



Desert Power, L.P.

March 23, 2005

The Utah Public Service Commission
Heber Wells Building
160 East 300 South, 4th Fl.
Salt Lake City, UT 84111

ATTN: Ms. Julie Orchard, Commission Secretary

Re: Docket Nos. 05-035-08 & 05-035-09

Dear Honorable Commissioners:

Desert Power hereby submits this letter for consideration by the Commission in the above-referenced proceeding. Desert Power is currently engaged in the design and construction of an expansion of its Rowley, Utah power plant as a part of the contractual obligations that it assumed and were approved by the Commission pursuant to an uncontested settlement in Docket No. 04-035-04 on October 7, 2004, which order is final. This approved contract was negotiated pursuant to the Stipulation approved by the Commission in Docket No. 03-035-14 on June 28, 2004; Desert Power was an active party in that case.

Under the terms of the Agreement between PacifiCorp and Desert Power dated September 24, 2004, which was uncontested and approved by the Commission on October 7, 2004 in Docket No. 04-035-04, PacifiCorp and Desert Power agreed that Desert Power's power plant, as expanded, would have a nameplate rating of approximately 125 MW and a net output of approximately 95 MW, all as defined in and subject to determination in accordance with the terms of the Agreement. As a part of this Agreement, the parties specifically set out in Section 1.20 of the Agreement that the "Net Dependable Capacity" of the plant would be set by final performance tests upon completion of the construction and subject to adjustment as defined by the terms of the Agreement.¹ Thus, the ultimate rating is set by final testing of the facility.

¹ See also Statement of Mr. E.A. Hunter on behalf of PacifiCorp in describing the Agreement at Tr. p. 8 (7/29/04).

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Desert Power submits that nothing undertaken in this proceeding should modify the rights of Desert Power under the Agreement as approved by the Commission by uncontested final order.

Respectfully submitted,

Charles M. Darling, IV
President & General Manager

cc by e-mail: All parties