

WILLIAM J. EVANS (5276)  
MICHAEL J. MALMQUIST (5310)  
SETH P. HOBBY (10742)  
PARSONS BEHLE & LATIMER  
One Utah Center  
201 South Main Street, Suite 1800  
Post Office Box 45898  
Salt Lake City, UT 84145-0898  
Telephone: (801) 532-1234  
Facsimile: (801) 536-6111  
Attorneys for Milford Wind Corridor, LLC

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of Milford Wind Corridor Phase I, LLC and Milford Wind Corridor Phase II, LLC for Certificates of Convenience and Necessity for Phase I and Phase II of the Milford Wind Power Project	<b>APPLICATION OF MILFORD WIND CORRIDOR PHASE I, LLC AND MILFORD WIND CORRIDOR PHASE II, LLC FOR CERTIFICATES OF CONVENIENCE AND NECESSITY FOR PHASE I AND PHASE II OF THE MILFORD WIND POWER PROJECT</b>
	Docket No. _____

Milford Wind Corridor Phase I, LLC and Milford Wind Corridor Phase II, LLC (“Milford I” and “Milford II” respectively, or collectively “Milford I and II”), by and through their undersigned counsel and pursuant to the provision at Utah Code Ann § 54-4-25, hereby submit this Application for Certificates of Convenience and Necessity (“Application”) for Phase I and Phase II of the Milford Wind Power Project (“Project”). This Application seeks Commission approval of two certificates, one certificate for Phase I issued to Milford I and one certificate for Phase II issued to Milford II.

This Application is submitted along with a Motion to Dismiss this Application, which seeks from the Commission a decision that the Project does not require certificates of

convenience and necessity (“Certificates”). Milford I and II request that the Commission consider both the Motion and this Application in reaching its decision on whether Certificates are required and, if so, whether to grant them. Nevertheless, because the applicants have requested in their Motion that the Commission decline jurisdiction to consider this Application, they do not acquiesce to the Commission’s jurisdiction merely by filing of this Application.

In support of this Application, Milford I and II state as follows:

### **MILFORD WIND**

1. Milford Wind Corridor, LLC, (“Milford Wind”) is a limited liability company, the majority of which is owned by UPC Wind Partners, LLC (“UPC Wind”). UPC Wind is an American, privately-owned company with its principal place of business in Delaware and with office locations in Massachusetts, New York, Maine, Vermont, California and Hawaii. The generation and transmission facilities constructed during the phases of the Project relevant to this Application will be developed, constructed, owned and operated by Milford Wind through its wholly-owned subsidiaries Milford I and Milford II.

2. UPC Wind, the ultimate parent company, has followed a business plan to develop, finance, construct, own and operate wind power projects in the North American market. To that end, the principals of UPC Wind have raised in excess of \$600 million in limited recourse project financing and tax equity to construct 92 megawatts of wind projects in the United States. UPC Wind is striving to develop a portfolio of 4,000 MW of wind projects across North America.

3. UPC Wind is strictly a wind energy company. UPC Wind actively manages its projects and has deep experience in all phases of wind farm development, financing, construction

and operation of wind energy facilities. Through its subsidiaries Milford I and II, it will manage operational control of the Milford Project, and intends to do so over the Project's life.

4. Through similarly structured transactions, UPC Wind completed the 30 MW Kaheawa Wind Power Project in Maui, Hawaii which commenced commercial operation in the second quarter of 2006, the 42 MW Mars Hill Project in Maine which commenced commercial operation in the first quarter of 2007, and the 20 MW Steel Winds Project in Lackawanna, New York, which commenced commercial operation in the second quarter of 2007. UPC Wind's involvement with these projects, and with several other projects in the construction, development and pre-development stages in various U.S. locations, has given it significant experience in the development, construction, ownership, operation and maintenance of wind energy projects. More information about UPC Wind's projects may be found at [www.upcwind.com/index.cfm](http://www.upcwind.com/index.cfm).

### **THE MILFORD PROJECT**

5. For purposes of this Application, the Milford Phase I and II Wind Power Project is described with respect to its two primary components, a wind farm and a transmission line, both of which will be located on federal, state and private land in Beaver and Millard Counties, Utah. An overview map of the proposed project facilities is attached hereto as Exhibit 1.

### **THE WIND FARM**

6. The proposed wind farm will be located in Beaver and Millard Counties, Utah. A figure illustrating the wind farm area and conceptual layout is attached hereto as Exhibit 2. When Phase I and Phase II are completed, the wind farm will generate approximately 300 megawatts of power (nameplate capacity) from a mix of wind turbines ranging from 1.5 to 2.5 MW each. The turbines will be arrayed along a series of parallel turbine corridors, with the

precise location of each turbine to be fixed during the final design and construction process, which allows the avoidance of any sensitive resources or features. For Phase I, Milford I has entered into contracts for the purchase and delivery of thirty-nine (39) GE wind turbine generators and up to fifty-eight (58) Clipper Liberty C99 wind turbine generators, for a total installed capacity (nameplate) of 203.5 MW. It is anticipated that Phase II will consist of additional installed capacity of approximately 100 MW<sup>1</sup>. The actual number and size of the turbines has not been finalized due to uncertainties in the ability of turbine suppliers to timely deliver on turbine orders.

7. The wind farm will include a system of buried lines that will collect power from the turbines and carry it to an onsite substation. At the substation, transformers will step the power up from 34.5 kV to 345 kV for transmission through the Project's 345 kV transmission line. The wind farm will also include a road system that will be used to build and then provide access to the turbines for maintenance. *See* Exhibit 2. The wind farm will include an operations and maintenance facility including an approximately 30,000 square foot building and associated parking and garage facilities.

### **TRANSMISSION LINE**

8. The Project includes a proposed 345 kV alternating current transmission line that will originate at the Phase I wind farm substation and terminate at the existing substation at the Intermountain Power Project ("IPP") generating station north of Delta, Utah. Two routes are being considered for the transmission line, both of which are illustrated in Exhibit 1. One route,

---

<sup>1</sup> It is possible that there will be additional future phases to the Project which will add capacity in an amount yet to be determined. By this Application, Milford I and II seek certificates for Phase I and Phase II; authorization is not sought with respect to potential future phases.

which has been identified by Milford I as its preferred route, would follow the existing IPP 500 kV direct current transmission line and enter the IPP substation from the west. This route would be approximately 87 miles long. The other route would follow State Highway 257 to a point approximately 10 miles south of Delta, where it would turn east and then north and then back west. This route, which would be approximately 91 miles long, would enter the IPP substation from the east.

9. Both routes would be located primarily on federal land managed by the Bureau of Land Management of the United States Department of the Interior (“BLM”), and both would be located primarily within BLM-designated utility corridors. The choice between these routes will be made by the BLM based on an ongoing environmental review process being conducted by the BLM under the National Environmental Policy Act (“NEPA”), which includes input by the public, resource agencies and the affected counties.

10. At the IPP substation, the power from Phase I of the Project will be converted from alternating current to direct current and transmitted to southern California the existing 500 kV DC transmission line that carries power from the IPP generating station to southern California. This interconnection, including the interconnection equipment and facilities, will require an interconnection agreement with the Intermountain Power Agency (“IPA”).

11. The market for power from Phase II of the Project is not currently finalized. However, it is expected that the interconnection equipment and facilities for the 100 MW of Phase II power will be built at the same time as the Phase I interconnect to the IPP substation is made, although it is possible that additional interconnection equipment and facilities may later be required when Phase II is constructed, depending on the power’s destination.

## **CONSTRUCTION SCHEDULE**

12. The Phase I facilities consist of wind turbines of up to 203.5 MW of installed capacity, the collector lines and roads associated with those turbines, an onsite substation, an onsite control facility, the transmission line, and the IPP interconnection facilities. Under the power purchase agreement described below, the Phase I facilities must be placed in service no later than March 31, 2009. Milford I requests that the Commission grant a certificate of convenience and necessity for the Project by April 15, 2008, in order to allow Milford I to construct the facilities.

13. The Phase II facilities are comprised of the turbines required for up to 100 MW (or the balance of the 300 MW total wind farm facility), and the collector lines and roads associated with those turbines. It may also include any additional IPP interconnection facilities that may be required to allow transmission of this power to purchasers. It is anticipated that Phase II construction would commence in early 2009. Because Phase II will likely follow closely on the heels of Phase I, Milford II asks that its certificate also be granted by April 15, 2008.

