

HOUSE OF REPRESENTATIVES  
STATE OF UTAH



REPRESENTATIVE ELI H. ANDERSON

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STANDING COMMITTEES: NATURAL RESOURCES,  
AGRICULTURE, AND ENVIRONMENT; REVENUE AND TAXATION;  
RULES; RETIREMENT AND INDEPENDENT ENTITIES  
APPROPRIATIONS SUBCOMMITTEES: COMMERCE AND REVENUE;  
RETIREMENT AND INDEPENDENT ENTITIES

May 18, 2004

Utah Public Service Commission  
Attention: Richard Campbell, Chairman  
160 East 300 South Box 146751  
Salt Lake City, Utah 84114-6751

Dear Mr. Campbell,

First of all thank you for allowing me the opportunity to send you my comments and concerns to be read as part of the record in this public hearing May 19, 2004. I have conflicting schedules or I would be in attendance.

It has been brought to my attention that an unfair practice is being allowed to occur which has serious and far reaching consequences to my constituents. Efficient independent power production and cogeneration is beneficial to the citizens of Utah. Legislation was introduced this year and last for renewable generation of electrical power offering attractive incentives for those investing in our future. We are continually hearing that we may fall short of locally produced electrical power and more natural gas generation is needed. If someone were to step up to the plate and invest in an independent electrical power generation plant the current practice would put them out of business before they even turned on the turbine. We have a big problem with a very unlevel playing field for an independent producer. PacifiCorp is allowed to recover all of its investment costs, yet an independent producer is allowed to recover less than 50% of the capacity payment for fixed investment costs. I would encourage you to level the playing field to either disallow PacifiCorp to recover all of its investment costs or allow independent producers to recover all of their investment costs at the same rates PacifiCorp pays itself. If we allow this unfair practice to continue we will have a monopoly which will not benefit Utahs citizens. The current practice does not allow for fair competition. If its good for PacifiCorp to recoup their costs its also good for the independent power producers to recoup their costs at the same rate. Competition is good only if the same rules apply across the board. Its not fair and is in violation with your rules for government agencies to favor one over another. Let's play fair for the sake of all the Citizens of Utah.

Sincerely,

A handwritten signature in cursive script that reads "Eli H. Anderson".

Eli H. Anderson