

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of PacifiCorp)
for Approval of a Power Purchase Agreement) DOCKET NO. 06-035-141
Between PacifiCorp and Kennecott Utah) REPORT AND ORDER
Copper Corporation)

ISSUED: December 14, 2006

By The Commission:

On November 13, 2006, PacifiCorp, d/b/a Rocky Mountain Power, submitted for Commission approval a proposed Power Purchase Agreement (Agreement) with Kennecott Utah Copper Corporation (Kennecott). Through the Agreement, PacifiCorp will purchase non-firm energy generated by Kennecott from a 31.8 MW waste heat-fired cogeneration facility operated by Kennecott and located in Magna, Utah. The parties have an existing purchase power agreement which will end December 31, 2006. This new Agreement is for the term of January 1, 2007, through December 31, 2007. PacifiCorp represents that the Agreement is consistent with the Commission's determinations made in our June 28, 2004, Order issued in Docket No. 03-035-14. PacifiCorp requests that the Commission issue an order approving the Agreement, finding the terms and conditions just and reasonable and in the public interest.

On December 8, 2008, the Division of Public Utilities (Division) filed its Memorandum describing its analysis of the Agreement. The Division notes that the Agreement's terms and conditions are similar to prior agreements between the parties, with this most recent agreement mainly changing the price to be paid for electricity generated and eliminating scheduled maintenance periods during the anticipated term. Through its analysis, the Division

confirms that the Agreement is in accordance with the pricing and conditions previously approved by the Commission in Docket No. 03-035-14. The Division recommends approval of the Agreement.

After notice, the Commission held a hearing on the Agreement December 12, 2006. PacifiCorp, Kennecott, the Division and the Committee appeared. No person appeared opposing approval of the Agreement. Evidence was presented in support of Commission approval of the Agreement. All parties agreed that the Agreement was just, reasonable and in the public interest.

Based upon the evidence given at the hearing, the information presented by PacifiCorp in the Application and the recommendations made by the Division, and no opposition appearing, the Commission will enter an order approving the Agreement. The Commission will require any extension beyond the Agreement's term to be reviewed and approved by the Commission. PacifiCorp should submit a request to review and approve any extension with sufficient time for interested parties to perform their analysis and submit their recommendations prior to any extension contemplated by PacifiCorp and Kennecott.

Wherefore, we find that the terms of the Agreement are just and reasonable and that the Agreement is in the public interest pursuant to our discussion herein. We enter this ORDER approving the Agreement between PacifiCorp and Kennecott Utah Copper Corporation as discussed herein.

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DATED at Salt Lake City, Utah, this 14th day of December, 2006.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#51743