# EXHIBIT A

07-035-22/Rocky Mountain Power January 5, 2009 HLP Data Request 14

### **HLP Data Request 14**

If your response to Data Request No. 10 is negative, provide the following information,

a. State the reasons why RMP does not have the capacity (including the necessary installed and operational Infrastructure or Facilities) to provide current retail electric service to existing or future customers within HLP's Service Area, including customers currently served by HLP.

b. Describe all capacity, including Infrastructure and Facilities, reasonably required for RMP to provide such service, the costs of obtaining or constructing the capacity, and the manner in which RMP would pay these costs.

c. Describe what measures, if any, RMP has taken to construct or obtain the capacity (including the necessary Installed and Operational infrastructure or facilities) to provide retail electric service to existing or future customers within HLP's Service Area, including customers currently served by HLP.

d. State when RMP anticipates having the capacity (including the necessary installed and operational Infrastructure or Facilities) to provide retail electric service to existing or future customers within HLP's Service Area, including customers currently served by HLP.

e. Produce all documents referring or relating to the information provided in

your response to this data request.

### Response to HLP Data Request 14

RMP reiterates its objections stated in its response to HLP Data Request 3. Subject to and without waiving these objections, RMP responds as follows:

- a. RMP has not installed a distribution feeder system throughout the area HLP has defined as its "Service Area" because HLP has expanded its service and connected customers adjacent to its municipal system and has continued to expand this service over time. However, RMP has not refused service to any customer who has sought a connection in the portion of that area outside the municipal boundaries.
- b. A distribution feeder system exiting the Jordanelle, Midway, and Wasatch substations is required for RMP to serve the portion of the area outside the municipal boundaries. RMP has not studied the cost of installing a new distribution feeder system in this area. RMP stands ready to extend its existing distribution feeder system or to acquire the existing distribution feeder that HLP has constructed within RMP's certificated service area at replacement cost less depreciation.

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- c. RMP has studied the cost of installing a substation and distribution feeder system in the south and east area of Heber Valley to serve Timber Lakes, Independence, and Aspen. Please refer to Confidential Attachment HLP 9.
- d. RMP has not studied in detail the extent it would take to construct a distribution feeder system. Rather than duplicate the HLP existing distribution system, RMP stands ready to acquire the existing distribution feeder system that HLP has constructed within RMP's certificated service area.
- e. The document relied on is referenced in response to subpart c above.

### **EXHIBIT B**

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Attorneys for Heber Light & Power Company

#### BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Complaint of Rocky Mountain Power, a Division of PacificCorp, Against Heber Light & Power Regarding Unauthorized Service by Heber Light & Power in Areas Certificated to Rocky Mountain Power. Docket No. 07-035-22

SECOND DECLARATION OF BLAINE STEWART

- I, Blaine Stewart, declare as follows:
- 1. I have personal knowledge of the facts stated herein.
- 2. I have been involved in the electric utility industry in a management or operation role for more than thirty years.
- 3. Beginning in April, 2008, I became Heber Light & Power Company's ("HLP") General Manager. In this position, I have responsibility for the overall supervision and management of HLP's business.

- 4. Before becoming General Manager, I was HLP's chief engineer. I served in this capacity from March, 2007, until assuming the role of chief executive officer. As chief engineer, I was responsible for the assessment of all electric infrastructure of the system, for preparing and analyzing growth projections, for providing operation engineering support and for project development, including budget and equipment specifications.
- 5. Based upon my work experience at HLP, I have a detailed knowledge of the operations, facilities, and personnel of HLP.
- 6. Prior to my employment by HLP, I was employed by Utah Power & Light Company, a public utility regulated by the Utah Public Service Commission. I am thus aware of the differences how the business of a municipal electric differs from the business of a regulated electric utility.
- 7. I familiar with Rocky Mountain Power's complaint in the Public Service Commission and RMP's challenge to HLP's authority to serve.
- 8. Serious consequences could befall HLP if it was treated as a public utility subject to the full jurisdiction of the Utah Public Service Commission ("Commission").
- 9. If HLP were subject to Commission jurisdiction, HLP could be forced to dramatically change many of its longstanding business practices to comply with Commission rules and regulations including:
  - a. HLP could be forced to alter long-range planning procedures and analysis to incorporate changes required by the Commission.
  - b. HLP could be required to obtain Commission approval before increasing rates or to review their rate structure for compliance with Commission standards.
     This could include new hearings, studies and reports.

- c. HLP could be required to obtain Commission approval before making changes to the terms of service for existing customers.
- d. HLP could be required to adopt the Commission's system of accounts. This may include adopting the Uniform System of Accounts, which, to my knowledge, no municipal electric company voluntarily follows, and which is dramatically different from HLP's system of accounts. The new system of accounts could include several new, more detailed, and very involved set of accounts, including detailed records on materials, equipment, use, services, maintenance, and construction. In addition, since the Commission's jurisdiction is limited to service in the unincorporated areas of Wasatch County, HLP could be required to create and keep separate accounting books for those customers who live outside HLP's member's boundaries.
- e. HLP could be required to obtain Commission approval before issuing securities, including bonds, or to obtaining Commission approval before entering into construction or purchase contracts;
- f. HLP could be required to report regularly to the Commission, including financial reports, budgets, service level and criteria reports, and to allow the Commission and its officials to come onsite and do investigations of the operations and dealings of HLP.
- 10. If HLP were subject to Commission jurisdiction, HLP could incur very significant cost increases and extra expenses in order to conform its business to the Commission's requirements. This could likely include significant new administrative work and costs, and new

employees or contractors will be needed to help cover this increase. These additional costs could result in significant rate increases to pay for these changes in business practices.