## **MARKET FOR MILFORD WIND PROJECT POWER**

14. All of the power from Phase I of the Project (i.e., the power generated by the first 203.5 MW of installed turbine capacity<sup>2</sup>) will be sold wholesale from Milford I to the Southern California Public Power Authority (“SCPPA”) pursuant to a power purchase agreement (“PPA”) with SCPPA. The PPA was approved by SCPPA on February 15, 2007. It was subsequently approved by the three SCPPA member cities who will receive the power, i.e., Burbank (August

---

<sup>2</sup> The PPA is for 200 MW of capacity at the point of delivery at the IPP substation. The additional 3.5 MW of installed capacity is to offset potential line losses between the wind farm and the substation.

21, 2007), Pasadena (October 1, 2007) and Los Angeles (December 19, 2007). *See* Exhibit 3 (Approval by SCPPA), Exhibit 4 (Approval by Burbank), Exhibit 5 (Approval by Pasadena) and Exhibit 6 (Approval by Los Angeles).

15. There is currently no definitive agreement for the sale of the power from the Phase II facilities. Milford II is in discussions with several power buyers for the sale of the output from Phase II. All Phase II sales will be wholesale transactions.

16. Beyond Phase II, Milford Wind hopes to develop as much as 700 MW of additional capacity through new phases or expansions of the Project. The potential for further development is still in the early planning stages, but Milford Wind has engaged in preliminary discussions with a number of interested wholesale power purchasers, among them some Utah entities, for the power from future capacity additions. Milford I and II, by the present Application, do not seek a certificate to construct any of these future facilities, but mention them here for informational purposes.

#### **PUBLIC CONVENIENCE AND NECESSITY**

17. Because the output from Phases I and II will not be available to Utah consumers, Milford I and II do not assert that the public convenience and necessity require construction of the Project to provide electrical service to Utah residents.

18. The Project, however, will provide significant benefits to the economies and tax base of Beaver and Millard Counties and the State of Utah. The Project is projected to have a total cost of as much as \$600 million. During construction of the Project, there will be a large infusion of spending in the local and state economy. Approximately 150 workers, many of them locals, will be involved in the construction phase, and it is expected that up to \$3 million in

construction related expenses will be spent in the local counties. Up to 15 permanent jobs will be created for operation and maintenance of the Project facilities, and the Project will pay over \$1 million per year of property taxes, most of which will go to the local school systems. Letters in support of the Project from the Office of the Governor's Energy Advisor and from Beaver County are attached as Exhibit 7.<sup>3</sup>

19. In addition, it is expected that power from future phases of the Project will be available on a wholesale basis for potential purchase by Utah public utilities, municipalities, inter-local agencies, electric cooperatives, or other Utah electrical corporations.

20. Finally, residents of Utah will benefit from the environmental advantages of having non-polluting renewable electric generation facilities located in the state. Additionally, the generation of electrical energy from wind energy is seen as part of the strategy for addressing global climate change, with benefits to citizens of Utah, the nation and the world.

### **APPROVAL CRITERIA**

The following information is provided pursuant to Utah Code Ann. § 54-4-25, which sets forth the criteria for approval by the Commission of an Application for a Certificate.

21. The Project complies with the criteria set out at Utah Code Ann. § 54-4-25(3) because the Project will not interfere with the operation of the facilities or systems of any public utilities. As described above, the power from Phase I will be delivered by Milford I to SCPPA through interconnection facilities at the IPP substation, and that power will then be transmitted through the existing IPA 500 kV DC transmission line to southern California. None of the Phase

---

<sup>3</sup> The letter from Beaver County that is included in Exhibit 7 is a copy of the original, which UPC understands was sent directly from the Beaver County Commission to the Public Service Commission.



I power will enter a transmission system owned by or serving any Utah public utility, and there will be no effect on any such system.

22. In the event that Milford II sells some or all of the power from Phase II to entities providing retail service to Utah consumers, it will take appropriate steps to obtain the approval of state or federal authorities, if any is required. Because Milford II does not seek authority in this Application to furnish electric power to the public or to any consumer in the state of Utah, there will be no interference from Phase II on the system of any public utility.

23. With respect to Utah Code Ann. § 54-4-25(3), Milford I and II are in the process of obtaining all required consents, permits and other authorizations for the Project. A table listing the required consents, permits and authorizations, and the status of each is attached as Exhibit 8. Milford I and II will provide the Commission with notice of, and/or a copy of the required authorizations when they are received.

