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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Application  
of PacifiCorp for an Increase  
in its Rates and Charges

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: Docket No. 01-035-01  
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: PACIFICORP'S REPLY TO  
:  
: REQUESTS FOR REHEARING  
:  
: OR RECONSIDERATION BY  
:  
: UTAH ENERGY OFFICE AND  
:  
: LAW FUND

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In accordance with Utah Administrative Code R746-100-11(F), PacifiCorp, doing business as Utah Power & Light Company ("PacifiCorp") or the ("Company"), hereby replies to the Petition for Rehearing or Reconsideration filed by the Utah Energy Office ("UEO") and the Request for Rehearing filed by the Land and Water Fund of the Rockies ("LAW Fund") in this proceeding. Neither UEO nor the LAW Fund establishes a basis for reconsideration, and their requests should be denied.

**I. The Company Should Not be Directed to Revise RAMPP-6.**

Unsatisfied with the Commission's statements regarding the evaluation of cost-effective demand-side resources, UEO states that the Commission "should direct the Company to revise RAMPP-6, in collaboration with the Energy Efficiency Advisory Group, and specifically evaluate the DSM programs identified in the Tellus Report." UEO Petition, p. 2. UEO bases this request on its position that it is not clear what the Commission "has directed the Company to

file.” However, while the Commission has clearly stated that the Company “should evaluate each program and incorporate cost-effective demand-side resources in the next interim update of the IRP,” the Commission has not “directed” the Company to file an “interim update of the IRP” as stated by UEO. UEO Petition, p. 2, l. 11. The filing of the Company’s next updated IRP (RAMPP-7) is to be accomplished by December 31, 2002. No other RAMPP filing has been planned or ordered and the Company understands the Commission’s reference to an “interim” update of the IRP to be the RAMPP-7 report.

The Company supports using the RAMPP process to evaluate the cost-effectiveness of demand-side programs and has already updated the RAMPP-6 model with more current assumptions and has input the Tellus program assumptions. Further, while the Company can report on the progress to date on RAMPP-7 if requested by the Commission, the modeling necessary to evaluate the cost-effectiveness of DSM programs is not available and cannot be available by December 31, 2001 as now requested by UEO. UEO’s new request to require the Company to revise RAMPP-6, specifically evaluating the DSM programs identified in Tellus Report, and to submit such revised RAMPP-6 by December 31, 2001, is neither supported by the record nor feasible. The Commission should reject these new requests by UEO. Likewise, the LAW Fund’s similar request that the Commission require the Company to file a revised RAMPP-6, evaluating the programs considered in the Tellus Report, by February 1, 2002, is not supported by the record and is not feasible.

**II. The Commission Should Not Direct the Company to File a Plan Clarifying How the Company Intends to Revise the RAMPP Process.**

UEO requests that the Commission “direct the Company to file a plan to clarify how it intends to revise the RAMPP process and methodology to insure that all cost-effective measures are identified as part of the next interim update of the IRP and RAMPP-7.” UEO Petition, p. 3. Similarly, the LAW Fund argues that the Commission “should direct the Company to revise RAMPP to insure that all cost-effective DSM is identified as part of the next interim update.” LAW Fund Request, p. 4.

The requests by UEO and the LAW Fund simply seek to impose new requirements on the Company, and nothing they say with respect to the requests establishes any error in the Commission’s Order that would support reconsideration. Further, their requests disregard the statement in the Order that “The current IRP guidelines require that the Company bring forth the least-cost resources and implement them in a timely fashion.” Order, p. 40.

Furthermore, UEO’s request that the Commission order the Company to file such a plan within 30 days is neither supported by the record nor feasible. UEO’s and the LAW Fund’s post-hearing attempt to turn this case into a proceeding to establish the requirements for “an effective and successful IRP process” (UEO Petition, p. 4) must be rejected.

**III. The Commission Properly Declined to Order the Company to Implement the DSM Programs Identified by UEO’s Witness.**

UEO claims that “The Commission erred by not directing the Company to bring forth DSM programs in the areas identified by UEO’s witness while the Commission and Company address the shortfall in the existing RAMPP process.” UEO Petition, p. 5. Similarly, the LAW Fund complains of the Commission’s decision not to order the Company to implement such programs. Both UEO and the LAW Fund fail to establish a basis for reconsideration.

UEO does not challenge the Commission's finding that "The record is insufficient for us to make a definitive finding that the programs outlined in the Tellus report are the most cost-effective resources available to the Company." Instead, UEO bases its argument on what it perceives to be an inconsistency between the quoted finding and what UEO assumes is a Commission "preference for these DSM programs and measures to be evaluated through the RAMPP process." On the other hand, the LAW Fund asserts that the Commission erred in concluding that the record was insufficient for it "to make a definitive finding that the programs outlined in the Tellus report are the most cost-effective resources available to the Company."

The only support offered by the LAW Fund for its argument is its assertion that "There is more than ample evidence on the record supporting the cost-effectiveness of Dr. Nichols' recommended programs." LAW Fund Request, p. 3. However, the LAW Fund's argument is unfounded. First, the LAW Fund fails to recognize that the Commission's conclusion related only to the question of the "most cost-effective" resources, not to the question of whether Dr. Nichols' recommended programs would be cost-effective. Moreover, the LAW Fund itself points out the complete lack of necessity for the Commission making a finding at this time regarding the cost-effectiveness of the programs in the Tellus Report, since the cost-effectiveness of any particular programs will be reviewed at the time the Company actually proposes specific programs. LAW Fund Request, p. 3, f. 3.

Further, the LAW Fund and UEO fail to recognize that the programs discussed in the Tellus Report are not specifically designed programs that the Company can simply implement. As stated in the Tellus Report: "These are not specific program proposals. The Report is intended as an informational resource." (Tellus Report, p. ES-1, emphasis added.)

Finally, the position now taken by UEO and the LAW Fund is contrary to the recommendation of UEO's witnesses at the hearing, where they made it very clear that they were not requesting that the Commission order PacifiCorp to implement any specific DSM programs. At the hearing, Mr. Dodge, for the UAE Intervention Group ("UAE"), asked Mr. Burks: "If the Company chooses not to accept your recommendation and file within 30 days the program design, etcetera, on the 14 programs that Dr. Nichols recommends, you're not recommending this Commission order that? It's just you hope they will, and if they do, you hope the Commission will act expeditiously?" Mr. Burks responded: "It would appear so." Transcript at 592, ll. 5-12. Similarly, Dr. Nichols agreed that "the best thing this Commission can do in the DSM arena is to indicate strong support for cost-effective DSM programs and direct the Company that they expect them to bring forward those programs that are cost-effective and reasonable for implementation in this state." Transcript at 603, ll. 7-16.

As has been already pointed out in UAE's Supplemental Post-Hearing Brief in this matter, UEO's post-hearing request that the Commission order the Company to implement programs proposed by Dr. Nichols is prejudicial to other parties in this case that did not pursue further cross-examination in light of the stated position.

The Commission's conclusion regarding the insufficiency of the record in regard to the cost-effectiveness of the programs in the Tellus report is entirely consistent with the record, particularly in light of the UEO witnesses' position that they were not seeking a Commission order that the Company implement specific programs.

### **CONCLUSION**

For the foregoing reasons, the requests by UEO and the LAW Fund for rehearing or reconsideration should be denied.

Respectfully submitted this 22nd day of October, 2001.

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CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of October, 2001, I caused to be served, via U.S. mail, and fax where indicated, a true and correct copy of the foregoing **Reply** to the following:

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