Mark C. Moench (2284)
R. Jeff Richards (7294)
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-4734
Facsimile: (801) 220-3299
mark.moench@pacificorp.com
jeff.richards@pacificorp.com

Ted D. Smith (3017) Stoel Rives LLP 201 South Main Street, Suite 1100 Salt Lake City, Utah 84111 Telephone: (801) 578-6961 Facsimile: (801) 578-6999

tsmith@stoel.com

Attorneys for Rocky Mountain Power

## BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Pending Application of Rocky Mountain Power for a Certificate of Public Convenience and Necessity Authorizing Construction of Mona – Oquirrh new 500/345 kV Transmission Line Docket No. 09-035-54

ROCKY MOUNTAIN POWER'S APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Rocky Mountain Power, a division of PacifiCorp ("Rocky Mountain Power" or the "Company"), pursuant to Utah Code Ann. § 54-4-25, hereby applies to the Public Service Commission of Utah ("Commission") for a certificate of public convenience and necessity ("CPCN") authorizing the construction of a 500/345 kV transmission line, known as the Mona - Oquirrh Transmission Line ("Mona-Oquirrh Line" or "Project"), in Juab, Utah, Tooele, and Salt Lake Counties.

- 1. Rocky Mountain Power is an electrical corporation and public utility subject to the jurisdiction of the Commission. In addition to providing retail electric service in the state of Utah, Rocky Mountain Power provides retail electric service in Idaho and Wyoming.
- 2. Communications, including all pleadings or other filings, regarding this Notice should be addressed to:

R. Jeff Richards

Rocky Mountain Power

201 South Main Street, Suite 2300

Salt Lake City, Utah 84111

jeff.richards@pacificorp.com

David L. Taylor

Rocky Mountain Power

201 South Main Street, Suite 2300

Salt Lake City, Utah 84111

dave.taylor@pacificorp.com

Brandon Smith

Rocky Mountain Power

1407 West North Temple, Suite 250

Salt Lake City, Utah 84116

brandon.smith@pacificorp.com

Ted D. Smith

Stoel Rives LLP

201 South Main Street, Suite 1100

Salt Lake City, Utah 84111

tsmith@stoel.com

The Company also respectfully requests that all formal correspondence and data requests regarding this filing be sent to:

By e-mail (**preferred**) to: <u>datarequest@pacificorp.com</u>

By regular mail to: Data Request Response Center

PacifiCorp

825 NE Multnomah, Suite

Portland, OR 97232

By fax to: (503) 813-6060

3. On June 30, 2009, the Company filed its Notice of Intent to File Application for Certificate of Convenience and Necessity, informing the Commission of the Company's intent, in the near future after permit applications were filed with local governmental entities, to formally seek a CPCN for the Mona-Oquirrh transmission line.

In that Notice, the Company requested that the Commission open a docket, allow parties to intervene, and to engage in discovery.

- 4. On July 22, 2009, the Commission issued its Report and Order, wherein it opened this docket, allowed the Division of Public Utilities ("Division") and the Office of Consumer Services ("OCS") to commence discovery, and authorized interested parties to intervene and engage in discovery.
- 5. The Company believes that a final environmental impact statement will be issued within the next 90 days for the Mona-Oquirrh Project pursuant to the National Environmental Protection Act ("NEPA"). The purpose of the federal permitting process is to ensure the Project is consistent with state and local governmental actions and authorities. The NEPA process identifies significant environmental impacts and informs local decision makers and the public of reasonable alternatives, including mitigation measures that would avoid or minimize adverse impacts or enhance environmental quality. The route to be approved by the federal government and the manner of construction planned will comply in all respects will all applicable environmental laws and regulations.
- 6. In past orders, the Commission has determined that the location and routing of a transmission line is beyond the scope of the CPCN process. However, as a condition of approval, the Company must "file in the office of the commission evidence as required by the commission to show that the applicant has received or is in the process of obtaining the required consent, franchise, or permit of the proper county, city, municipal, or other public authority." (Utah Code Ann. § 54-4-25(4)(a)(i)). The Company has now filed applications for all necessary permits, including requesting

conditional use permits from the cities of South Jordan and West Jordan, and from Utah County. In Tooele County, it is first necessary to seek an amendment to the county ordinances and then a conditional use permit. The Company has made a formal request that Tooele County amend the text of its ordinance. Once that process is completed, the Company will then seek a conditional use permit. Based on the current routing plan, these are the only local approvals that the Company must obtain. Should a routing change result from the environmental approval process and require any additional local permits, the Company will immediately file for such permits and seek such approval. As to the permits described above, the Company will keep the Commission informed of their status.

