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Attorney for Rocky Mountain Power

## BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

	)	
In the Matter of the Application of	)	
ROCKY MOUNTAIN POWER for	)	DOCKET NO. 09-035-55
Approval of Electric Service Agreement	)	
Between Rocky Mountain Power and	)	APPLICATION OF ROCKY
Milford Wind Corridor I, LLC	)	MOUNTAIN POWER FOR
	)	APPROVAL OF ELECTRIC SERVICE
	)	AGREEMENT
	)	

## MOTION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF STIPULATED ORDER APPROVING ELECTRIC SERVICE AGREEMENT

Rocky Mountain Power, a division of PacifiCorp, ("Rocky Mountain Power" or "Company"), hereby moves the Public Service Commission of Utah ("Commission") for approval of the Stipulation entered into by and among Rocky Mountain Power, the Utah Division of Public Utilities (the "Division"), and the Utah Committee of Consumer Services (the "OCS"). Rocky Mountain Power, collectively with the Division, and the Committee shall be hereinafter referred to as, the "Parties". In support of this Motion, Rocky Mountain Power states as follows:

1. On August 5, 2009, Rocky Mountain Power filed an Application for Approval of a Retail Electric Service Agreement ("Agreement") with Milford Wind Corridor Phase I, LLC ("Milford Wind"), dated July 29, 2009. Milford Wind is constructing and intends to operate a wind generation project located in Rocky Mountain

Power's service territory in Millard County and Beaver County, Utah. The Agreement is required to supply the station service needs of the wind project.

- 2. Milford Wind is constructing a high voltage transmission line from the project site near Milford, Utah to a point of interconnection with Intermountain Power Project Agency at the busbar of the Intermountain Power Project ("IPP") near Delta, Utah. Milford Wind will use this line to deliver power generated by its wind generation facilities to Southern California Public Power Authority ("SCPPA"). Under the proposed Agreement, Milford Wind will receive retail electric service via this same high voltage transmission line in lieu of constructing a second high voltage transmission line to interconnect with the Company.
- 3. Although the point of interconnection at the IPP busbar is within Rocky Mountain Power service area, it is outside the Company's control area, and that the power passing through the point of interconnection will involve no Company facilities. Rocky Mountain Power investigated several options to provide retail electric service to the Milford Wind project, and determined that the most cost-effective and prudent method was to contract with a third party to provide wholesale electric service to the Company in the exact amount required to meet Milford Wind's needs at the point of interconnection at IPP.
- 4. The Company has arranged to purchase wholesale electric service from the Los Angeles Department of Water and Power ("LADWP") in order to provide retail electric service to Milford Wind. This arrangement was agreed to by Milford Wind, subject to regulatory approval, in lieu of being required to construct the costly improvements needed to interconnect directly to Rocky Mountain Power facilities and

take service under Rocky Mountain Power's standard applicable tariff rates. The wholesale power purchase agreement ("Wholesale PPA") was submitted as a confidential exhibit to the Application. It will apply specifically to the Milford Wind project and will not be used by Rocky Mountain Power to meet any other customer's needs.

- 5. LADWP is the major purchaser of the entire output from the Milford Wind project; and the purchase takes place through the Milford Wind interconnection line and the DC line from IPP to LADWP. None of the power to be purchased and then resold ever utilizes any Company-owned facilities or equipment.
- 6. Rocky Mountain Power and Milford Wind executed the Agreement on July 29, 2009, a copy of which was attached to the Application as confidential Exhibit 1. The initial term of the Agreement begins no later than 35 days subsequent to approval by the Commission and expires 10 years after commencement. The Agreement will automatically be renewed from year to year subject to the same terms and conditions, unless either party submits a written termination notice. This Agreement shall not exceed a maximum total term of 20 years.
- 7. Under the Agreement, Rocky Mountain Power will provide Milford Wind with retail service of electric power and energy to the extent available to the Company under the Wholesale PPA and Milford Wind will compensate Rocky Mountain Power for the full costs of the Wholesale PPA plus an administrative fee. The rates for retail service that Milford Wind will pay Rocky Mountain Power are negotiated rates and are based upon the rates charged by LADWP. Milford Wind has agreed to pay these rates for retail electric service in lieu of receiving retail electric service at the applicable standard tariff rates. Rocky Mountain Power will account for the cost of the wholesale

PPA and the revenue received from Milford Wind under the retail Agreement separately from the Company's other revenues and purchased power costs, and will book the revenue from the administrative fee to its miscellaneous revenue account.

- 8. The Division and OCS each filed the results of their reviews and analyses of the Agreement. Both the Division and the OCS conclude that the overall terms of the Agreement are reasonable and the Agreement may be approved by the Commission as just and reasonable. Both believe that the rate to be paid by Milford Wind represents appropriate compensation for the costs incured to serve the customer.
- 9. The Division and the OCS also recommend that, as a condition to approval of the Agreement, the Company submits for Commission approval any change in the resource used to service Milford Wind under the Agreement and also any material amendment to the Agreement.
- 10. The Company states, and the Division and OCS concur that there are little if any costs to the Company or its customers arising from the PPA or the retail Agreement. The only costs incurred by the Company are for the purchase of the power from LADWP, which will be netted out by the subsequent sale to Milford Wind, and the administration of the PPA and retail Agreement accounts. The monthly service charge is expected to be adequate to cover these administrative and incidental expenses.
- 11. The Company states, and the Division and OCS also concur that the Company does not have transmission facilities in the area that are capable of serving Milford Wind's needs and that the cost to Milford Wind of building the necessary interconnection to the Company's system would be a significant burden on the economic viability of the wind generation project.

12. The Parties concur that the rates, terms and conditions of the Agreement are just and reasonable and it is in the public interest to approve the Agreement.

WHEREFORE, Rocky Mountain Power respectfully requests approval of the Stipulated proposed Order, attached hereto

DATED: January 30, 2018.

## **CERTIFICATE OF SERVICE**

I hereby certify that on this 26th day of August, 2009, I caused to be emailed a true and correct copy of the foregoing MOTION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF STIPULATED ORDER APPROVING ELECTRIC SERVICE AGREEMENT in Docket No. 09-035-55 to the following:

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