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**BEFORE THE UTAH UTILITY FACILITY REVIEW BOARD**

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| **In the Matter of the Petition for Review of Rocky Mountain Power and Tooele County for Consideration by the Utility Facility Review Board**<br>_____<br>**ROCKY MOUNTAIN POWER,**<br>**Petitioner,**<br>**vs.**<br>**TOOELE COUNTY,**<br>**Respondent.** | **Docket No. 10-035-39**<br>**AFFIDAVIT OF DARRELL T. GERRARD** |

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STATE OF UTAH )
:ss
COUNTY OF SALT LAKE )

I, DARRELL T. GERRARD, having been duly sworn, and on oath, aver and testify as follows:

1. I am over the age of 21 and testify to all matters set forth herein based upon my own personal knowledge.

2. I am currently employed as Vice President—Transmission System Planning for PacifiCorp. I have held my present position since May 2007. The primary duties of my present position include management and oversight of all Main Grid Transmission System Planning requirements for both Rocky Mountain Power and Pacific Power, which are operating units of PacifiCorp. (PacifiCorp and Rocky Mountain Power are referred to herein as the "Company.") I have a Bachelor of Science degree in Electrical Engineering from the University of Utah. My experience spans more than 30 years in the electric utility business and electric industry in general.

3. The largest electric load center in the state of Utah is located within an area encompassing all or portions of Salt Lake, Tooele, Utah, Davis, Weber, Cache, and Box Elder Counties, accounting for nearly 80% of all electrical demand in the state. This area is referred to in this affidavit as the "Critical Load Area." Currently, a majority of the electricity supplied to the Critical Load Area, and an area further north, is generated at the Company's facilities in Carbon, Juab, and Emery Counties, or is imported from the Desert Southwest. This energy must be transported and delivered from the south, through the Mona Substation and into the Critical Load Area, over a network of existing transmission lines.

4. Overall demand for electricity in the Critical Load Area has grown by more than 26% since 2002. Our Company expects increases in electrical demand to continue into the future. That expectation was shared by professional experts on the staff of the Utah Division of Public Utilities who testified on the subject in hearings leading up to issuance of the Project's Certificate of Public Convenience and Necessity ("CPCN") by the Utah Public Service Commission (the "Commission").

5. The demand for electricity in the Critical Load Area has outpaced the capacity and operating limits of Rocky Mountain Power's existing transmission system.

6. Due to increasing electrical demand on the Company's transmission system from its Customers[1] within the Critical Load Area, the Company must increase the capacity of its transmission system by constructing a new high-voltage transmission line from the existing Mona substation west of Mona Utah to the existing Oquirrh substation located in West Jordan Utah (the "Mona to Oquirrh Project" or the "Project") by June, 2013.

7. Data provided by Tooele County in its motion indicating that the number of building permits issued by Tooele County and Salt Lake County have declined recently and that the Daybreak subdivision is behind schedule do not change my opinion. As stated in my testimony in the Utility Facility Siting Board proceedings, the Company's transmission system as it exists today is over operating limits during certain real and credible transmission line outages that the Company must anticipate. Again, the Critical Load Area is already at or near its capacity limits and any growth, even slow growth, will only push the system further beyond its limits if the Project is not completed by June 2013. This is an unacceptable risk to our Customers and to our Company as further stated in my testimony.

8. I have had conducted studies of electrical demand growth and delivery capabilities of the Company which demonstrate that by the summer of 2013, the electrical demand of the Critical Load Area will exceed the capacity of the existing transmission lines. If the Project is not in service by June 2013, the Company will (1) be unable to reliably meet the electrical demand of its existing Customers in the Critical Load Area, including but not limited to all of Tooele County

[1] "Customers" as used in this Affidavit shall be defined to include all retail and network customers of the Company.

and Salt Lake County; (2) be unable to meet load service obligations to customers under its Federal Energy Regulatory Commission ("FERC") tariff; and (3) may not be compliance with North American Electric Reliability Corporation ("NERC") Reliability Standards.

9. In order to meet this demand of electricity in the Critical Load Area, the Company must commence construction of the Project immediately in order to have the Project in service by June 2013.

10. The Project will consist of a 500 kilovolt ("kV") single-circuit transmission line between the existing Mona substation located near the community of Mona in Juab County, Utah, and a proposed future 500/345/138 kV substation to be located in the southwestern portion of the Tooele Valley (the "Limber substation"). A new 345 kV double-circuit transmission line will also be constructed in the future from the site of the future Limber substation to the existing Oquirrh substation, located in West Jordan, Utah. In the future, a 345 kV double-circuit transmission line will be constructed from the future Limber substation to the existing Terminal substation, located in Salt Lake City. Ultimately, to accommodate the new transmission lines, upgrades to the existing Mona, Oquirrh and Terminal substations also will be necessary. The Transmission Project is part of the Company's comprehensive transmission expansion plan called Energy Gateway. The Mona to Oquirrh transmission segment is a component of Energy Gateway and comprises three sections, including the Limber to Oquirrh segment that passes through Tooele County.