- 7. The Company's current plan is to commence design, engineering, and other work preliminary to actual construction as soon as a CPCN is issued. The Company, therefore, requests the Commission to establish a schedule that will allow this matter to be considered as soon as reasonably possible.
- 8. The Project is planned as a system improvement and expansion project to:
  (1) meet the projected shortfalls in electrical supply in northern Utah, (2) improve operational flexibility and reliability of the high-voltage transmission system and service to northern Utah, (3) allow increased economical power transfers, sales, and purchases into and throughout Utah in the short- and long-term including access to renewables, and (4) integrate facilities with short-term and long-range planning efforts on federal, state, and private lands.
- 9. The proposed project is an overhead transmission line from the Mona

  Annex Substation near the City of Mona in Juab County, Utah to a new substation facility

in the Tooele Valley (the "Limber Substation") and expanded facilities within the existing Oquirrh Substation property located in West Jordan, Utah and the Terminal Substation located in Salt Lake City, Utah.

- 10. The Project does not involve any construction that will cross state boundaries.
- 11. The Project is not driven by any commitment made to any regulatory agency but is driven by the need to provide current and future service in an efficient and reliable manner to customers.
- 12. Currently, a majority of the electricity serving the northern Utah area is generated at Rocky Mountain Power facilities in Carbon, Juab, and Emery counties and is delivered on existing transmission lines that enter northern Utah from the south. These southern Utah generating facilities include the Carbon, Hunter, Huntington, and Currant Creek power plants. The Rocky Mountain Power transmission system that provides electrical service to this area from southern Utah presently consists of two 345kV lines from the Huntington and Castle Dale (Emery Substation) areas to the Spanish Fork and Camp Williams substations, four 345 kV lines from the Mona area to the Camp Williams Substation, and two smaller 138 kV lines from the Helper area (Carbon Substation) to the Spanish Fork Substation. These transmission lines are also used to meet other Rocky Mountain Power transmission commitments required between Arizona or Nevada and northern Utah. Reliability benefits would be provided by utilizing a separate corridor than the Mona Camp Williams corridor in case of unscheduled outages or planned outages. Combined with back-up transmission capacity from the north, the Project

transmission line can mitigate loss of load service due to outages occurring in the Mona – Camp Williams corridor or north of the Wasatch Front.

- 13. As described in detail in the Direct Testimony of Darrell Gerrard filed on behalf of the Company, the Mona-Oquirrh Line will:
  - a. Meet Rocky Mountain Power's need to provide safe, reliable, and costeffective electric transmission service to its retail customers and other users of the transmission system;
  - b. Provide additional capacity to meet projected load demand by 2013 and add much-needed import capacity into northern Utah and beyond from the desert areas southwest of the Wasatch Front or new generation resources in central/southern Utah. The Project will add significant long term incremental transmission capacity by acquiring a planned rating of up to 1,500 MWs to the system. The project is designed to leverage net power cost savings by optimizing market purchase or cheaper energy resources outside of the Wasatch Front.

    Savings, which benefit both the Company and its customers, are derived from the difference between constructing new generation resources locally and importing energy.
  - c. The Project will allow increased import of new generation resources or market purchases of energy from Mona and the Desert Southwest, the Four Corners Region, and markets available through interconnections at Mona to be delivered to northern Utah. Mona has been and will continue to be a hub through which electricity is imported from Rocky Mountain Power's southern intertie lines including serving as an important interconnection point with Deseret

Generation and Transmission's Bonanza Plant and the Intermountain Power Agency's Intermountain Power Plant.

