

ORDER NO. 02-546

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1056

In the Matter of the Investigation into Least)
Cost Planning Requirements.)

ORDER

DISPOSITION: INVESTIGATION OPENED

On April 20, 1989, pursuant to its authority under ORS 756.515, the Commission issued Order No. 89-507 establishing the procedural and substantive requirements of least cost planning for all regulated energy utilities in Oregon. The compatibility of these requirements with a competitive electric industry was a consideration in 1996, when the Commission opened an investigation to review least cost planning requirements in Order No. 96-336. The investigation was closed in 1997 after participants suggested that it was premature to change the Commission's least cost planning requirements before the Oregon Legislature's decision on electric industry restructuring (Order No. 97-378).

Commission Staff believes it is time to reconsider the fit between traditional least cost planning and a competitive electric industry, and to reopen an investigation to review least cost planning requirements. Staff asserts that the Commission should engage in a proceeding involving all the energy utilities and interested participants to address generically specific recommendations to modify our procedural and substantive least cost planning requirements.

Staff lists the following issues to consider in such a generic docket:

- Should electric utilities continue to plan for generating resources?
- Should the current 20 year planning horizon be reduced?
- Should the length of time between least cost planning filings be lengthened?
- Should utilities update Action Plans more frequently?
- Should least cost plans explicitly measure and consider the cost-risk tradeoff?
- How should confidential data be treated in a public input process?

Staff brought its recommendation to the July 23, 2002, regular Commission public meeting. At that meeting, the Commission voted to adopt Staff's recommendation and open an investigation into the need for revised least cost planning requirements. The

Commission did not adopt Staff's proposed procedural schedule for the docket. A notice of prehearing conference to set the schedule and establish an issues list will be sent separately.

ORDER

IT IS ORDERED that an investigation be opened into least cost planning requirements.

Made, entered, and effective _____.

Roy Hemmingway
Chairman

Lee Beyer
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.