



**ELECTRIC SERVICE SCHEDULES  
STATE OF UTAH**

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**UTAH POWER & LIGHT COMPANY**  
**ELECTRIC SERVICE SCHEDULE NO. 38**

**STATE OF UTAH**

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**Qualifying Facility Procedures**

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**AVAILABILITY:** To owners of Qualifying Facilities (QFs) in all territory served by the Company in the State of Utah.

**APPLICATION:** To owners of existing or proposed QFs with a design capacity greater than 1,000 kW who desire to make sales to the Company. Such owners will be required to enter into written power purchase and interconnection agreements with the Company pursuant to the procedures set forth below. Additional or different requirements may apply to Utah QFs seeking to make sales to third-parties, or out-of-system QFs seeking to wheel power to Utah for sale to the Company.

**I. Process For Negotiating Power Purchase Agreements**

**A. Communications**

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Utah Power & Light Company  
Manager-QF Contracts  
825 NE Multnomah St, Suite 600  
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

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**ELECTRIC SERVICE SCHEDULE NO. 38 - Continued****B. Procedures**

1. Within 30 days of receipt of a written request by the owner, the Company will provide a copy of its generic power purchase agreement. Prices for projects over 1,000 kW are to be negotiated based upon individual project characteristics.
2. To obtain an indicative pricing proposal with respect to a proposed project, the owner must provide in writing to the Company, general project information including, but not limited to:
  - a) generation technology and other related technology applicable to the site
  - b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system
  - c) quantity and timing of monthly power deliveries (including project ability to respond to dispatch orders from the Company)
  - d) proposed site location and electrical interconnection point
  - e) proposed on-line date and outstanding permitting requirements
  - f) demonstration of QF status
  - g) fuel type (s) and source (s)
  - h) plans for fuel and transportation agreements
  - i) proposed contract term and pricing provisions (i.e., fixed, escalating, indexed)
  - j) status of interconnection arrangements
  - k) any other information requested by the Company
3. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 2 has been received in writing from the QF owner. Within 30 days following receipt of all information required in Paragraph 2, the Company will provide the owner with an indicative pricing proposal, which may

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**ELECTRIC SERVICE SCHEDULE NO. 38 - Continued****B. Procedures (continued)**

include other indicative terms and conditions, tailored to the individual characteristics of the proposed project. Such proposal may be used by the owner to make determinations regarding project planning, financing and feasibility. However, such prices are merely indicative and are not final and binding. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties and approved by the Commission.

4. If the owner desires to proceed forward with the project after reviewing the Company's indicative proposal, it may request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations between the parties. In connection with such request, the owner must provide the Company with any additional project information that the Company determines to be necessary for the preparation of a draft power purchase agreement, which may include, but shall not be limited to:
  - a) updated information of the categories described in Paragraph B.2,
  - b) evidence of adequate control of proposed site
  - c) evidence that necessary construction and equipment supply contracts may be obtained
  - d) evidence that adequate project financing may be obtained
  - e) identification of, and timelines for obtaining any necessary governmental permits, approvals or authorizations

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**ELECTRIC SERVICE SCHEDULE NO. 38 - Continued**

- B. Procedures (continued)**
- f) assurance of fuel supply or motive force
  - g) anticipated timelines for completion of key project milestones
  - h) evidence that any necessary interconnection studies have been completed and assurance that the necessary interconnection arrangements are being made in accordance with Part II
  - i) any other information requested by the Company.
5. The company shall not be obligated to provide the owner with a draft power purchase agreement until all information required pursuant to Paragraph 4 has been received by the Company in writing. Within 30 days following receipt of all information required pursuant to paragraph 4, the Company shall provide the owner with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions, including a specific pricing proposal for purchases from the project. Such draft shall serve as the basis for subsequent negotiations between the parties and, unless clearly indicated, shall not be construed as a binding proposal by the Company
6. After reviewing the draft power purchase agreement, the owner may prepare an initial set of written comments and proposals regarding the draft power purchase agreement and forward such comments and proposals to the Company. The Company shall not be obligated to commence negotiations with a QF owner until The Company has received an initial set of written comments and proposals from the QF owner. Following the Company's receipt of such comments and proposals, the owner may contact the Company to schedule contract negotiations at such times and places as are mutually agreeable to the parties. In connection with such negotiations, the Company:
- a) will respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the owner

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**ELECTRIC SERVICE SCHEDULE NO. 38 - Continued****B. Procedures (continued)**

- b) may request to visit the site of the proposed project if such a visit has not previously occurred
  - c) will update its pricing proposals at appropriate intervals to accommodate any changes to the Company's avoided-cost calculations, the proposed project or proposed terms of the draft power purchase agreement
  - d) may request any additional information from the owner necessary to finalize the terms of the power purchase agreement and satisfy the Company's due diligence with respect to the Project.
7. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final, executable version of the agreement. The Company reserves the right to condition execution of the power purchase agreement upon simultaneous execution of an interconnection agreement between the owner and the Company's power delivery function, as discussed in Part II. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties and approved by the Commission.

**II. Process for Negotiating Interconnection Agreements**

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon all necessary interconnection arrangements being consummated.

It is recommended that the owner initiate its request for interconnection as early in the planning process as possible, to ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

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**ELECTRIC SERVICE SCHEDULE NO. 38 - Continued****II. Process for Negotiating Interconnection Agreements (continued)**

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's power delivery function.

**A. Communications**

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

Utah Power & Light Company  
Manager-QF Contracts  
825 NE Multnomah St, Suite 600  
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's power delivery function that will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

**B. Procedures**

The Company will follow the procedures for generation interconnection described in Part IV of the Company's Open Access Transmission Tariff (Tariff) on file with the Federal Regulatory Commission. A copy of the Tariff is available on-line at <http://www.oasis.pacificorp.com>

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**ELECTRIC SERVICE SCHEDULE NO. 38 - Continued****II. B. Procedures (continued)**

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) completion of studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, (3) execution of an Interconnection Facilities Agreement to address facility construction, testing and acceptance and (4) execution of an Interconnection Operation and Maintenance Agreement to address ownership and operation and maintenance issues.

Consistent with PURPA, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis.