

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

-----

In the Matter of the Application of PACIFICORP, dba Utah Power & Light Company, for Approval of Standard Rates for Purchases of Power from Qualifying Facilities Having a Design Capacity of 1,000 Kilowatts or Less ))))))

DOCKET  
NO. 01-  
2035-01

ERRATUM  
ORDER

-----

ISSUED: February 6, 2002

By The Commission:

**INTRODUCTION AND PROCEDURAL BACKGROUND** On January 15, 2002, the Commission issued its order, stating, "The avoided cost rates, terms, and conditions contained in the Division's Attachment G of its November 29, 2001 filing as adjusted by the Committee's January 3, 2002 memorandum are approved by the Commission as just and reasonable rates in purchases involving QFs with a design capacity of up to 1,000kW.

The adjustments result in an avoided cost of \$51.90 per MWh. The Company will submit to the Commission the appropriate tariff sheets for Electric Service Schedule No. 37 that reflect the decisions made in this order by January 30, 2002." On January 25, 2002, PacifiCorp notified Commission staff of an inconsistency with the Commission's order and the prices which would be listed for "average energy price" in Electric Service Schedule No. 37. On January 30, 2002, Commission staff advised PacifiCorp to refrain from filing the ordered tariff on January 30, 2002 pending Commission discussion of and decision on the inconsistency raised.

DOCKET NO. 01-2035-01

-2-

DISCUSSION

It has come to the attention of the Commission that the \$51.90 per megawatt hour for a 20-year levelized payment for a qualifying facility operating with an 85% capacity factor which was referenced in our order was computed in error. The \$51.90 figure counts the value of capacity twice. This is because the average energy price computed by PacifiCorp, the Division and the Committee included the value of capacity. Removing the capacity value from average energy prices, the corrected 20-year levelized price for a qualifying facility operating with an 85% capacity factor would be \$42.26 for a contract signed in 2001.

PacifiCorp's decision to include capacity value in the average energy price is tied to new tariff language it apparently proposed in its September 5<sup>th</sup>, 2001 filing which states that "Capacity price information is provided for information only. Capacity costs are included in On-peak prices." PacifiCorp's request for change in the tariff language governing the terms and conditions for payment was not brought to the attention of the Commission and was not considered in the Commission's decision. Now, in order to make consistent the prices intended (which included capacity value) for Electric Service Schedule No. 37 on January 15, 2002 with the existing tariff language, we hereby issue this erratum and approve average energy prices which exclude capacity value. PacifiCorp will submit to the Commission the appropriate tariff sheets for Electric Service Schedule No. 37 that reflect the decisions made in this order by February 14, 2002. Further, we order PacifiCorp to file proposed tariff language changes to clarify the terms and conditions of payments under Electric Service Schedule No. 37 by February 21, 2002.

DOCKET NO. 01-2035-01

-3-

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

The avoided cost rates, terms, and conditions contained in the Division's

Attachment G of its November 29, 2001 filing as adjusted by the Committee's January 3, 2002 memorandum and as adjusted by the removal of capacity value in the average energy price are approved by the Commission as just and reasonable rates in purchases involving QFs with a design capacity of up to 1,000kW. The adjustments result in an avoided cost of \$42.26 per MWh. The Company will submit to the Commission the appropriate tariff sheets for Electric Service Schedule No. 37 that reflect the decisions made in this order by February 14, 2002. Further, the Company will submit to the Commission proposed tariff language changes to clarify the terms and conditions of payments under Electric Service Schedule No. 37 by February 21, 2002.

DATED at Salt Lake City, Utah, this 6<sup>th</sup> day of February 2002.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary

G#28163