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Attorneys for PacifiCorp

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
PACIFICORP DBA UTAH POWER & LIGHT ) CASE NO. PAC-E-03-3  
COMPANY FOR APPROVAL OF AMENDED )  
ELECTRIC SERVICE SCHEDULE 72 - ) SUPPLEMENTAL REPLY  
IRRIGATION LOAD CONTROL CREDIT ) COMMENTS OF  
RIDER PROGRAM. ) PACIFICORP**

PacifiCorp, doing business as Utah Power & Light Company ("PacifiCorp" or the "Company"), respectfully submits these Supplemental Reply Comments regarding the Company's calculation of the level of credit to be given for interruption.

1. In its initial Reply Comments, PacifiCorp addressed the appropriateness of its method of calculating the level of credits for interruption, responding to Staff's Comments regarding the consideration of "lost revenues" in that method. Since filing those Reply Comments, PacifiCorp has had further discussions with Staff and representatives of the Idaho Irrigation Pumpers Association (the "Irrigators"). While PacifiCorp believes the concern with

providing recovery of lost revenues is not applicable in this instance, PacifiCorp proposes herein an alternative methodology for calculating the credits for the 2003 irrigation.

2. The Irrigators have indicated that load that would be interrupted pursuant to Schedule 72 would actually be shifted to hours outside the scheduled load control periods. Of course, there is value in shifting load out of the super-peak periods. The Company has analyzed the value associated with shifting load from the super-peak periods to other times of the week. As would be expected, the curtailment program would yield a high level of value if load is shifted from the proposed curtailment hours to light load hours.

3. The Company believes that there should be additional study to determine if, and to what extent, load shifting to other hours takes place as a result of the Schedule 72 curtailment program. However, given the desire and need to implement the program for the 2003 irrigation season as soon as possible, the Company proposes to provide the credits listed below, based on an alternative methodology that recognizes value obtained by shifting load from super-peak to light load hours, utilizing a comparison of super-peak market prices to light load hour market prices. These revised credit amounts result in increases to the credits of 0% to 29%, compared to the credits initially proposed by the Company.

June: \$1.54/kW-mo (28% increase)

July: \$2.06/kw-mo (11% increase)

August: \$2.25/kW-mo (no change)

September: \$1.26/kW-mo (29% increase)

The calculation of these proposed credits is shown in the attached Exhibit 1.

The Company also proposes to study the extent and effect of load shifting resulting from implementation of the curtailment program, and to present the results of the study to the

Commission and the Irrigators with the Company's proposal for valuing curtailment credits for the 2004 irrigation season.

4. The proposed credits are different for each month to reflect the varying costs of power, and hence, value of curtailment, in each of the months. While administering the program would be easier if there were a single average curtailment credit, the Company believes that providing the different credits according to the differing value is necessary to insure that if irrigators exit the program early, other customers do not bear the burden of having paid more than the value provided by those irrigators that leave the program.

5. The alternative methodology utilized in determining the revised proposed credits is based on the Company assuming that some load will indeed shift from the curtailment hours to light load hours. In valuing this load shift, PacifiCorp implemented a 70% uncertainty factor in recognition of uncertainties with respect to (a) the amount of load that actually is shifted, (b) the hours of the day that load is actually shifted to, (c) the level of load control equipment failure, (d) unexpected differences between estimated load and actual load, (e) failure of customers to curtail, and (f) customer termination from the program for previously failing to curtail. Because of all these uncertainties, the Company believes the value of the presumed load shift must be discounted, and that the 70% factor applied by the Company is appropriate.

6. PacifiCorp submits the proposed credits stated above, and the alternative methodology used to determine those credits, in lieu of the credits and methodology previously proposed. The alternative methodology does not involve the use of "lost revenues" in determining program value and provides that the anticipated program value, after consideration of certain program uncertainties, will be passed on to the participating customers via a pre-determined credit.

WHEREFORE, PacifiCorp respectfully requests that the Commission approve the proposed Schedule 72, with the curtailment credits stated above to be used for the 2003 irrigation season.

DATED this 13<sup>th</sup> day of March, 2003.



John M. Eriksson  
Mary S. Hobsom  
Stoel Rives LLP

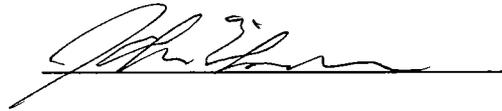
Of Attorneys for PacifiCorp

## CERTIFICATE OF SERVICE

I hereby certify that on this 13<sup>th</sup> day of March, 2003, I caused to be served, via facsimile, a true and correct copy of the foregoing **Supplemental Reply Comments of PacifiCorp** to the following:

Scott Woodbury  
Deputy Attorney General  
Idaho Public Utilities Commission  
472 W. Washington  
Boise, Idaho 83720-0074

Eric L. Olsen  
Racine, Olson, Nye, Budge & Bailey  
PO. Box 1391  
Pocatello, ID 83204-1391

A handwritten signature in black ink, appearing to read "Eric L. Olsen", is written over a horizontal line.

# EXHIBIT 1

Summer 2003 Idaho Irrigator Curtailment Capacity Credit @70% Certainty						
Level						
Month	Jun-03	Jul-03	Aug-03	Sep-03		
Weeks/Month	4.29	4.43	4.43	2.14		
Hrs/Week	12	12	12	12		
Hrs/Month	51.43	53.14	53.14	25.71		
projected Super Peak \$/MWh	\$72.86	\$87.16	\$96.47	\$67.45		
projected LLH \$/MWh	\$30.00	\$31.75	\$35.88	\$32.38		
Super Peak - LLH Spread \$/MWh	\$42.86	\$55.41	\$60.60	\$35.08		
% of Paid MW Curtailment Actually Received	70%	70%	70%	70%		
Spread Paid \$/MWh	\$30.00	\$38.79	\$42.42	\$24.55		
Total Paid Per MW	\$1,543	\$2,061	\$2,254	\$631		
\$/kW-mo Credit	\$1.54	\$2.06	\$2.25	\$1.26		