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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Approval of Changes to Renewable Avoided Cost Methodology for Qualifying Facilities Projects Larger than Three Megawatts

DOCKET NO. 03-035-100

**EOU'S PETITION FOR REVIEW,
REHEARING AND
CLARIFICATION**

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, Energy of Utah LLC (EOU) hereby petitions for review, rehearing and clarification of the Commission's Report and Order ("Order") issued in this docket on August 16, 2013.

Energy of Utah is the parent company of South Mountain Wind LLC, a 54 MW wind development in Tooele County, which may be affected by the Commission's order in this docket. South Mountain Wind's Qualifying Facility was provided Indicative Pricings by PacifiCorp under the existing "Wind Proxy" methodology. The Commission's order, issued on August 16, 2013, directed the Company to utilize PDDRR method pricing for all future pricing requests under Schedule 38. On August 23 of 2013, PacifiCorp indicated to South Mountain Wind LLC

its intent to re-price using the PDDRR method, impacting our ability to continue development of this asset and posing significant risk to our investment.

Summary of Events:

We started project development in mid-2012 with the commencement of active negotiations with local private land owners. The initial land leases were executed in Q4 of 2012. We initiated our Interconnection application in December of 2012 and submitted of a \$10,000 deposit to PacifiCorp in February, 2013. Our \$ 50,000 System Impact Study deposit to PacifiCorp was submitted in April of 2013 and the SIS (System Impact Study) was completed in late July of 2013. We are now proceeding into the final Facilities Study.

Our initial request for PPA Indicative pricing was submitted in Mid-March of 2013 and PacifiCorp provided pricing based on the Wind Proxy method in mid-April of 2013 (**Exhibit A**). During this month South Mountain Wind LLC requested a draft copy of the PPA and immediately initiated PPA negotiations with PacifiCorp. In July of 2013, South Mountain Wind LLC changed the proposed project turbine technology and decreased the project size from 78 MW to 54 MW, requesting a second Indicative Price. PacifiCorp provided up dated pricing on August 12 of 2013 using Wind Proxy methodology (**Exhibit B**). PPA negotiations were completed prior to Commission's ruling of August 16, 2013, with PacifiCorp undertaking the final Credit approval process for the facility. The next and final step for PPA execution is PacifiCorp's management review, approval and execution. All of our responsibilities in the PPA execution process were met prior to the Commission's 12-035-100 August ruling. We were only awaiting PacifiCorp's final approval and execution of the agreement.

We have also pursued the concurrent development tasks of our project: utilizing local engineering firm Stantec to conduct Spring Environmental surveys, traffic studies, noise impact modeling, telecommunications studies, DoD/ FAA (Department of Defense, Federal Aviation Administration) consultations, and working with Tooele County in the development of a wind ordinance and CUP (Conditional Use Permit application). All these development activities were carried out with the understanding that we would retain Wind Proxy pricing, and over the past year we have incurred significant expense.

On August 27, 2013, PacifiCorp provided South Mountain Wind LLC a letter (**Exhibit C**) in which the previously-provided indicative pricing for South Mountain Wind is canceled and declared no longer valid. We believe that this decision does not belong to PacifiCorp, but rather the Utah Public Service Commission. Furthermore, in this letter PacifiCorp inserts a sentence from the Commission's December, 2012 12-035-100 ruling:

“We acknowledge the possibility the outcome of the Phase Two hearings and the interests of ratepayers may require the application of new avoided cost calculations for all large wind QF projects not in possession of executed power purchase agreements when the Phase Two order is issued.”

We have offered PacifiCorp our view, based on the completion of contract negotiations and also on our interpretation of the wording of the final Commission ruling:

“Future requests for indicative pricing for wind QFs under Schedule 38 shall be calculated using the Proxy/PDDRR method.”

We respectfully ask the Commission to consider the completion of contracts negotiations and the committed funds in our effort to complete the development of South Mountain. We believe that

our significant commitment and the satisfaction of our obligations in the PPA negotiation warrant consideration.

DATED this 3th day of September, 2013.

Ros Rocco Vrba

Energy of Utah LLC

South Mountain Wind LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of August, 2013, a true copy of the foregoing was sent via email to the following:

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