

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Revised Tariff, Suspending     )))))  
Certain Provisions of Electric Service Schedule  
38,

DOCKET NO. 04-035-T10

Advice Filing 04-10

ORDER APPROVING TARIFF REVISION

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ISSUED: September 23, 2004

By The Commission:

On September 4, 2004, PacifiCorp submitted a proposed revision to the Electric Service Schedule 38 of Tariff PSCU No. 45 of Utah Power and Light Company. The revised schedule suspends a provision in the tariff that requires the company to provide an indicative pricing proposal to the owner of an existing or proposed Qualifying Facility (QF) within 30 days after the receipt of the QF's owner's information. See, Schedule 38, at Section I.B.3. PacifiCorp indicates that the reason for the revision results from the fact that the current avoided cost methodology use by the Commission, upon which the indicative pricing would be based, lacks continuity for QF proposals which exceed or total QF service offerings proffered to the company which exceed the generation amount assumed in the currently used methodology. No pricing methodology for such levels of power has been reviewed or approved by the Commission. Indeed, the existing QF Taskforce has not even discussed possible methodologies by which one might reliably set the avoided cost price for such a quantity of power.

By Memorandum dated September 16, 2004, the Division of Public Utilities acknowledges the methodology limitations and supports a suspension of the 30-day response provision of the existing tariff schedule.

However, the Division recommends that the

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modification be revised to a 90-day response period or a longer period if PacifiCorp explains the need for any additional delay. The Division recommends reverting to the 30-day response period once the Commission has approved an appropriate pricing methodology. On September 20, 2004, PacifiCorp filed its reply to the Division's September 16, 2004, Memorandum. PacifiCorp notes that the Division's recommendation to revise to a 90-day response period does not resolve the company's difficulty of providing indicative pricing where no Commission approved methodology is available. On September 23, 2004, the Committee of Consumer Services (Committee) filed its memorandum. The Committee as well acknowledges the limitation of the existing avoided cost methodology. Like the company, the Committee also believes the Division's 90-day recommendation does not adequately address the pricing difficulty faced by the company. We agree with PacifiCorp and the Committee that preparing an indicative pricing response is problematic, whether in 30 or 90 days, without Commission direction on the methodology to be used. We will enter an order approving the revised tariff, suspending any time period in which the company would be required to provide an indicative pricing response. Once we have resolved the methodology issue, the tariff can be revised, again, to provide the appropriate time period in which the company would be required to respond.

Wherefore, it is hereby ORDERED that the revised tariff provisions for Schedule 38, proposed by PacifiCorp through Advise Letter 04-10, on September 4, 2004, are approved. The revision/modification will become effective immediately.

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DATED at Salt Lake City, Utah, this 23<sup>rd</sup> day of September, 2004.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary

GW#40484