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**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 Public Convenience and Necessity for Phase I and Phase II of the Milford Wind Power Project	<b>TESTIMONY OF MIKE R. VELARDE</b>  <b>Docket No. 08-2490-01</b>
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**TESTIMONY OF MIKE R. VELARDE**

**ON BEHALF OF**

**UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS**

**SEPTEMBER 8, 2008**

1 **Q: Please state your name, employer and present position.**

2 A: My name is Mike R. Velarde. My employer is Intermountain Consumer Professional  
3 Engineers (ICPE). My present position is Senior Project Engineer.

4 **Q: How long have you been in this position?**

5 A: I have been a design engineer for various utility power systems, specifications,  
6 installations, planning projects and system studies for over twenty years. I have been a  
7 Project Engineer with ICPE for sixteen years.

8 **Q: Please describe your previous work experience and educational background.**

9 A: I have worked in electrical utility engineering since 1985. I earned a Bachelor of Science  
10 in Electrical Engineering from the University of Utah in 1988.

11 **Q: What is the purpose of your testimony?**

12 A: Based on my review of the applications of Milford Wind Corridor Phase I, LLC and  
13 Milford Wind Corridor Phase II, LLC (“Milford Wind”) and the data requests and  
14 responses submitted thereto, to provide UAMPS with my position and recommendation  
15 (as it relates to engineering specifications), regarding Milford’s proposed 345 kV  
16 transmission line.

17 **Q: Have you reviewed the parties’ data requests and responses?**

18 A: I have, but Milford Wind’s application and data responses simply do not provide enough  
19 information or sufficient evidence for me to provide a complete analysis of whether  
20 Milford Wind has demonstrated the public convenience and necessity of its proposed  
21 transmission line. Accordingly, Milford Wind should be required to supplement its  
22 application and data responses with the necessary information and analysis, and provide  
23 the parties an opportunity to review and respond to the supplemental information before  
24 the Commission makes a determination.

1 **Q: Please describe what you have reviewed.**

2 A: I reviewed Milford Wind’s ten page application, which did not include any supporting  
3 witness testimony, and Milford Wind’s responses to UAMPS’ data requests, the Division  
4 of Public Utilities’ data requests, and the Committee of Consumer Services’ data  
5 requests, including copies of the Milford Valley Wind Project Interconnection at  
6 Intermountain System Impact Study Final Report, the Milford Wind Corridor  
7 Interconnection Project (MWCIP) at Intermountain Optional Phase I System Impact  
8 Study Final Report, the UPC Wind Project Connection to IPP Switchyard Independent  
9 Review Report by R.W. Beck, and the PacifiCorp Draft Facilities Study Report (which is  
10 not directly related to the subject transmission line).

11 **Q: Having reviewed the parties’ data requests and responses to those requests, and in**  
12 **light of the building of the Milford Wind generating plant, will Milford Wind’s**  
13 **proposed transmission line conflict with or adversely affect the operations of any**  
14 **existing certified public utility in the state?**

15  
16 A: From my review of the data requests and responses, the proposed transmission line may  
17 not conflict with or adversely affect the operation of any existing public utility in the  
18 state; provided, however, the studies submitted by Milford Wind in their responses,  
19 specifically on p. 9 of the Optional Phase I System Impact Study, indicate that the  
20 generation of IPP Units 1 and 2 will be reduced. Any such reduction of Unit 1 and 2  
21 generation, and the effect it may have on Utah purchasers was not explained or addressed  
22 in the studies.

23 **Q: Will the proposed transmission line constitute an extension into the certificated**  
24 **territory of a certificated public utility in the state?**

25  
26 A: Per my understanding, the proposed transmission line will be within the certificated  
27 territory of Rocky Mountain Power.

