

customer to decide if it wants its lost resource to be replaced by Western or by the customer. Principle number I.2 would violate this by taking the decision away from the customer and letting it be made by interested stakeholders.

*Response:* Western has no intent to overturn any agreements in the Glen Canyon power replacement process. At the January 12, 1995, public meeting, Western recognized that “\* \* \* the extent of Western’s future resource acquisitions \* \* \* will depend on the choices made by long-term firm power customers to arrange their own purchases of firming energy or to have Western acquire firming resources for them.” Principle number I.2 has been modified to avoid confusion by deleting the provision for public input into the necessity for resource acquisitions and only provide for public input in the development of criteria to be used in evaluating power resource alternatives. This allows customers to decide whether or not Western should acquire firming resources for them and allows all interested stakeholders input into the criteria for evaluating resource alternatives consistent with the intent of integrated resource planning.

7. *Comment:* Several commenters questioned the costs and benefits to Western and the power customers of yet another public process.

*Response:* It is not Western’s intent to add the additional cost and burden of yet another process. It is, however, Western’s intent to fully integrate the principles of IRP into ongoing Western-Customer partnership processes and to ensure that all stakeholders have an opportunity to provide input into Western’s resource acquisition and transmission planning processes. Western believes that making informed, least-cost resource acquisition and transmission planning decisions with involvement by all interested stakeholders will be worth the effort.

8. *Comment:* Principles of IRP will become less useful as the industry becomes more competitive.

*Response:* Western believes that the principles of IRP contained in this notice will facilitate Western’s competitiveness by helping it make informed decisions with input from all interested stakeholders. In addition, the principles of IRP can be used to identify uncertainties associated with the more competitive generation sector of the industry, thereby providing the mechanism to evaluate risks associated with resource acquisition and transmission planning decisions.

9. *Comment:* These principles could duplicate, delay, and complicate

Western’s participation in transmission projects proposed through a regional transmission group, such as the Western Regional Transmission Association (WRTA) and the Southwest Regional Transmission Association (SWRTA).

*Response:* Western does not believe that these principles will impede its ability to participate in regional transmission groups. It is Western’s intent to integrate the principles of IRP into Western’s ongoing processes in order to ensure that transmission plans proposed by Western will have the benefit of input from all interested stakeholders. Western has joined WRTA and SWRTA. Both groups will promote coordinated planning and efficient use of transmission capacity and will provide another means for involvement by Western’s customers. As appropriate, Western can invite other interested parties to attend SWRTA meetings as guests of Western. Additionally, both WRTA and SWRTA allow for State regulatory commissions’ involvement as ex officio members. It is anticipated that some form of regional transmission group will be established in the Mid-Continent Area Power Pool. This will also facilitate public involvement in considering Western’s future transmission needs.

10. *Comment:* Western needs to be creative about DSM when applying these principles to actual decisions.

*Response:* We agree. This issue will be addressed during Area Office development of resource evaluation criteria at the time that a resource acquisition appears to be necessary.

11. *Comment:* Customers and the broader public should have opportunity to comment before Western signs long-term purchase power contracts.

*Response:* These principles provide opportunity for all interested stakeholders to participate in the development of resource evaluation criteria by an Area Office for project-specific resource acquisitions. In addition, customers and the broader public will continue to have an opportunity to comment on power marketing plans which determine the need for long-term purchase power contracts. It is unnecessary and duplicative to have an additional comment opportunity on individual contracts implementing the evaluation criteria decisions.

12. *Comment:* The transmission planning evaluation criteria should include the following criteria that were discussed at the January 12, 1995, public meeting: (1) increased revenues from new transmission exceed costs; (2) customers benefit sufficiently that they

support the project; or (3) new facilities are funded directly by others.

*Response:* Western does not feel that it is appropriate to include these criteria in the final principles of IRP since they are part of Western’s internal decision rules as currently adopted in its strategic planning process that may change from time to time based on customer feedback or Department of Energy or Congressional direction. However, Western is committed to our strategic planning process which currently includes these evaluation criteria. The intent of the principles of IRP as applied to transmission planning is to foster wide and early public involvement and a free exchange of ideas to develop alternatives that best meet regional needs.

13. *Comment:* Western should change the scope to specify purchases for 2 years or longer or recurring purchases of more than 250 gigawatt-hours per year.

*Response:* Western believes such a requirement in the scope would reduce the flexibility of the Area Offices and interested stakeholders to collaboratively determine the amount of recurring purchases that would justify use of these principles. At the January 12, 1995, meeting, Western described a “continuous” or “recurring” purchase to mean, “\* \* \* a resource need, capacity and/or energy of a fixed quantity and seasonal pattern and over an extended period, usually longer than 5 years.” Western believes that it is important to maintain flexibility within these principles.

14. *Comment:* The principles of IRP do not apply to transmission planning.

*Response:* Western believes that the principles of IRP do apply for public participation and consideration of alternatives to construction.

15. *Comment:* One commenter asked several questions concerning implementation of these principles: What are classified as renewables? Will decentralized, smaller resources, such as PV, be considered as renewables? Will public education and incentives for conservation be included in DSM programs? Will global climate change needs be included in considerations of environmental impact?

*Response:* Western believes that consideration of these important issues at this time is beyond the scope of these principles. However, these issues will be considered in Area Office development of evaluation criteria for specific resource acquisition or transmission planning activities.

*SCOPE:* The principles of IRP will apply specifically to:

1. Resource acquisitions involving a commitment to purchase a resource