

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
PacifiCorp for Approval of a Power) DOCKET NO. 05-035-112
Purchase Agreement with Kennecott Utah)
Copper Corporation) REPORT AND ORDER
)

ISSUED: February 22, 2006

SYNOPSIS

The Commission approves the Purchase Power Agreement between PacifiCorp and Kennecott Utah Copper Corporation for January through December, 2006.

By The Commission:

On December 30, 2005, PacifiCorp filed an Application with the Commission seeking approval of a Power Purchase Agreement (Agreement) between PacifiCorp and Kennecott Utah Copper Corporation (Kennecott). The Agreement is to replace the parties' prior purchase power agreement which expired on December 31, 2005. The Agreement continues PacifiCorp's purchase of non-firm energy from Kennecott's cogeneration/qualifying facility located at Kennecott's smelter facilities in Magna, Utah. The Agreement is for a period of 12 months, January through December, 2006, for up to 31.8 megawatts and is represented as conforming to the Commission's October 31, 2005, Order, issued in PSC Docket No. 03-035-14, for the calculation of avoided capacity and energy cost payments for purchases from qualifying facilities larger than one megawatt. As the Agreement is for non-firm power, no capacity payment provisions are included in the Agreement; its pricing terms deal with energy only.

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By Memorandum dated February 13, 2006, the Division of Public Utilities (DPU) provided its analysis of the Application and the Agreement. The DPU recommends that the Commission approve the Agreement as filed and apply its terms to all power delivered beginning January 1, 2006. No other responses or comments to the Application have been submitted by any other person. Based upon the Application and DPU Memorandum, we find that the terms of the Agreement are just and reasonable and that the Agreement is in the public interest. Wherefore the Commission concludes that it will approve the Agreement.

We enter this ORDER approving the submitted Agreement between PacifiCorp and Kennecott Utah Copper Corporation. The terms will be applied for the January 1 through December 31, 2006, time period.

DATED at Salt Lake City, Utah, this 22nd day of February, 2006.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

G#47809