

1

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

| | |
|---|-----------------------------|
| <p>In the Matter of the Application of PacifiCorp for a Certificate of Convenience and Necessity Authorizing Construction of the Lake Side Power Project.</p> | <p>Docket No. 04-035-30</p> |
|---|-----------------------------|

2

3

DIRECT TESTIMONY OF EARL GJELDE

4

Q. Please state your name and business address.

5

A. Earl Gjelde. My business address is 790 Rose Acres Court, Loveland, Colorado 80537.

6

7

Q. Are you the same Earl Gjelde that previously filed direct testimony in this proceeding?

8

9

A. Yes I am.

10

11

Q. What do you address in this additional direct testimony?

12

A. I provide a summary of the progress of Summit Vineyard, LLC and Lake Side Power, LLC (collectively "Summit") on the Lake Side permitting and construction efforts which have taken place since PacifiCorp filed its Certificate of Convenience and Necessity and Summit filed its supporting Direct Testimony. I also include an update on the various agreements with PacifiCorp and Geneva that are necessary for the project.

17

18

Q. Can you first tell us what agreements related to this project have been executed and which are still outstanding?

19

20

A. Certainly. On May 27, 2004, prior to filing its application for a Certificate of Convenience and Necessity, PacifiCorp entered into an Asset Purchase and Sale Agreement with Summit for the development, engineering, construction and commissioning of the Lake Side

21

22

1 Power Plant.

2

3 In addition, PacifiCorp and Summit are expecting to execute a Limited Notice to Proceed at the
4 beginning of September, 2004.

5

6 On July 28, 2004, the Federal Bankruptcy Court of Utah approved the Conditional Purchase and
7 Sale Agreement between Summit and Geneva without receiving any opposition. This is the
8 property upon which the Lake Side project will be built. There was a ten day appeal period
9 following the approval date and no appeals were filed. Thus, we are proceeding with completing
10 the tasks necessary for closing on the property.

11

12 **Q. Does this complete the status of the necessary agreements?**

13 A. Yes, it does.

14

15 **Q. Could you next describe to us the status of permitting for the project.**

16 A. Certainly. First, I will discuss the status of the air permit. As required, we first submitted
17 air modeling protocols to the Utah Department of Air Quality (“UDAQ”). That agency reviewed
18 and accepted our modeling protocols and on May 11, 2004, Summit filed its air permit
19 application. The filing was supplemented with additional information on May 22, 2004. UDAQ
20 has reviewed the filing and made data requests for its analysis. Summit has responded and
21 UDAQ is currently completing its modeling analysis and preparing its engineering report.
22 Summit expects a draft engineering review from UDAQ in September, 2004. The Notice of
23 Intent to Approve is expected to be published for 30-day public comment in October, 2004, and
24 Summit expects the air permit to be issued by prior to the end of December, 2004. UDAQ has
25 indicated to Summit that the conditions will be similar to those issued to PacifiCorp for Current
26 Creek. Thus, we have worked from that basis, which should smooth the approval process.

27

28 **Q. Are there any other tasks completed or being worked on by Summit?**

1 A. Yes. Summit has also filed with PacifiCorp an Interconnection Request for the Lake Side
2 Power Plant to interconnect to the 345 kV Hunter-Camp Williams transmission line near Geneva
3 Steel. PacifiCorp reviewed and accepted Summit's filing. On May 25, 2004, Summit met with
4 PacifiCorp to discuss the filing and review study scope, cost and schedule. After discussions,
5 Summit submitted an additional request on June 1, 2004, to include an analysis of
6 interconnecting to the 138 kV transmission system between the Lake City and Timp substations.

7
8 PacifiCorp has completed its initial feasibility studies of both the 138 kV and 345 kV
9 alternatives. A meeting was held on August 10, 2004, to review and discuss the study results.
10 Final reports are due September 17, 2004. A decision on the 138 kV or 345 kV interconnection
11 will be made at that time.

12
13 In addition, Summit has completed for the Geneva site a Phase I Environmental Report and
14 Phase II Environmental Report. The Phase I and Phase II Reports, completed in July, 2004,
15 concluded that no hazardous materials would likely be encountered during the construction of
16 the project.

17
18 Finally, the geotechnical work required for developing the foundation design recommendations,
19 site excavation/dewatering program, and other related geotechnical issues was completed July
20 29, 2004.

21

22 **Q. Is the project on schedule?**

23 A. Yes. Everything is running smoothly and on schedule.

24

25 **Q. Does this conclude your testimony?**

26 A. Yes, it does.