

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
PACIFICORP for Approval of an IRP-)
based Avoided Cost Methodology for QF)
Projects Larger than One Megawatt)

DOCKET NO. 03-035-14

CLARIFICATION ORDER

ISSUED: May 26, 2006

By The Commission:

On May 8, 2006, Wasatch Wind LLC (Wasatch Wind) filed a Request for Clarification and Petition for Reconsideration of Order. Wasatch Wind requests clarification of the Commission's April 19, 2006 Order (April Order) and petitions for reconsideration of the Commission's decision to postpone ruling on avoided transmission losses. Additionally, Wasatch Wind requests the Commission reverse what Wasatch Wind claims is a decision denying the opportunity for an intermittent Qualifying Facility (QF) to receive avoided transmission capital cost.

First, we clarify the April Order did not preclude consideration of payments for avoided transmission losses to QFs. The April Order did not approve a generic method for calculating losses. The Commission rejected the two proposed methods due to insufficient evidence upon which to conclude that either method was generally reasonable and met the ratepayer indifference standard. The Commission will consider the reasonableness of payments to QFs for avoided transmission losses on a case-by-case basis when QF contracts including such payments are presented for our approval.

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Second, we clarify the April Order did not deny the opportunity for an intermittent resource, i.e., a wind QF, to receive avoided transmission capital costs. The April Order states the avoided transmission cost method approved applies to QFs regardless of fuel type, meaning wind QFs are eligible. Further, we clarify we have not precluded wind QFs from receiving avoided transmission capacity cost payments should they be shown to exist per the method approved and contract terms between the QF and the utility.

DATED at Salt Lake City, Utah, this 26th day of May 2006.

/s/ Ric Campbell, Chairman

/s/ Ted. Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#49128