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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Application of PacifiCorp for an Order Approving an Amendment to Its Power Purchase Agreement with Sunnyside Cogeneration Associates	Docket No.  APPLICATION OF PACIFICORP
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PacifiCorp hereby applies to the Public Service Commission of Utah (“Commission”) for an order approving the Fourth Amendment to the Power Purchase Agreement between Sunnyside Cogeneration Associates (“SCA”) and PacifiCorp. In support of this Application, PacifiCorp states as follows:

1. On January 30, 1987, SCA entered into a Power Purchase Agreement with Utah Power (hereinafter referred to as PacifiCorp) whereby SCA agreed to generate electricity and PacifiCorp agreed to purchase said electricity pursuant to the terms contained in the Power Purchase Agreement. The Power Purchase Agreement has been amended three times: the First Amendment dated April 28, 1987, the Second Amendment dated May 3, 1989, and the Third Amendment dated February 16, 1993 (the Power Purchase Agreement and its amendments are hereinafter referred to as the “PPA”).

2. The Commission has approved the PPA by Orders issued in Case No. 86-2018-01 issued January 16, 1987, in Case No. 87-035-04 issued May 11, 1987, in Docket No. 87-035-04 issued June 14, 1989 and in Docket No. 92-035-06 issued April 8, 1993.

3. In 1993, SCA started the 30-year term of the PPA supplying electricity to PacifiCorp. The SCA project is a waste-coal fired electric generating power plant which is a qualifying facility under Federal Energy Regulatory Commission rules.

4. Section 3 of the PPA sets forth the terms and conditions whereby SCA is paid for electricity power sales to PacifiCorp. The price SCA is paid for energy sold to PacifiCorp is determined by a calculation that measures hourly the value of the energy that PacifiCorp avoids having to generate itself or purchase from others because of the energy the SCA project provides. This calculation is adjusted every six months. This method is referred to in the Commission Order issued April 3, 1987 in Docket No. 80-999-06 as the “measured realized system marginal energy cost” (referred to hereinafter as the Realized Marginal Energy Cost or “RMEC”).

5. SCA and PacifiCorp have disagreed regarding PacifiCorp’s calculation of the RMEC which resulted in the filing of this action.

6. SCA and PacifiCorp have now reached an agreement which resolves this dispute and replaces the RMEC method with a superior method for determining avoided energy costs, all as set forth in the Fourth Amendment to the PPA.

7. PacifiCorp submits the following with this Application:

(a) The testimony of Bruce W. Griswold, who explains the provisions of the Fourth Amendment and the reasons why approval of the Fourth Amendment is in the public interest;

(b) A copy of the Fourth Amendment.

WHEREFORE, PacifiCorp requests that the Commission issue its Order approving the terms and conditions of the Fourth Amendment to the PPA.

Respectfully submitted this \_\_\_\_\_ of June 2005.

STOEL RIVES LLP

By \_\_\_\_\_  
Edward A. Hunter  
Jennifer H. Martin

Of Attorneys for PacifiCorp

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_ day of June, 2005, I caused to be served, via hand-delivery, a true and correct copy of the Application of PacifiCorp to the following:

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