

Dean S. Brockbank
PacifiCorp
201 South Main Street, Suite 2200
Salt Lake City, UT 84111
Telephone: (801) 220-4568
Facsimile (801) 220-3299
Email: dean.brockbank@pacificorp.com

Attorney for PacifiCorp

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)
PACIFICORP for Approval of Power) DOCKET NO. 06-035-____
Purchase Agreement Between PacifiCorp)
and Spanish Fork Wind Park 2, LLC) APPLICATION OF PACIFICORP AND
) REQUEST FOR EXPEDITED
) TREATMENT

Pursuant to Utah Code Ann. § 54-12-2, PacifiCorp, doing business as Utah Power & Light Company (“PacifiCorp” or “Company”) hereby applies for an order approving a Power Purchase Agreement (“Agreement”) between PacifiCorp and Spanish Fork Wind Park 2, LLC (“Spanish Fork Wind”) dated June 20th, 2006. PacifiCorp also requests expedited treatment of this Application. In support of this Application, PacifiCorp states as follows:

1. PacifiCorp is a public utility in the state of Utah and is subject to the jurisdiction of the Commission with regard to its rates and service. PacifiCorp also provides retail electric service in the states of California, Idaho, Oregon, Washington and Wyoming. As a “purchasing utility,” as that term is used in Utah Code Ann. § 54-12-2, PacifiCorp is obligated to purchase power from qualifying facilities pursuant to the Public Utility Regulatory Policies Act of 1978, Utah Code Ann. § 54-12-1, *et seq.*, and the Commission’s orders. Under the Agreement, Spanish Fork Wind represents itself to

be a qualifying facility, and agrees to provide PacifiCorp, upon request, with evidence to show its qualifying facility status.

2. Communications regarding this Application should be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By fax: (503) 813-6060

By mail:

| | |
|--|--|
| Data Request Response Center PacifiCorp 825 NE Multnomah St., Suite 800 Portland, OR 97232 | Dean S. Brockbank PacifiCorp 201 South Main, Suite 2200 Salt Lake City, Utah 84111 Telephone: (801) 220-4568 Facsimile: (801) 220-3299 Email: dean.brockbank@pacificorp.com |
| Paul Clements PacifiCorp 201 South Main, Suite 2300 Salt Lake City, Utah 84111 Telephone: (801) 220-4470 paul.clements@pacificorp.com | Dave Taylor PacifiCorp 201 South Main, Suite 2300 Salt Lake City, Utah 84111 Telephone: (801) 220-2923 dave.taylor@pacificorp.com |

3. In Docket No. 03-035-14, *In the Matter of the Application of PacifiCorp for Approval of an IRP-Based Avoided Cost Methodology for QF Projects larger than One Megawatt*, the Commission issued an Order on October 31, 2005, which established avoided cost payments for purchases from wind QF projects larger than three megawatts, such as Spanish Fork Wind's, under contracts with PacifiCorp with terms up to 20 years.¹

4. PacifiCorp and Spanish Fork Wind executed a power purchase agreement providing for the sale to PacifiCorp of energy to be generated by Spanish Fork Wind up

1

The Commission also entered the following relevant subsequent orders in the docket: Order on Reconsideration and Clarification (February 2, 2006); Order (April 19, 2006); and Clarification Order (May 26, 2006).

to 18.9 MW, from a wind facility located in Spanish Fork, Utah (the “Facility”). A copy of the Agreement is attached to this Application. PacifiCorp seeks approval of the terms and conditions of the Agreement.

5. The purchase prices set forth in the Agreement were calculated using the methodology approved in the October 31, 2005 Order and subsequent relevant orders.

6. Spanish Fork Wind is in the process of obtaining all necessary interconnection agreements and approvals. The Scheduled Commercial Operation Date for the Facility is December 31, 2007.

7. The Agreement constitutes a “New QF Contract” under the PacifiCorp Interjurisdictional Cost Allocation Protocol (“Protocol”), previously filed with the Commission pursuant to a stipulation in Docket No. 02-035-04. According to the terms of the Protocol, the costs of the QF provisions would be allocated as a system resource unless any portion of those costs exceed the cost PacifiCorp would have otherwise incurred acquiring comparable resources.

8. Expedited treatment is appropriate because Spanish Fork Wind is attempting to qualify for federal production tax credits available to wind projects that are on-line on or before December 31, 2007. Accordingly, PacifiCorp requests expedited treatment in order to permit Spanish Fork Wind to begin construction as soon as possible to meet its Scheduled Commercial Operation Date and to qualify for the federal production tax credits. PacifiCorp will, of course, work with the Commission, the Division of Public Utilities, and the Committee of Consumer services to ensure that all necessary information is available in a timely manner to allow the regulators and Committee to appropriately fulfill their statutory functions in reviewing the Agreement.

9. Pursuant to the provisions of the Commission's orders relating to renewable energy credits ("REC") (Order dated October 31, 2005 and Order on Reconsideration and Clarification dated February 2, 2006), Spanish Fork Wind has elected to buy back the RECs at the IRP value and accordingly, PacifiCorp will not own the RECs associated with the Facility.

10. PacifiCorp and Spanish Fork Wind have not agreed on a transmission loss adjustment and accordingly, pursuant to the provisions of the Commission's orders set forth in footnote 1, above, relating to transmission losses, the parties request that they be permitted to submit testimony on the issue of losses and that the Commission make a determination of the losses issue after a hearing approving this Agreement. In Section 5.1.7 of the Agreement, the parties agree to amend the Agreement to incorporate the Commission's decision with respect to losses.

WHEREFORE, PacifiCorp respectfully requests that the Commission:

- (1) issue an order approving the Agreement submitted herewith and finding the terms and conditions of the Agreement to be just and reasonable and in the public interest; and
- (2) hold a scheduling conference on an expedited basis in order to establish a schedule permitting PacifiCorp, Spanish Fork Wind and other interested parties to submit testimony on the appropriateness of a line loss adjustment.

DATED this 21st day of June, 2006.

Respectfully submitted,

Dean S. Brockbank
Attorney for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of June, 2006, I caused to be served via United States mail, postage prepaid, or electronic mail, a true and correct copy of the foregoing Application of PacifiCorp to the following:

Michael Ginsberg
Trisha Schmid
Assistant Attorney General
Division of Public Utilities
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111

Reed Warnick
Paul Proctor
Assistant Attorney General
Committee of Consumer Services
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111

Tracy Livingston
General Manager
Wasatch Wind, LLC
357 West 910 South, Unit A
Heber City, UT 84032
tracy@wasatchwind.com

Richard Collins
c/o Wasatch Wind LLC
Tracy Livingston
Christine Watson Mikell
Wasatch Wind LLC
357 West 910 South
Heber City, UT 84032
