DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

TERRI CARLOCK

RICK STERLING

DAVID SCOTT

WORKING FILE

FROM:SCOTT WOODBURY

DATE:May 23, 1997

RE:UPL-E-97-1

RAMPP-4 UPDATE (UP&L)

On November 27, 1995, PacifiCorp dba Utah Power & Light Company (Utah Power; Company) in Case No. UPL-E-95-5 filed its 1995 electric Resource and Market Planning Program (RAMPP-4; IRP) with the Idaho Public Utilities Commission (Commission).  By Minute Entry signed December 31, 1996, the Commission accepted the Company’s RAMPP-4 and closed the docket.  In its Minute Entry, the Commission acknowledged that the Company’s filing complied with the Commission’s direction in Order No. 22299 issued January 27, 1989, which requires Utah Power to file a biennial Resource Management Report describing the status of the Company’s electric resource planning.

On December 16, 1996, Utah Power submitted, in what was later designated Case No. UPL-E-97-1, a RAMPP-4 Update (Update).  Due to increasing competition and government actions, the Company notes that the electric utility industry is moving from regulated monopolies to competitive markets.  Six major events in 1996, the Company states, have affected planning: FERC Orders 888 and 889, regional outages, independent system operator (ISO) developments, resolution of Centralia emission reductions, the Northwest Comprehensive Review, and California restructuring.  Changes within the industry, the Company contends, require changes in the IRP process.  The Company represents that the purpose of the filed Update is to assess changing market conditions based on more current information and to provide an up-to-date assessment of cost-effective DSM and the timing for resource decisions.  The new base case for the Company shows a need for a new cogeneration resource unit in year 2002.  The Update also indicates a reduction of the DSM target for 1997 from 25 MWa, identified in RAMPP-4 as cost effective, to 15.7 MWa.

The Commission is apprised that the Update filed in this case is not intended to replace the Company’s 1997 RAMPP-5 which will be filed later this year.

Commission Notices of Filing and Modified Procedure in Case No. UPL-E-97-1 were issued on March 31, 1997.  The deadline for filing written comments of protests was May 16, 1997.  Commission Staff was the only party to file comments (attached).  Staff notes that it has actively participated in meetings held by the Company throughout the development of the Update as well as previous RAMPP reports.  Staff concurs with the Company that changes in the IRP process, such as annual updates instead of biennial submissions, are beneficial.  Staff believes the changes incorporated in the input data and analysis for RAMPP-4 update are reasonable.  Given the reasonableness of these changes, Staff accepts the change in the Company’s action plan which reduces the amount of cost effective DSM from 25MWa to 15MWa.  Staff recommends that the Commission acknowledge receipt of the RAMPP-4 update.

Commission Decision:

Staff recommends that the Commission accept the Company’s RAMPP-4 update by minute entry and close the docket in Case No. UPL-E-97-1.  Does the Commission agree that this is an appropriate procedure?  If not, what is the Commission’s preference?

Scott Woodbury

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