- 11. It would be difficult to reverse course once HLP was treated as a public utility and subjected to Commission jurisdiction.
- 12. Due to the significant changes that could be required, the significant cost increases, and the overall strain put on HLP, it may be cost prohibitive and undesirable for HLP to transform itself into a public utility that is compliant with the Commission's rules and regulations; and therefore, it may be necessary for HLP to withdraw its services and pull back to its municipal boundaries and avoid being subject to Commission jurisdiction.
- 13. During discussions among HLP, Rocky Mountain Power and Wasatch County, the parties had considered proposing, with Commission approval, legislation permitting limited regulation of HLP's service in the unincorporated areas of Wasatch County to ensure non-discriminatory rates are being charged and service levels maintained. Under such light regulation, HLP may be able to proceed; but, under full regulation it is likely cost prohibitive.
- 14. HLP still wants to serve and honor its obligations to serve its customers, regardless of where they are located within HLP's service area, as it has done for the past century.
- 15. The information provided herein is true and correct to the best of my knowledge.I am providing this information under the penalty of perjury.

Dated this \_\_\_ day of May, 2009.

Blaine Stewart

## EXHIBIT C

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Attorneys for Heber Light & Power Company

#### IN THE SUPREME COURT OF THE STATE OF UTAH

Heber Light & Power Company,

Appellant.

VS.

Public Service Commission, Rocky Mountain Power,

Appellees.

Affidavit of Douglas G. Smith

PSC Docket No. 07-035-22 SUPREME COURT NO. 20090053

STATE OF UTAH	)
	) ss.
COUNTY OF WASATCH	)

Douglas G. Smith being first duly sworn, deposes and says:

- 1. I am over the age of 21 years and have firsthand knowledge of the facts stated herein.
- 2. I have been an employee of the Planning Department of Wasatch County for eight years. I currently hold the position of Senior Planner and am responsible for the review of

projects, including the Wasatch Commons development, and am staff to the Planning Commission. I am familiar with the proposed Wasatch Commons development owned by Johansen-Thackeray & Company and with the development's approval status.

- 3. I have had a number of general discussions with the developer regarding the concept design for a 220 unit apartment building and commercial development to be located on Highway 40 in Wasatch County, southwest of the Utah Valley University, Wasatch Campus.
- 4. The developer has not presented this apartment/commercial development to the Planning Commission for master plan or preliminary approval and is currently not on the Planning Commission agenda for its June, 2009 meeting.
- 5. The developer does not have preliminary approval for this apartment/commercial development.

Douglas G. Smith

Subscribed and sworn to before me this 27 day of April, 2009.

Motory Public
SHEDRY LAWRENCE
180 South Main
Hener City, Uhm 64032
My Commission Empires
Novamber 27, 2011
State of Utah

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Public Service Commission, Rocky Mountain Power,

Appellees.

Affidavit of Blaine Stewart

PSC Docket No. 07-035-22 SUPREME COURT NO. 20090053

STATE OF UTAH ) ss. COUNTY OF WASATCH )

- I, Blaine Stewart, declare as follows:
- 1. I have personal knowledge of the facts stated herein.
- 2. I have been involved in the electric utility industry in a management or operation

role for more than thirty years.

- 3. Beginning in April, 2008, I became Heber Light & Power Company's ("HLP") General Manager. In this position, I have responsibility for the overall supervision and management of HLP's business.
- 4. Before becoming General Manager, I was HLP's chief engineer. I served in this capacity from March, 2007, until assuming the role of chief executive officer. As chief engineer, I was responsible for the assessment of all electric infrastructure of the system, for preparing and analyzing growth projections, for providing operation engineering support and for project development, including budget and equipment specifications.
- 5. Based upon my work experience at HLP, I have a detailed knowledge of the operations, facilities, and personnel of HLP.
- 6. I familiar with Rocky Mountain Power's complaint in the Public Service Commission and RMP's challenge to HLP's authority to serve.
- 7. HLP has not begun to aggressively compete with RMP for customers within HLP's historic service area but has continued to provide service to these customers as it has done for a century. Until recently, RMP had agreed not to serve within HLP's service area and had not disputed HLP's authority to provide service to the customers within HLP's historic service area.
- 8. I am familiar with Ken Duncan's request for service outside of HLP's service area. Because this connection was outside of HLP's service area, HLP would not ordinarily have provided service to such a customer. Faced with RMP's line extension charges, Duncan asked HLP whether it could provide service. HLP told Duncan that HLP would only be able to provide

service if RMP consented. To my knowledge, RMP has not consented to HLP providing the service.

Blaine Stewart

Subscribed and sworn to before me this 21th day of April, 2009.

KARLY SCHINDLER
Notery Public, State of Utah
Commission # 575518
My Commission Expires
August 18, 2012

Notary