the Public Service Commission of Utah ("Commission") for an order approving PacifiCorp's proposed standard avoided cost rates for purchases from qualifying facilities ("QFs") 1,000 kw, or less, in size. In addition, PacifiCorp applies for an order approving PacifiCorp's proposed method for calculating standard avoided cost rates.

In support of this Application, PacifiCorp states as follows:

1. Applicant's name and principal place of business are:

PacifiCorp, dba Utah Power & Light
One Utah Center
201 South Main Street
Salt Lake City, Utah 84140

Communications regarding this Application should be addressed to:

Rodger Weaver, Manager
Power Systems Regulation
PacifiCorp
920 SW Sixth Avenue

Portland, OR 97204
Telephone No.: (503) 464-5618

and

Edward A. Hunter
Stoel Rives Boley Jones & Grey
One Utah Center
201 South Main Street, Suite 1100
Salt Lake City, Utah 84111-4904
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2. PacifiCorp is a public utility which provides retail electric service in the states of California, Idaho, Montana, Oregon, Utah, Washington and Wyoming. PacifiCorp conducts its electric utility business in the state of Utah under the assumed business name of "Utah Power & Light Company".

3. Applicant's rates for purchases of capacity and energy from QFs are subject to Commission jurisdiction pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978 and Utah Code Ann. § 54-12-2.

4. On April 23, 1992, the Commission issued an order in Docket No. 91-2035-01 adopting standard avoided cost rates, without adopting the method used to calculate those rates. In its order, the Commission stated:

[T]he Commission adopts the avoided cost rates filed by PacifiCorp . . . as the standard avoided cost rates for purchases from QF's 1000 kw, or less, in size. These avoided cost rates are based on RAMPP I. The Company is currently in the process of completing a new Resource and Market Planning Program (RAMPP II) which may require a recalculation of PacifiCorp's avoided cost rates. The Company shall, within 60 days of the completion of RAMPP II, file new avoided cost rates based on RAMPP II. After those new avoided cost rates have been filed, the Commission may institute a new proceeding to re-examine the avoided cost rates for PacifiCorp. Any party may also request, at that time, a proceeding to examine avoided cost issues for PacifiCorp.

5. While PacifiCorp filed, in accordance with the Commission's order, new avoided cost rates based on RAMPP-2, no proceeding was held to re-examine PacifiCorp's avoided cost rates and the April 23, 1992, rates remain the approved standard avoided cost rates for PacifiCorp.

6. Although the April 23, 1992, avoided cost rates are still the approved standard avoided cost rates for purchases from QFs, those rates do not reflect the changes which have occurred in PacifiCorp's resource requirements and resource options over the last two years. As a result, those rates are, as shown in Exhibit 1.8 of Mr. Rodger Weaver's prefiled testimony, approximately twenty-one percent higher than they should be based on PacifiCorp's avoided costs.

7. Because the April 23, 1992, rates no longer reflect PacifiCorp's avoided costs, PacifiCorp has submitted new standard avoided cost rates to the Commission for approval. PacifiCorp's proposed standard avoided cost rates are based on PacifiCorp's 1994 Resource and Market Planning Program and reflect, as described in Mr. Weaver's testimony, PacifiCorp's avoided costs. PacifiCorp's proposed avoided cost rates, which are shown in Exhibit 1.6 of Mr. Weaver's testimony, are just, reasonable and in the public interest and should, PacifiCorp respectfully submits, be approved by the Commission.

8. Since PacifiCorp currently has no Commission approved method for calculating standard avoided cost rates, PacifiCorp also requests Commission approval of the method

used to calculate its proposed standard avoided cost rates. As described in Mr. Weaver's testimony, PacifiCorp's proposed method responds to PacifiCorp's system load and resource characteristics, produces avoided cost rates which reflect the incremental costs which PacifiCorp can avoid with purchases from QFs, provides a consistent approach to avoided cost calculation among PacifiCorp's jurisdictions and should, PacifiCorp respectfully submits, be approved by the Commission.

9. In support of the relief requested in this application, PacifiCorp submits herewith the written testimony of Mr. Rodger Weaver and PacifiCorp Exhibits 1.1 (RW-1) through 1.8 (RW-8).

WHEREFORE, PacifiCorp requests an order of the Commission approving:

(a) The standard avoided cost rates set forth in Exhibit 1.6 of Mr. Weaver's testimony for purchases by PacifiCorp from QFs 1,000 kw, or less, in size; and

(b) The method described in Mr. Weaver's testimony for the calculation of PacifiCorp's standard avoided cost rates.

DATED this 29th day of April, 1994.

Respectfully submitted,

Stoel Rives Boley Jones & Grey

By 

Edward A. Hunter
Of Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that on the 27th day of April, 1994, a true and correct copy of the foregoing Application was mailed, postage pre-paid, to the following:

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