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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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

PETITION TO INTERVENE

Wasatch County (the "County"), pursuant to Utah Code Section 63-46b-9, hereby petitions to intervene in the above-entitled matter. Pursuant to section 63-46b-9(1)(c), the County hereby submits the following statement of facts in order to demonstrate the County's legal rights or interests involved.

STATEMENT OF FACTS

1. <u>Rocky Mountain Power's General Allegations</u>: The County agrees with, and incorporates herein by reference, the General Allegations set forth in Rocky Mountain Power's Amended Complaint.

- 2. Heber Light & Power's Presence in the Unincorporated County: For several decades, Heber Light & Power has received requests from property owners in the unincorporated areas of the County to provide electrical service. These areas are outside the municipal boundaries of Heber, Midway, and Charleston, which municipalities together own Heber Light & Power. Heber Light & Power has responded favorably to these requests and, therefore, has grown to serve various areas of the unincorporated County. At the current time, in fact, approximately one-third of Heber Light & Power's customers are located outside the boundaries of Heber, Midway, and Charleston.
- 3. Growth in the County Leads to Circumstances Ripe for Conflict:

 Due to growth patterns being experienced in the County, the infrastructures of
 Rocky Mountain Power and Heber Light & Power have also grown in a manner
 that, in the north end of the unincorporated County, both entities can now
 efficiently serve new customers. The area where the two entities' infrastructures
 meet is commonly called the "North Village" due to the North Village Overlay
 Zone which was enacted by the County to govern the area. Efficiencies of
 previously installed infrastructure no longer clearly dictate which entity should
 serve customers in the North Village. Furthermore, both entities understandably

share reasonable expectations of returns on the investments each has made in installing infrastructure in the area.

- 4. The Origin of the Current Conflict: In order to avoid open competition for customers in the North Village, Heber Light & Power approached the County in April of 2007 to request a franchise that would include the North Village. Heber Light & Power also requested that the County simultaneously revoke Rocky Mountain Power's franchise for the same area. The County, grateful for Heber Light & Power's fine service over many years, set the matter for the County Council's agenda to consider the matter, giving actual notice of the meeting to Rocky Mountain Power.
- 5. <u>Litigation</u>: Before the County Council convened to consider granting Heber Light & Power a franchise or revoking Rocky Mountain Power's franchise, Rocky Mountain Power filed a request for a temporary restraining order in the Fourth District Court to restrain the County from doing either. As a result of negotiations resulting from this litigation, the County agreed to neither revoke Rocky Mountain Power's franchise nor grant Heber Light & Power a franchise for a period of time to allow the matter to be amicably resolved.
- 6. <u>Two Issues</u>: In trying to arrive at an amicable resolution, two main issues have been discussed. First, what should the service areas for each entity be?

And second, how could reasonable rates and terms of service be ensured for the unincorporated customers of Heber Light & Power?

- 7. Service Areas: Initially, it appeared that the only dispute regarding service areas was in the North Village area of the County. However, as the discussions have evolved over the past year, it has become evident that the north end of the County and the south end of the County are equally in dispute, but for exactly opposite reasons: the north end, where both Rocky Mountain Power and Heber Light & Power have infrastructure present, is attractive to both entities; but the south end of the County, where only Heber Light & Power has infrastructure, is attractive to *neither* entity. After several possible resolutions were reached, it now appears that Rocky Mountain Power and Heber Light & Power are at an impasse over proposed service areas. This impasse may, in fact, now be more about the undesirability of serving the southern areas of the County.
- 8. Oversight: The County and Heber Light & Power have engaged in lengthy discussions regarding the appropriate oversight-mechanism to ensure reasonable rates and terms of service to the unincorporated residents who will become permanent customers of Heber Light & Power. Heber Light & Power's status as a municipally owned entity creates two problems in this regard: (1)

residents in the unincorporated County lack a voting franchise to affect Heber Light & Power's policies, rates, or terms of service, and (2) the peculiarities inherent in a municipally owned electrical service entity render governance by the Public Service Commission difficult. As of this time, no agreement has been reached on this subject, although the County and Heber Light & Power continue to negotiate.

9. The County's Interest: The County has been involved in this dispute between Rocky Mountain Power and Heber Light & Power for almost a year. The areas and customers at issue in the dispute are in the unincorporated County, and the County has an interest in ensuring fair and reasonable treatment of those customers by both Rocky Mountain Power and Heber Light and Power. The County supports Heber Light & Power's continued presence in the unincorporated County but desires to ensure that its unincorporated customers have a voice in their rates and terms of service. Likewise, the County supports Rocky Mountain Power's continued presence in the County and desires to ensure that its service areas are mapped out in a way that allows it to provide fair and efficient service to its customers here.

WHEREFORE, the County hereby requests that the Commission grant this petition to intervene.

DATED this	day of March, 2008.
	THOMAS LOW Wasatch County Attorney
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