

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Revision's to PacifiCorp's Tariff P.S.C.U. No.)
43, Schedule 71, Re: The Energy Exchange Pilot)
Program for Commercial and Industrial)
Customers)

DOCKET NO. 01-035-T06
ORDER ON RECONSIDERATION

ISSUED: July 9, 2001

By The Commission:

On December 12, 2000, PacifiCorp, dba Utah Power and Light (Company), filed a revision to its Tariff P.S.C.U. No. 43 and proposed a new Schedule 71, an energy exchange pilot program which offers commercial and industrial customers the choice of curtailing load in exchange for payments from the Company. On June 1, 2001, the Commission issued an Order approving the new Schedule with conditions. On June 19, 2001, the Company petitioned this Commission for reconsideration of our Order. In particular, the Company requests that Condition 7, which allows a participant in Schedule 71 to shift load from peak to off-peak periods and receive compensation, be rescinded. The Company application specifically prohibited participating customers from shifting loads to meet the program's demand exchange conditions.

Both the Division of Public Utilities and the Committee of Consumer Services recommended approval of Condition 7.

The Company notes that while the Division's recommendation is based on the premise that shifting loads to off-peak periods may be beneficial, there is no record evidence establishing the level of possible benefit. Allowing participants to receive payments, for shifting load from peak to off-peak periods, confers the same value to load shifting as to actual curtailment. The Company argues that the two are not equivalent and the inclusion of load shifting in the Exchange program would require either lower payments to all participants or substantial changes to the program including: changes to the Exchange web site, the Exchange pledging system, and the customer activity tracking/reconciliation processes. These changes require resources and manpower that would delay the implementation of the program until August, 2001. The Company states that the Division's and Committee's desire to accommodate load time shifting has been met by virtue of revisions to Schedules 6B and 9B approved by the Commission in May, 2001.

The Commission finds that adoption of Condition 7 is not supported on the record because the benefits of load shifting have not been quantified. Requiring the Company to adapt its web site to accommodate load shifting will take too long for the Company and its ratepayers to receive the full benefits of load shifting. As a result, we agree with the Company's petition and revise our June 1, 2002 Order by prohibiting load shifting from the Exchange program.

ORDER

- Pursuant to § 54-7-12(4), the Commission approves the revisions to Schedule 71 as proposed by the Company.
- Load shifting participants will not be allowed to participate in Schedule 71 at this time.

DATED at Salt Lake City, Utah, this 9th 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