

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
PACIFICORP, dba UTAH POWER & LIGHT)
COMPANY, for Approval of a Load Curtailment)
Agreement with Geneva)

DOCKET NO. 01-035-20

ORDER

ISSUED: July 3, 2001

By The Commission:

On June 11, 2001, PacifiCorp submitted an application (Application) for approval of a load curtailment agreement with Geneva (Proposed Agreement). Generally, the Proposed Agreement would require PacifiCorp to compensate Geneva for Geneva's reduction of load, Monday through Friday, between the hours of 2:00 p.m. to 10:00 p.m., during the contract period, June 1, 2001, through November, 2001. Either party may terminate the agreement with 30 days notice after September 15, 2001. PacifiCorp requested expedited consideration of the application. The Division of Public Utilities (Division) submitted its Memorandum on the Proposed Agreement on June 29, 2001. The Committee of Consumer Services has informed us that it will not submit any response or memorandum on the matter.

This is the third, in a series, of large customer curtailment proposals recently submitted by PacifiCorp. In each, PacifiCorp will compensate the customer for load reductions occurring over the summer season, ostensibly benefitting PacifiCorp and its other customers by reducing the need for PacifiCorp to make wholesale power purchases in the Western power market. It is thought that the compensation paid to the customer will be less than the expenses incurred, in purchasing power, on the wholesale market to serve PacifiCorp's load that would otherwise not be curtailed absent the agreement. The Application and Proposed Agreement also continues PacifiCorp's approach of requesting regulatory approval of an agreement without submitting supporting material upon which approval would be considered. The Division's Memorandum and prior correspondence identify this problem. It is compounded by PacifiCorp's delay in responding to requests for information and the dearth of substantive supporting material that was produced in the compressed review period.

We will not summarize the Division's analysis of the Proposed Agreement and supporting material. Suffice it to say that, with the limited review, the Division recommended approval of the agreement with conditions. As we did in prior dockets involving agreements of this sort (Docket No. 01-035-06, involving Magcorp, and Docket No. 01-035-15, involving Kennecott), our intent is to ensure that the customers of PacifiCorp receive a benefit from these proposals and, at the least, suffer no harm from their operations. We will permit PacifiCorp to enter into the Proposed Agreement. As in the prior curtailment proposal approvals, the request to compress the review period, and the limited supporting material, do not permit us to make a substantive consideration of the Proposed Agreement allowing us to agree with, or disagree with, PacifiCorp's management's decision to enter into the Proposed Agreement. As such, in approving the Proposed Agreement, we reserve rate recovery issues associated with the operations under the Proposed Agreement for later consideration by the Commission. Should PacifiCorp seek recovery of costs associated with operating with the Proposed Agreement, it will need to establish the prudence of Proposed Agreement, benefits from the agreement, or at the least, no harm arising from the agreement.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that the Application is approved, in that the Commission will permit execution of the Proposed Agreement, subject to the terms of this Order.

DATED at Salt Lake City, Utah, this 3rd day of July, 2001.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary