

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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| In the Matter of the Petition of Desert Power, L.P. for Approval of a Contract for the Sale of Capacity and Energy From its Proposed QF Facilities |) | <u>DOCKET NO. 04-035-04</u> |
| |) | <u>RULING ON REQUEST</u> |
| |) | <u>FOR EXPLANATORY</u> |
| |) | <u>STATEMENT</u> |

ISSUED: January 16, 2007

This matter is before the Commission on Desert Power's December 27, 2007, Petition for Explanatory Statement of Prior Orders and Petition for Hearing (December Petition). Position Statements relating to the December Petition were filed with the Commission by Desert Power, the Division of Public Utilities and Pacificorp. After notice, a hearing on the December Petition was held by the Commission January 12, 2007. At the hearing, Desert Power appeared through counsel Stephen F. Mecham, of Callister, Nebeker & McCullough, Pacificorp appeared through counsel Dean Brockbank, the Division of Public Utilities appeared through Assistant Attorney General Patricia Schmid, and the Committee of Consumer Services appeared through Assistant Attorney General Paul Proctor.

Through the December Petition, Desert Power requests an explanatory statement to clarify our September 20, 2006, October 2, 2006, and November 8, 2006, orders issued in this docket. Apparently, in bankruptcy proceedings involving Desert Power, Desert Power and Pacificorp are advocating differing interpretations of those orders. Our consideration of Desert Power's December Petition is under an unusual procedural setting as this docket (with our prior orders) is currently under judicial appeal; Desert Power filed its notice of appeal on December 8, 2006, and submitted its Docketing Statement to the appellate court on December 29, 2007.

DOCKET NO. 04-035-04

-2-

Desert Power has also asked that any action we might take on the December Petition be completed by January 18, 2007, apparently for use in further bankruptcy proceedings which are scheduled on or after that date. Based upon the Position Statements, argument made at the January 12, 2007, hearing, the procedural posture of this docket and Desert Power's deadline for any Commission action, we issue this Ruling on Request for Explanatory Statement.

We can venture no further than to note that our prior orders say what they say and no more or less. We can only state that our prior orders modified the parties' purchase power agreement only as to, and as limited to, the two terms addressed by those orders. None of the other provisions of the parties' purchase power agreement, including sections 2.4 and 11.1.4 have been altered. We continue to expect each party to go forward, in good faith, and proceed and abide with the terms of the purchase power agreement which they have negotiated and to which they have mutually agreed.

DATED at Salt Lake City, Utah, this 16th day of January 2007.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#52108