24. As required by Section 54-4-25(4)(B) of the code, Milford I and II state that none of their proposed facilities will conflict with or adversely affect the operations of any existing certificated fixed public utility which supplies electric power or service to the public, and that Milford I and II facilities will not constitute an impermissible extension into the territory certificated to the existing fixed public utility.

25. Milford I and II do not believe their ratios of debt to equity, as specified in Utah Code Ann. § 54-4-25(5)(D), are relevant to the Application. For informational purposes, however, Milford I notes that under the PPA for Phase I of the Project, SCPPA will prepay for the energy to be delivered during the 20 year term of the contract with the proceeds of a bond sale, which will form the basis of the Phase I project financing. See Exhibit 3 (SCPPA approval

of revenue bonds) and Exhibit 9 (press releases from SCPPA and Los Angeles) of this Application.

26. The factual statements made in this Application are verified and supported by the Declaration of Evelyn Lim, Secretary of Milford I and Milford II, a copy of which is attached to this Application as Exhibit 10.

27. Communications about this Application should be directed to the following: c/o  
UPC Wind Management, LLC

Milford Wind Corridor, LLC  
85 Wells Avenue, Suite 305  
Newton, MA 02459  
Attn: Secretary  
Email: [elim@upcwind.com](mailto:elim@upcwind.com)  
P: 617-964-3340  
F: 617-964-3342

With copies to:

Krista A. Kisch,  
*Vice President,*  
*Business Development - West Region*  
UPC Wind Management, LLC.  
110 West A Street, Suite 675  
San Diego, CA 92101  
Email: [kkisch@upcwind.com](mailto:kkisch@upcwind.com)  
P: 619-320-2010  
F: 619-320-2014  
C: 617-217-1451

and

William J. Evans  
Michael J. Malmquist  
Parsons Behle & Latimer  
201 South Main Street Suite 1800  
Salt Lake City, UT 84111  
Email: [bevans@parsonsbehle.com](mailto:bevans@parsonsbehle.com)  
Phone: (801) 532-1234  
Fax: (801) 536-6111

WHEREFORE, Milford I and II respectfully request that, if the Commission determines it has jurisdiction, it enter an order on or before April 15, 2008, granting approval of two certificates, one certificate for Phase I issued to Milford Wind Corridor Phase I, LLC, and one certificate for Phase II issued to Milford Wind Corridor Phase II, LLC.

Dated this 20TH day of February 2008.

      /S/ WILLIAM J. EVANS \_\_\_\_\_  
WILLIAM J. EVANS  
MICHAEL J. MALMQUIST  
SETH P. HOBBY  
PARSONS BEHLE & LATIMER  
Attorneys for Milford Wind Corridor Phase I,  
LLC and Milford Wind Corridor Phase II, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on this   20TH   day of February, 2008, I caused to be sent by electronic mail and/or mailed, first class, postage prepaid, a true and correct copy of the foregoing **APPLICATION OF MILFORD WIND CORRIDOR PHASE I, LLC AND MILFORD WIND CORRIDOR PHASE II, LLC FOR CERTIFICATES OF CONVENIENCE AND NECESSITY FOR THE MILFORD PHASE I AND PHASE II WIND POWER PROJECT** to the following:

Michael Ginsberg  
Patricia Schmid  
Assistant Attorney General  
Utah Division of Public Utilities  
Heber M. Wells Bldg., Fifth Floor  
160 East 300 South  
Salt Lake City, UT 84111  
[mginsberg@utah.gov](mailto:mginsberg@utah.gov)  
[pschmid@utah.gov](mailto:pschmid@utah.gov)

Paul Proctor  
Assistant Attorney General  
Utah Committee of Consumer Services  
Heber M. Wells Bldg., Fifth Floor  
160 East 300 South  
Salt Lake City, UT 84111  
[pproctor@utah.gov](mailto:pproctor@utah.gov)

Mark Moench  
Justin Lee Brown  
Rocky Mountain Power  
201 South Main Street #2300  
Salt Lake City, UT 84111  
[mark.moench@pacificorp.com](mailto:mark.moench@pacificorp.com)  
[justin.brown@pacificorp.com](mailto:justin.brown@pacificorp.com)

/S/ COLETTE V. DUBOIS