11. The Company has been planning, designing and siting this Project for more than five years. As the Company nears its critical in-service deadline of June 2013, any delay in constructing this Project places the Company's in a position where it's existing and any future customers can not be reliably served.

12. In the event construction of the Project is delayed, and the additional transmission capacity provided by the Project is unavailable by June, 2013, the Company, in order to meet electric demands, would be forced to operate its existing transmission system above established reliability limits or to conduct unscheduled Customer power outages in order operate within reliability limits. This would in turn increase the risk of potential non-compliance with national reliability standards for which the Company may be sanctioned and fined pursuant to FERC's and NERC's authority under Section 215 of the Federal Power Act. The Company cannot and will not operate its transmission system in a non-compliance fashion and must complete the Project to add new transmission capacity.

13. Therefore, in order to account for the insufficient transmission capacity, the Company is left with two undesirable and expensive options: unplanned interruption of Customers' service or installation of temporary generation facilities in order to meet Customer electrical demand. The Company has conducted load and generation resource analysis reflecting a one-year delay from June 2013 to June 2104 in completion of the Project. The additional cost in providing necessary energy to the Critical Load Area during this one-year Project delay is expected to be a minimum of $39,500,000.00. These costs are reflective of the Company installing and running temporary generation facilities in multiple locations within the Critical Load Area in order to meet Customer demand. Installation of this generation does not guarantee the Company would not have unplanned interruptions to Customers.

14. In short, sufficient electricity will not be available to meet the needs of residents and businesses located within the Critical Load Area unless the Project is completed by June 2013. While the Company does not know the specific impact resulting from the unavailability of electricity on each individual resident or business, it is reasonable to say the impacts and losses

would be very significant as unplanned outages would take place during times of high customer energy demand as expected during summer conditions. Furthermore it would not be prudent for the Company to continue to connect new customers to the existing system if it does not have the ability to reliably provide electric service. This would have serious implications on new business, residences and overall economic development in the Critical Load Area.

15. In addition to those impacts on the broader Critical Load Area, any delay in the current in-service date of the Project will have significant impacts to both short-term and long-term electric service required for Tooele County. The capacity on each of the three existing 138 kV transmission lines serving Tooele County has been exhausted by load growth in Tooele County.

16. Electric energy sales in Tooele County (part of the Critical Load Area) have increased 44% since 2002 nearly twice the rate of the remaining state of Utah and Tooele County's energy requirements are expected to continue to increase in the future. By 2013, it is anticipated that the Company will be unable to reliably serve its existing Customers in Tooele County with the existing 138 kV transmission system served from the Terminal and Oquirrh substations and will not be able to maintain compliance with NERC Reliability Standards. Equally important is the fact that the Company is currently unable to provide new service to any large customers who have requested service for new facilities or the expansion of their existing facilities attempting to locate or expand within the Tooele Valley. As a result, the Company will be unable to serve the future load associated with any further economic development in the Tooele Valley prior to the completion of the Project and future Limber substation. Significant customer load growth is expected to continue in Tooele County which is consistent with the views expressed by the Tooele County economic development staff during the conditional use permitting process for

the Project. Without the Project and other planned system improvements, this load increase could not be served with the existing and other future energy resources planned by our Company.

17. Large transmission projects such as the Mona to Oquirrh Project are complex, and require long lead times to complete the siting and permitting processes including the federal NEPA permitting process in addition to other federal, state and local regulations and permitting requirements. With this in mind, the Company has been diligently proceeding with the Project siting and permitting processes since 2005. However, in addition to the years required to site and permit the Project, several additional years are necessary to complete the specific Project design work, bid and procure materials, and actually construct the Project. At this point, the Company has less than three years to complete these remaining tasks. Three years is a dangerously short period of time for completion of a project of this magnitude, considering the limited building seasons in some of the mountainous terrain and long distances involved in the overall project. Any delay in obtaining a conditional use permit from Tooele County and commencing construction of the Project will jeopardize the adequacy, reliability and efficiency of the Company's electric service to its Customers.

18. The entire Critical Load Area, including but not limited to the entire Salt Lake and Tooele Valleys, will be at significant risk for unreliable and inadequate electric service and unplanned customer power interruptions if the Project is not completed by June 2013. Further, the Company will not be in a position meet energy needs for new customers by summer of 2013 if the Company is not allowed to begin construction of this Project by fall of 2010.

Dated: _____

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Darrell T. Gerrard

**EXHIBIT DTG-1:**

Critical Load Area