



State of Utah
Department of
Commerce

RUSSELL SKOUSEN
Executive Director
JASON PERRY
Deputy Director

**Division of
Public Utilities**

IRENE REES
Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Memorandum

To: Public Service Commission

From: Division of Public Utilities
Irene Rees, Director
Artie Powell, Acting Manager, Energy Section
Andrea Coon, Technical Consultant

Subject: Request for a Hearing to Determine Order in the Cue for QF
Pricing Under the Stipulation; Docket 03-035-14

Date: February 11, 2005

Issue

The Commission has requested the Division to investigate the separate applications of two qualifying facilities (QF) for pricing under the QF pricing stipulation from Docket 03-035-14. Depending on how the relative timing of the applications is figured, the available remaining MWs under the stipulation may be as low as 50 to 60 MWs or as high as 100 MWs or more and, thus, could potentially affect the Division's ultimate recommendations. Therefore, without further direction from the Commission, the Division will be unable to carry its investigation to conclusion.

Request

The Division respectfully requests that the Commission hold a hearing at the first available time to allow parties to present arguments or evidence supporting the timing of each application so as to determine the total amount of MWs available under the stipulation for each applicant.

Discussion

On January 28, 2005, a petition was filed on behalf of Pioneer Ridge, LLC and Mountain Wind, LLC (Pioneer Ridge) for approval of a contract selling QF power to PacifiCorp. This petition asks that pricing be based upon the stipulation adopted by the Commission in Docket 03-035-14, as the size of the QF facilities (approximately 48 MW total) to be constructed is less than the amount of capacity Pioneer Ridge believes is still available under the stipulated cap. On February 9, 2005, a petition was filed on behalf of Spring Canyon, LLC for approval of a contract selling QF power to PacifiCorp. This petition also requests that pricing be based upon the stipulation for Docket 03-035-14. According to the petition, the size of the facility is negotiable, but will be based upon the amount of capacity remaining under the cap, which Spring Canyon believes to be no less than 100 MW.

Spring Canyon may have initiated its applications as early as July 30, 2004. If so, the available MWs under the stipulation would be exhausted. If Pioneer Ridge is the next QF in the queue, the MWs available under the cap for which Spring Canyon may be eligible could be as little as 40 MWs. Without clarification of this matter, the Division will not be able to complete its investigation.

The Division is still collecting information at this time from the Pioneer Ridge and plans on filing additional information on the relative timing no later than February 16, 2005.

CC: Stephen Mecham, Callister, Nebeker & McCullough
Tim Hunter, Stoel Rives
Roger Swenson
Committee of Consumer Services