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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE PETITION OF SPRING CANYON ENERGY, LLC FOR APPROVAL OF A CONTRACT FOR THE SALE OF CAPACITY AND ENERGY FROM ITS PROPOSED QF FACILITY	DOCKET NO. 05-035-08 Motion to Increase 275 MW Cap Motion to Extend June 1, 2007 Deadline
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Spring Canyon Energy, LLC, (“Spring Canyon”) pursuant to Utah Admin. Code Rule R746-100-3, hereby moves the Public Service Commission of Utah (“Commission”) to increase the 275 MW cap established by stipulation and approved by the Commission in Docket No. 03-035-14. The Commission denied without prejudice Spring Canyon’s September 28, 2004 petition to increase the cap, but there have been new developments since that time. The 275 MW cap was a negotiated number by the parties. Although the prices were based on PacifiCorp’s avoided costs, there was nothing scientific about 275 megawatts; it was simply a number to which the parties could agree. At least 102 megawatts remain under the cap, which Spring Canyon asked the Commission to award to Spring Canyon in its September 28, 2004 letter, in its February 9, 2005 petition, and again in its February 11, 2005 petition. The remaining capacity Spring Canyon intends to offer for sale to PacifiCorp is a minimum of 100 megawatts

and possibly more based on the terms of the previous qualifying facility contracts the Commission has approved.

Months after Spring Canyon sought indicative pricing from PacifiCorp under PacifiCorp's Schedule 38 and petitioned the Commission for the remaining capacity under the 275 MW cap, other potential qualifying facility projects expressed interest in the remaining capacity. The avoided cost rates established in Docket No. 03-035-14 are the only rates currently available in Utah, and they only apply to the remaining capacity under the cap. The combined effect of the other projects with Spring Canyon's project would cause the 275 MW cap to be exceeded. By increasing the cap and applying the prices and terms of the stipulation in Docket No. 03-035-14 to the additional megawatts, the Commission would resolve the conflict between Spring Canyon and the other projects that have expressed interest in the remaining capacity. During the scheduling conference February 18, 2005, the Commission suggested increasing the cap as a possible solution. Spring Canyon supports the Commission's proposal. In addition, by increasing the cap, the Commission would be promoting greater efficiency in energy production and would help ensure that PacifiCorp has the capacity and energy required under its Integrated Resource Plan to serve its ratepayers. Increasing the cap, therefore, is in the public interest.

Finally, this proceeding could effectively nullify the stipulation and order in Docket No. 03-035-14 as a result of delay. If the proceeding and contract negotiations with PacifiCorp take too long, it could become impossible for Spring Canyon to construct its qualifying facility project in time to have power available to PacifiCorp by June 1, 2007. Spring Canyon, therefore, also moves the Commission to extend the June 1, 2007

deadline by the amount of time it takes for the Commission to hear this matter and issue a final order.

Wherefore, Spring Canyon moves the Commission to:

- 1.) increase the 275 MW cap; and,
- 2.) extend the June 1, 2007 deadline,

in accordance with these motions.

Respectfully submitted this 24th day of February, 2005.

Callister Nebeker & McCullough

Stephen F. Mecham
Attorneys for Spring Canyon

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Petition was emailed or mailed, postage prepaid, this 24th day of February 2005, to the following:

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