1 **Q: Has Milford Wind either received or begun the process of receiving the necessary**  
2 **consents and permits to build its generating facility?**

3  
4 A: Other than the information provided by Milford Wind in its application, I have no  
5 knowledge of Milford Wind either receiving or beginning the process of receiving the  
6 necessary consents and permits to build its generating facility or transmission line. As I  
7 understand it, however, Milford Wind has asserted that the Commission should not look  
8 behind those consents and permits (i.e., to the studies cited therein) to determine whether  
9 the issuance of a certificate is proper. A certificate, if issued, should be conditioned on  
10 any ongoing obligations Milford Wind has under such consents and permits as it relates  
11 to the construction and ongoing operation of the subject transmission line. For example,  
12 Milford Wind has cited the interconnection agreement it has with the Intermountain  
13 Power Agency (IPA) as it relates to its use of the Intermountain Power Plant (IPP)  
14 switchyard bus as a required permit or consent.

15 **Q: In light of building a generating facility that does not need a certificate, is there a**  
16 **reasonable need for the transmission line to get the output of the plant to its**  
17 **contracted market?**

18  
19 A: Milford Wind has not demonstrated a present or future public convenience and necessity  
20 that does or will require the construction of the proposed transmission line as it relates to  
21 Utah consumers, and has further failed to demonstrate that its proposed “private” and  
22 exclusive line will ever serve Utah consumers. Due to the location of the proposed  
23 generating facility, and with consideration for the amount of power to be generated, there  
24 may be a reasonable need for a transmission line from the generating facility to the  
25 existing transmission system. The information I have reviewed, however, is limited and  
26 does not include any analysis of whether the proposed transmission line will facilitate or  
27 be consistent with the development and conservation of utility resources in Utah.

1 **Q: Anywhere in its application or data responses, does Milford Wind provide any**  
2 **analysis of whether it could use an existing transmission line for the current**  
3 **project?**  
4

5 A: No analysis was provided other than the PacifiCorp Draft Facilities Study Report which  
6 was related to an interconnection with an existing PacifiCorp transmission line.

7 **Q: Does Milford Wind have reasonable expertise to build and operate its power facility,**  
8 **and does it have a reasonable opportunity to finance the facility or have sufficient**  
9 **contractual relationships to provide financing for the project?**  
10

11 A: Milford Wind has stated in its application that it has experience developing a 20 MW  
12 facility, a 30 MW facility, and a 42 MW facility. The application is void as to any  
13 experience Milford Wind has relative to building a transmission line extending some  
14 ninety miles, capable of carrying up to 700 MW of power. Thus, I am unable to evaluate  
15 whether Milford Wind has the requisite expertise to build and operate the facility.  
16 Furthermore, the record as to Milford Wind's financing, while I am not an expert in this  
17 field, appears to be scant—lacking the detail necessary to demonstrate that Milford Wind  
18 has a reasonable opportunity to finance the subject transmission line.

19 **Q: Will the transmission line be properly maintained in a safe and reliable manner?**

20 A: Milford Wind's application and data responses do not provide any significant information  
21 regarding line maintenance. I am unable to determine from the information I have  
22 reviewed how the line will be maintained or who will maintain the line. The application  
23 and data responses merely indicate that the line will be generally maintenance free and  
24 subject to bi-yearly inspections. It is unclear whether Milford Wind expects the proposed  
25 line to be subject to the jurisdiction of FERC and Milford Wind has not provided any  
26 information or evidence indicating that the line will comply with the safety and reliability  
27 standards of FERC.  
28

1 **Q: Does this conclude your testimony?**

2 **A: Yes.**

3

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DATED this 8th day of September, 2008.

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**MIKE R. VELARDE**

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE    )

On this 8th day of September, 2008, **MIKE R. VELARDE** personally appeared before me and personally known to me to be the person whose name is subscribed to on this instrument and acknowledged that she executed the same.

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Notary Public

**CERTIFICATE OF SERVICE**

I hereby certify that I caused true and correct copies of the foregoing **TESTIMONY OF MIKE R. VELARDE** to be e-sent to the following as indicated this 8<sup>th</sup> day of September, 2008:

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