- d. Strengthening the electrical path between Mona and the Wasatch Front and adjoining areas allows utilities greater opportunity to take advantage of economical power transfers, sales, and purchases into and through Utah.
- e. Currently transmission line and station maintenance windows are limited due to a fully utilized system. When completed, this Project will improve the Company's ability to perform required maintenance without significant operational impacts to the system, and it will reduce outage risks when portions of existing transmission facilities are removed from service for maintenance.
- f. The Project provides an opportunity for developing southwest municipalities to incorporate both short- and long-term infrastructure needs into their planning process.
- g. The Project is necessary for the Company to maintain its contract obligations to continue to provide reliable firm transmission service.
- h. Reliability benefits are provided by utilizing a different corridor than the existing Mona Camp Williams corridor in the event of unscheduled or planned outages. The Project satisfies not only the long term load growth requirement but improves the reliability of the system for Company customers generally.
- 14. As northern Utah's electrical usage continues to grow, existing transmission lines will not have sufficient capacity to serve this projected load and ensure an adequate and reliable electric supply to northern Utah.

- 15. Alternatives to constructing a new transmission line have been given serious consideration by the Company, but none were found that met the purpose and need of the Project. These included: (1) electric load and demand-side management and energy conservation, (2) new generation facilities in northern Utah, and (3) providing increased supply by adding additional capacity to existing transmission lines and alternative transmission technologies.
- 16. The Mona-Oquirrh transmission upgrade has been identified in the 2008 IRP as part of the Energy Gateway Transmission Expansion Project. For the 2007 IRP, the Mona-Oquirrh upgrade was incorporated as part of a transmission expansion option included in the IRP capacity expansion optimization model. The transmission expansion option was selected by the model under various input scenarios, and was subsequently included as part of the 2007 IRP preferred portfolio of resources. The upgrade also fulfills MEHC-PacifiCorp merger commitment No. 34(b) set forth in Docket No. 05-035-54.
- 17. The Project is part of a larger project entitled the "Energy Gateway Transmission Expansion Project." The recently approved Populus-to-Terminal transmission project (approved in Report and Order, Docket No. 08-035-42, September 4, 2008) was part of the Energy Gateway Project. The Mona-Oquirrh line is part of that same overall transmission project. These coordinated projects represent a long-term effort by the Company to deliver network resources to loads, to support retail load growth, and improve reliability of the power grid, all of which is beneficial to Rocky Mountain Power customers as a whole.
  - 18. The Mona–Oquirrh Project is included in the regional Western Electric

Coordinating Council planning and ratings process as part of the Energy Gateway Project.

- 19. Even though the country is in an economic recession at this time, the recession has impacted Utah's economy to a smaller degree than most states. The Company's projections are fully consistent with the projections contained in the data contained in the 2009 Economic Report to the Governor ("2009 Report"), all of which forecast continued rapid population growth and business expansion for northern Utah (and Utah generally). Vigorous population growth was demonstrated by Dr. Zenger's testimony in the Populus-to-Terminal case. Mr. Gerrard's testimony relies on the 2009 Report, which projects, despite current economic conditions, that while there are currently less than three million Utah residents, by 2020 the population of Utah will be 3.6 million residents, with 4.4 million residents by 2030. Despite conservation efforts by the Company and the public, it is clear that additional transmission capacity is necessary for the Company to meet the load growth over the foreseeable future.
- 22. The present and future public convenience requires the construction of the Mona-Oquirrh line as described herein as and as described in greater detail in the testimony of Darrell Gerrard and Bruce Williams.
- 23. The proposed line does not constitute an extension into the certificated service territory of any existing public electric utilities.

## WHEREFORE, Rocky Mountain Power requests:

a. The Commission enter an order as expeditiously as possible granting Rocky Mountain Power a certificate of convenience and necessity to construct the Mona-Oquirrh 500/345 kV Transmission Line; and

b. The Commission grant such other authority and authorizations as may be necessary to facilitate the construction of the Transmission Line.

RESPECTFULLY SUBMITTED: November 21, 2009.

Mark C. Moench R. Jeff Richards Rocky Mountain Power

Ted D. Smith Stoel Rives LLP

Attorneys for Rocky Mountain Power

## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing ROCKY MOUNTAIN POWER'S

## APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND

**NECESSITY** was served upon the following persons by email at the addresses shown below on November 21, 2009:

Michael Ginsberg
Patricia E. Schmid
Assistant Attorney Generals
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111
mginsberg@utah.gov
pschmid@utah.gov

Paul H. Proctor Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 pproctor@utah.gov

Ted D. Smith	 