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Attorneys for PacifiCorp

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of	)	
PACIFICORP for a Certificate of	)	APPLICATION
Convenience and Necessity Authorizing	)	
Construction of the Lake Side	)	Docket No. 04-035-30
Power Project	)	

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Pursuant to Utah Code Ann. §54-4-25, PacifiCorp, doing business as Utah Power & Light (“PacifiCorp” or the “Company”), hereby applies to the Utah Public Service Commission (“Commission”) for a certificate of public convenience and necessity authorizing the construction of a 534 megawatt resource addition, known as the Lake Side Power Project in Utah County, Utah. In support of this application, PacifiCorp states as follows:

1. PacifiCorp is an electrical corporation and public utility subject to the jurisdiction of the Commission. In addition to providing retail electric service in the state of Utah, PacifiCorp provides retail electric service in California, Idaho, Oregon, Washington and Wyoming.

2. Communications regarding this filing should be addressed to:

John Stewart  
PacifiCorp  
201 South Main Street, Suite 2300  
Salt Lake City, Utah 84111

Edward A. Hunter  
Jennifer E. Horan  
STOEL RIVES LLP  
201 South Main Street, Suite 1100  
Salt Lake City, Utah 84111

The Company also requests that in addition, all formal correspondence and data requests regarding this filing be sent to:

By e-mail (**preferred**) to:                    datarequest@pacificorp.com

By regular mail to:                         Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 800  
Portland, Oregon, 97232

By fax to:                                        (503) 813-6060

3. Over the last decade, the Company has experienced significant retail load growth. PacifiCorp's most recent Integrated Resource Plan, filed with the Commission in January 2003, and recent updates to that IRP have identified a need for substantial new resources, particularly in the East portion of the Company's system. Rising retail demand in the East portion of the system has been a principal factor contributing to an increasing gap between load and resources.

4. In order to meet its retail load requirements, and in conjunction with other actions by the Company, PacifiCorp has entered into an asset purchase and sales agreement with Summit Vineyard, LLC ("Summit") for the development and construction of the Lake Side Power Project

(or the “Lake Side Power Project”) at a site located at Geneva Steel in Vineyard, Utah County, Utah by the summer of 2007.

Summit will develop the Lake Side Power Project and enter into an engineer, procure, construct (EPC) contract with Siemens Westinghouse Power Corporation (Siemens Power) to construct the resource. Summit and Siemens Power have worked extensively together on a variety of CCCT projects and have delivered these new resources on time and per agreement. Siemens Power will guarantee their work under the EPC. Once completed, the facility will be owned and operated by PacifiCorp. In addition, PacifiCorp intends to enter into a long-term service agreement on the facility after completion.

Summit will utilize Siemens Westinghouse 501F machines. These combustion turbines will be connected to two heat recovery steam generators and then a steam turbine. Approximately 470 MW will be produced by the combined cycle combustion turbine (“CCCT”) portion of the design, 45 MW from the ability to duct fire, and 19 MW via steam augmentation. The Lake Side Power Project is expected to produce 534 MW on a nominally rated basis during summer temperature conditions. Siemens Power will provide Summit with new machines.

5. PacifiCorp intends to finance the construction of the Lake Side Power Project through internally generated funds, new common equity, if necessary, and external financing sources. In addition to the internally generated funds, PacifiCorp has access to the capital markets which it expects could be utilized to help finance construction of the Lake Side Power Project.

6. The generation from the Lake Side Power Project is needed to meet load requirements for the summer of 2007. If Summit were unable to proceed with the construction of the Lake Side Power Project, the Company and its customers would be exposed to the

volatility in the wholesale power market, high transmission costs associated with delivering power to customers in Utah, and potential adverse impacts on service reliability. The Company requests that the Commission issue an order granting a certificate of convenience and necessity for the Lake Side Power Project by November 30, 2004.

7. The present and future public convenience and necessity requires the construction of the proposed Lake Side Power Project. The Lake Side Power Project will not conflict with or adversely affect the operations of any existing certificated fixed public utility providing retail electric service to the public. The Lake Side Power Project does not constitute an extension into the territory certificated to an existing fixed public utility.

8. The following testimony is filed in support of this application:

Donald Furman, Senior Vice President, Regulation and External Affairs, discusses the Company's bid evaluation process and selection of the Lake Side Power Project through the 2003 RFP process.

Mark Tallman, Managing Director of Trading & Origination for PacifiCorp, describes how the two finalist bids received for the 2007 Resource compared against one another and against the benchmark resource (expansion of Currant Creek).

Richard Y. Ito, Vice President of U.S. Energy Risk Management for PacifiCorp, describes how the final bids negotiated for the 2007 Resource were evaluated from a risk management perspective.

Melissa Seymour, Manager of Planning and Financial Analysis for PacifiCorp, discusses PacifiCorp's resource needs as identified in the 2003 IRP, the update to the 2003 IRP, and the public process surrounding both filings.

Bruce N. Williams, Treasurer of PacifiCorp, describes in general terms how the Company will fund acquisition of the Lake Side Power Project.

Howard Friedman, a Principle with Navigant Consulting, Inc., addresses the central components of the RFP 2003-A process used by PacifiCorp to identify the resource with the best cost/risk balance. Mr. Friedman will also lay out Navigant's role in independently monitoring this process to ensure that PacifiCorp's review and selection process was consistent, fair and reasonable.

WHEREFORE, PacifiCorp requests:

1. The Commission enter an order on or before November 30, 2004, granting PacifiCorp a certificate of convenience and necessity authorizing the construction of the Lake Side Power Project; and
2. The Commission grant such other authority and authorizations as may be necessary to facilitate the construction of the Lake Side Power Project.

Respectfully submitted this 28<sup>th</sup> day of May, 2004.

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Edward A. Hunter  
Stoel Rives LLP  
Attorneys for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of May, 2004, I caused to be served, via hand delivery, a true and correct copy of the foregoing **Application** to the following:

Reed Warnick  
Assistant Attorney General  
Utah Committee of Consumer Services  
Heber M. Wells Bldg., Fifth Floor  
160 East 300 South  
Salt Lake City, UT 84111

Michael Ginsberg  
Assistant Attorney General  
Utah Division of Public Utilities  
Heber M. Wells Bldg., Fifth Floor  
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