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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of PACIFICORP for an Increase in its Rates and Charges.	MEMORANDUM OF THE UAE INTERVENTION GROUP IN RESPONSE AND OPPOSITION TO PETITIONS FOR REHEARING OR RECONSIDERATION OF THE LAND AND WATER FUND OF THE ROCKIES AND THE UTAH ENERGY OFFICE
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Docket No. 01-035-01

Pursuant to Rule R746-100-11 F, the Utah Association of Energy Users Intervention Group (“UAE”) submits this memorandum in response and opposition to the Request for Rehearing of the Land and Water Fund of the Rockies and the Utah Energy Office’s Petition for Rehearing or Reconsideration in this matter. The UAE submits that the Commission should reject both petitions because they fail to establish a proper basis for rehearing or reconsideration.

The Land and Water Fund of the Rockies (“Law Fund”) and the Utah Energy Office (“Energy Office”) both claim several errors or deficiencies in the Report and Order with respect to Demand Side Management (“DSM”) issues. However, neither the Energy Office nor the Law Fund has cited any proper basis for rehearing or reconsideration. The Commission adopted recommendations, based on ample record evidence, offered by several other parties for continued analysis in the context of the IRP/RAMP process and the Energy Efficiency Advisory Group of cost-effective DSM opportunities. The fact that the Commission did not adopt the recommendations of the Energy Office and the Law Fund to mandate adoption of the specific proposals submitted by Dr. Nichols hardly establishes a proper basis for reconsideration.

The Law Fund argues that the Commission committed error in failing “to order the Company to implement Dr. Nichols’ recommended DSM programs,” given that “virtually no substantive objections were raised to the merits of Dr. Nichols’ analysis and recommended programs.” [Law Fund Request at 3]. To the contrary, substantive objections were raised by several parties. The Division of Public Utilities objected to DSM programs being adopted outside the IRP Process and complained that Dr. Nichols’ assumptions had not been scrutinized. The Committee also objected to DSM programs being adopted outside of the RAMP/IRP process. Several customer groups objected to adoption of the specific recommended programs because they have not been subjected to critical analysis and they do not contain detailed design and implementation elements necessary to support a finding of cost-effectiveness.¹ [See Report and Order at 39-40]

¹ The Law Fund Petition cites to the fact that Dr. Richard Anderson, testifying on behalf of the UEA Intervention Group, commended Dr. Nichols’ “effort and professionalism.” [Law Fund Petition at 3]. It fails to point out, however, that Dr. Anderson also criticized Dr. Nichols’ report for failing to “provide details of program structure, budget, tariffs, or operations,” and for its failure to “provide a critical analysis of the numerous assumptions used in

Moreover, it would be prejudicial for the Commission to mandate adoption of the specific programs recommended by Dr. Nichols without further analysis. In live testimony, Mr. Burks and Mr. Nichols clarified that they were not asking the Commission to *order* PacifiCorp to do anything with respect to DSM programs, but rather were *asking* PacifiCorp to file tariffs to implement the recommended programs, and requesting prompt Commission consideration of any such filing. [Transcript, page 591, line 8 – page 592, line 12; page 603, lines 7 –16]. In reliance upon the assurances received at the hearings, the UAE, and perhaps other parties, cut short its cross examination of the Energy Office witnesses and modified its intended live surrebuttal testimony on this issue. Had the Energy Office not clarified its position as such, UAE would have offered additional evidence challenging the suggestion that PacifiCorp should be ordered to implement DSM programs that have not yet received thoughtful analysis by anyone other than the proponent.

UAE supports the implementation of cost-effective DSM programs in Utah. However, the specific programs supported by the Utah Energy Office have not been subjected to critical analysis by any other parties, are not supported by most of the parties in this case, and are premature. The UEA submits that the Commission properly ordered the Company to “evaluate each program and incorporate cost-effective demand-side resources in the next interim update of the IRP,” and to “bring forth the least-cost resources and implement them in a timely fashion.” [Report and Order at 40].

The evidence in the record overwhelming supports the Commission’s resolution of the DSM issues. The Commission properly rejected the UEO/Law Fund recommendation to mandate adoption

the study.” [UAE/Nucor Exhibit 1R, Prefiled Rebuttal Testimony of Dr. Richard M. Anderson on Behalf of the UAE Intervention Group and Nucor Corporation, page 7, lines 17-22].

of specific programs that have not received careful evaluation. The Energy Office and Law Fund should be invited to direct their energies into the RAMPP/IRP process and the Energy Efficiency Advisory Group to facilitate the kind of thorough analysis necessary to support ratepayer funding of proposed projects.

DATED this ____ day of _____, 2001.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, this ____ day of _____, 2001, to the following:

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