

DRAFT

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM-1129

IN THE MATTER OF THE )  
PUBLIC UTILITY COMMISSION )  
OF OREGON STAFF'S )  
INVESTIGATION RELATING )  
TO ELECTRIC UTILITY )  
PURCHASES FROM QUALIFYING )  
FACILITIES )  
\_\_\_\_\_ )

MOTION TO ACCEPT  
MODIFIED ISSUES LIST  
AND PROCEDURAL  
SCHEDULE

Pursuant to that Hearing Ruling Memorandum issued by the ALJ in the above captioned matter on February 7, 2006, the Parties have conferred on how best to address Issue No. 12. The parties have agreed (except PacifiCorp and Idaho Power) on a method for doing so.<sup>1</sup> The process and modified issues list is attached hereto as Exhibit A. Sherman County and J.R. Simplot hereby respectfully move that the modifications identified in Exhibit A to Issue No. 12 from Track One and Issue 3(b) from Track Two of this proceeding be adopted as appropriate issues for the Commission to address in Phase II of this proceeding. In addition it further moved that the Issue 3(b) from Track Two be simultaneously considered with the modified Issue No. 12 as more fully explained in Exhibit A.

Finally in order to avoid confusion, the ALJ may wish to renumber or somehow

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<sup>1</sup> Idaho Power, PacifiCorp and PGE disagree with the statement of issues. They have not expressed disagreement with the proposed schedule. The Commission Staff, ODOE, Sherman County / Simplot, ICNU and Weyerhaeuser have all affirmatively expressed agreement with both the issues list and the procedural schedule. No other party has offered an opinion on either the issues list or the procedural schedule.

designate the issues on the attached Exhibit A such that there is no confusion with the issues on the existing Phase II issues list.

The procedural schedule augments the ALJ's Post Hearing Memorandum issued on February 17, 2006 by requiring PGE to file its off-system contract on February 27, 2006; and setting a Settlement Workshop for March 8, 2008.

RESPECTFULLY SUBMITTED this 23rd day of February, 2006.

By \_\_\_\_\_

Peter Richardson

UM-1129  
PHASE II  
ISSUE NO. 12

Issue No. 12 provides:

Should the utilities file standard form contracts for the purchase of QF power that is wheeled to their systems over a third-party transmission system?

Should any such agreements address issues such as where title to the power changes hands and explicitly state that the purchasing utility purchase the QF's schedule off of the transmitting utility's system?

In response to a motion made during the hearing in Phase I on this issue, the ALJ ruled that:

Parties may, however, agree to address issues regarding power purchase agreements for off-system QF projects under 10 MW in the second track of the second phase of this docket; but to do so, those issues must be fully identified, and approved as appropriate issues for the Commission to address, in terms of jurisdiction, among other things.

UM-1129 Hearing Ruling Memorandum, February 7, 2006, at p. 4.

With Respect to Idaho Power: The Parties agree that all issue 12 considerations related to Idaho Power's standard contract for "off-system" QF purchases were fully submitted

to the Commission in Phase I. As a result, the reasonableness of the terms and conditions of Idaho Power's standard "off-system" QF purchase contract are not at issue in Phase II.

The parties have conferred and agree (except PacifiCorp and Idaho Power) the following additional issues should be addressed in light of the above referenced Memorandum and the off system contract filed by PacifiCorp.

With respect to the filed contract(s):

Issue 12.0

Overall, are PacifiCorp's and PGE's contract provisions for off-system QFs reasonable?

Issue 12.1

Does the Commission have jurisdiction over metering provisions of off system contracts? If so, are the metering provisions reasonable?

Issue 12.2

Does the Commission have jurisdiction over the telemetry provisions of off system contracts? If so, are the telemetry provisions reasonable?

Issue 12.3

Does the Commission have jurisdiction over the data exchange provisions of off system contracts? If so, are the data exchange provisions reasonable?

Issue 12.4

Does the Commission have jurisdiction over the production balancing provisions of off system contracts? If so, are the production balancing provisions reasonable?

Issue 12.5

Does the Commission have jurisdiction over whether the utility is required to purchase all scheduled net output? If so, are the provisions permitting utilities to purchase the lesser of net output or scheduled deliveries reasonable?

#### Issue 12.6

Does the Commission have jurisdiction over whether the utility may require the QF to obtain firm transmission services for delivery of its power? If so, what definition of firm should the Commission use? Are there degrees of “firmness” that are reasonable while other degrees of “firmness” are not?

The parties also noted that the issues list for Phase II of this docket addressed the general question of utility purchases from QFs located outside of the purchasing utility’s control area. Issue 3(b) from the Phase II issues list provides:

3. Further exploration of how the calculation of avoided cost should reflect the nature and quality of QF energy. Specifically:
  - (b) Cost and contractual provisions necessary to address purchases from QF projects that are located outside the utility’s control area.

The parties believe the above Phase I Issue No. 12 outline and the Phase II Issue No. 3(b) should be addressed at the same time. However the parties also recognize there is an ambiguity in the use of the word “cost” in Phase II Issue No. 3(b) and here clarify that the determination of the actual avoided cost and the appropriate methodology(ies) for its calculation are addressed in other issues in the Phase II issues list and should appropriately be addressed as they have been identified elsewhere than Issue No. 3(b).

The parties have agreed to the following procedural schedule to address the above identified issues and to bring before the Commission for decision:

February 27, 2006 - PGE files its proposed standard contract for resolution of off-system contract issues, and all parties file direct testimony on phase II issues except Issue 12 and Issue 3(b).

March 8, 2006: - Settlement workshop on all Phase II issues, including the off-system QF issues.

March 24, 2006 - Direct testimony on off-system QF issues; rebuttal testimony on all other Phase II issues.

April 14, 2006 - Rebuttal testimony on off-system QF issues.

May 2 – 3, 2006 - Hearing on all issues.

I hereby certify that on the 23<sup>rd</sup> day of February, 2006, the MOTION TO ACCEPT MODIFIED ISSUES LIST AND PROCEDURAL SCHEDULE were sent to the following parties via electronic mail and U.S. Mail, Postage Prepaid:

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