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May 16, 2008

**VIA ELECTRONIC FILING
& FIRST CLASS MAIL**

Public Utility Commission
Attn: Filing Center
550 Capitol St. NE #215
P.O. Box 2148
Salem, OR 97308-2148

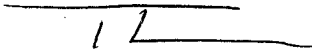
Re: In the Matter of PACIFICORP, dba PACIFIC POWER Application for Approval
of a Solicitation Process for Flexible Resources Starting in 2012 Through 2017
Docket No. UM 1360

Dear Filing Center:

Enclosed please find the original and one (1) copy of the Comments of Constellation
Energy Commodities Group, Inc. in the above-referenced matter.

Thank you for your assistance.

Very truly yours,



Thomas M. Grim

TMG:tr
Enclosure(s)
cc: Official Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1360

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER)	COMMENTS OF CONSTELLATION
)	ENERGY COMMODITIES
Application for approval of a solicitation)	GROUP, INC.
Process for flexible resources starting in)	
2012 through 2017)	

COMMENTS OF CONSTELLATION ENERGY COMMODITIES GROUP, INC.

Constellation Energy Commodities Group, Inc. (“Constellation”) submits the following comments to the Oregon Public Utility Commission (“Commission”) related to the PacifiCorp request for proposals (“RFP”) dated April 25, 2008.

As a wholesale supplier of electricity and potential bidder in the PacifiCorp RFP process, Constellation has a substantial interest in this proceeding.¹ Constellation acknowledges that the ALJ adopted a schedule in this proceeding calling for submission of final comments by April 25, 2008. *See* Docket No. UM 1360, Prehearing Conference Memorandum (March 6, 2008). Constellation, however, respectfully requests that the Commission consider these brief comments at its meeting scheduled for May 20, 2008 and in any subsequent Order addressing the RFP. Constellation’s comments will not prejudice any party to the proceeding. Constellation seeks only to clarify the application of certain provisions of the RFP to ensure meaningful participation by potential bidders.

Constellation’s comments concern the criteria that PacifiCorp has indicated it will use to evaluate bids received in response to its RFP. Specifically, the RFP documents indicate that the

¹ Constellation filed a Petition to Intervene in this proceeding that was conditionally granted on May 15, 2008. *See* Docket No. UM 1360, Ruling (May 15, 2008). To date, no party has objected to Constellation’s intervention.

evaluation of bids includes a criteria “Design Plant Life as contained in [Integrated Resource Plan] Tables C.27 and C.28.” (See RFP at pp. 15, 16.) Unfortunately, the RFP does not provide any clarity as to the meaning, extent or scope of this criterion. Thus, in order to educate the Commission and potential bidders as to this issue, Constellation encourages the Commission to clarify the RFP with respect to the Design Plant Life criterion, as follows:

1. Chart 1 in the RFP provides “Life of the asset will be evaluated consistent with [Integrated Resource Plan] Tables C.27 and C.28.” (See RFP at p. 11, under the column labeled “Requirements”.) However, the version of the 2007 PacifiCorp Integrated Resource Plan (“IRP”) available on PacifiCorp’s internet web page ([see http://www.PacifiCorp.com/Navigation/Navigation23807.html](http://www.PacifiCorp.com/Navigation/Navigation23807.html)) does not appear to contain any Tables C.27 and C.28.² Constellation requests that PacifiCorp provide the Commission and the bidders with the appropriate tables, or otherwise clarify what tables are being referred to in this Chart 1 of the RFP.
2. Constellation notes that the 2007 IRP does contain Tables 5.1 and 5.2, which refer to Design Plant Life for various types of resources. It is not clear, however, how this criteria becomes applicable in the evaluation of bids. Constellation requests that the RFP provide the following information:
 - a. The manner in which the Design Plant Life included in Tables 5.1 and 5.2 of the PacifiCorp IRP was determined.
 - b. The manner in which the Design Plant Life estimates contained in Tables 5.1 and 5.2 of the PacifiCorp IRP are used in the bid evaluation process *for each of the seven resource alternatives* (Power Purchase Agreements, Tolling Service

² A review of the IRP Appendices contained at the referenced link provides only the existence of Tables C.1 through C.23. (See 2007 IRP Appendices at p. iv.)

Agreements, Asset Purchase and Sale Agreements on PacifiCorp sites, Asset Purchase and Sales Agreement on Bidder's Site, Purchase of an Existing Facility, Purchase of a portion of a facility jointly owned by and/or operated by PacifiCorp, Restructuring of Existing Power Purchase Agreement or Exchange Agreement and/or Buyback of an Existing Sales Agreement).

Constellation believes that including this information in the RFP, or otherwise making this information available to potential bidders, will enhance the clarity of the RFP and provide potential bidders with important information related to the bidding process in general, and PacifiCorp's evaluation process in particular. In order to demonstrate the usefulness of this information to potential bidders, Constellation provides the following example:

If an existing unit that qualified per Tables 5.1 or 5.2 of the PacifiCorp IRP as having a 35 year life, is going to be 8 years old at the time the sale is expected to be finalized (in 2012), does that mean that the bid evaluation will presume a 27 year remaining life? Does PacifiCorp presume that an existing asset offered for sale has no value beyond the anticipated remaining life, or does it impute some residual value? If the latter, what assumptions does PacifiCorp make to estimate the residual value? If an existing unit has already undergone some life extension work, how does the bidder communicate that in its bid?

Constellation requests that the Commission consider these comments and direct PacifiCorp to modify the RFP consistent with the Comments contained herein.

Dated this 16th day of May, 2008.

CABLE HUSTON BENEDICT HAAGENSEN
& LLOYD LLP

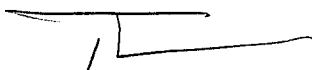
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Of Attorneys for
Constellation Energy Commodities Group, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document in OPUC Docket No. UM 1360 by electronic mail and first class mail to the following parties:

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DATED this 16th day of May, 2008.



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