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Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Artie Powell, Manager
Charles Peterson, Technical Consultant

Date: August 17, 2012

Re: **Docket No. 12-2557-01**, Blue Mountain Power Partners, LLC's Request for Agency Action

RECOMMENDATION (Schedule)

The Division of Public Utilities (Division) recommends that the Commission hold a scheduling conference to set a formal process to resolve the issues raised by the Blue Mountain Power Partners, LLC's Request for Agency Action (Request).

ISSUE

In an application dated July 31, 2012 Blue Mountain Power Partners, LLC (Blue Mountain) filed a Request for Agency Action, essentially claiming that PacifiCorp failed to follow the Commission's orders regarding the setting of contractual energy prices for wind qualifying facilities (wind QFs). On August 1, 2012, the Commission issued an Action Request to the Division requesting response by August 30, 2012. This memorandum is the Division's response to the Action Request.

DISCUSSION

The Division has reviewed Blue Mountain's Request and has had informal discussions with PacifiCorp. The Division believes that the issues raised by Blue Mountain may have precedence in future wind QF matters. Furthermore, it can be questioned whether the current procedure for determining wind QF energy pricing continues to be in the public interest. Consequently the Division believes that these issues deserve a formal process for determination by the Commission. Therefore, the Division recommends that the Commission order a scheduling conference to set a formal schedule in this matter.

CC:

Brian W. Burnett, Callister Nebeker & McCullough, attorney for Blue Mountain

Dave Taylor, Rocky Mountain Power

Michele Beck, Office of Consumer Services