



November 29, 2003

Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111

Re: Docket No. 03-035-14; IRP-Based Avoided Cost Methodology

Dear Commissioners:

On September 24, 2003, the Commission issued an order in this case regarding the Company's requested approval of an IRP-based methodology for setting avoided cost rates for qualifying facilities (QFs) larger than one megawatt. The Commission ordered the Company to reconvene a work group to resolve a "capacity payment issue" discussed in the order, as well as other issues that might arise. The Commission also ordered the Company to file for approval within 60 days a revised avoided cost method for developing prices for QFs greater than one megawatt that clearly describes how capacity payments will be determined and applied.

In accordance with the order, the Company reconvened the QF work group and held two technical conferences with the Division, Committee and other interested parties following the issuance of the Commission's order. Despite a considerable amount of work and discussion on the issue, a general consensus was not reached as to how to best address the capacity payment issue discussed in the order. However, there was general consensus that further work and an additional meeting would be beneficial, and the parties agreed to have another meeting on December 12, 2003 at 9:30 a.m. In light of this, the Company respectfully requests that it be allowed to file a revised avoided cost method at a later date, but no later than January 23, 2004.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Stewart".

John Stewart

cc: Division of Public Utilities
Committee of Consumer Services
Roger Swenson
F. Robert Reeder
Rick Anderson
Kevin Higgins