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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of ROCKY MOUNTAIN POWER for Approval of Electric Service Agreement Between Rocky Mountain Power and Milford Wind Corridor II, LLC	DOCKET NO. 11-035-17 APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF ELECTRIC SERVICE AGREEMENT
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Rocky Mountain Power, a division of PacifiCorp, an Oregon corporation (“Company” or “Rocky Mountain Power”) hereby applies for an order approving a Master Electric Service Agreement (“Agreement”) between Rocky Mountain Power and Milford Wind Corridor Phase II, LLC, a Delaware Limited Liability company (“Milford II”) dated January 21, 2011. In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is an electrical corporation and a public utility in the state of Utah and is subject to the jurisdiction of the Commission. Rocky Mountain Power also provides retail electric service in the states of Idaho and Wyoming.
2. Communications regarding this Application should be addressed to:

By e-mail (preferred): datarequest@pacificorp.com
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3. Milford II has constructed and intends to operate a wind generation project located in Rocky Mountain Power's service territory in Millard and Beaver Counties, Utah.

4. Milford II's affiliate, Milford Wind Corridor Phase I, LLC ("Milford I"), and Rocky Mountain Power entered into a Master Electric Service Agreement, executed by Milford I on July 29, 2009, which agreement governs the provision of electric service to the project phase known as Milford Wind Phase I ("Milford I Agreement"). The Milford I Agreement was approved by this Commission on August 27, 2009.¹ The Milford II Agreement is substantially the same as the Milford I Agreement, except for the location of meters used to measure the power delivered to Milford II.

5. Milford I constructed a high voltage transmission line from the project site near Milford, Utah to a point of interconnection with Intermountain Power Agency at the busbar of the Intermountain Power Project near Delta, Utah. Milford II has requested to

¹ See Report and Order Approving Electric Service Agreement, Docket No. 09-035-55, August 27, 2009.

receive retail electric service via this high voltage transmission line instead of constructing additional facilities to interconnect to Rocky Mountain Power elsewhere on its system. Milford II requires retail electric service to supply its station service needs.

6. Similar to Rocky Mountain Power's system impact study for Milford I, the system impact study for Milford II determined it would be prudent to allow an exception to Rocky Mountain Power's line extension tariff, Electric Service Regulation 12, given the fact there are no 345kV Rocky Mountain Power facilities near this delivery point to accommodate Milford II's requested 345kV service. To provide the requested service would require a tap with breakers on the Milford to Blundell line, and installation of a new substation. In this event there would be an issue with preventing system flow between the Rocky Mountain Power station service system and the Los Angeles Department of Water and Power ("LADWP") system, where the output of the wind farm is delivered. This issue would likely require system upgrades on the Milford I and Milford II facilities that would allow switching back and forth between the two systems instead of using the usual backfeed revenue meter. Due to the required additional facilities, cost, and issues mentioned compared to the relatively small load, the study recommends that the Milford II station service load be served in a manner similar to the Milford I station service.

7. In entering into the Milford I Electric Service Agreement, the parties jointly determined that the most cost-effective and prudent method to provide retail electric service to the Milford I project was for the Company to contract with a third party to provide wholesale electric service to the Company in the exact amount required to meet

Milford I's needs.² Likewise, the parties have determined that the most cost-effective and prudent method to provide retail electric service to Milford II is to contract with a third party to provide wholesale service to the Company in the exact amount to meet Milford II's needs,.

8. LADWP has agreed to sell and deliver wholesale electric service to the Company pursuant to a wholesale Power Purchase Agreement entered into on December 6, 2010 ("Wholesale PPA"), attached to the Agreement as Exhibit C. This means of securing wholesale power was agreed to by Milford II, subject to regulatory approval, in lieu of being required to construct the costly improvements needed to interconnect directly to Rocky Mountain Power in order to take service under Rocky Mountain Power's standard applicable tariff rates. The wholesale electric power purchased under the PPA will not be used by Rocky Mountain Power to provide service to any other customer.

9. The metering location of retail power delivered to Milford I under the Milford I Agreement is at the point where Milford's 345 kV line interconnects at the Intermountain Power Project in Delta, Utah. Because the power provided to Milford II will be delivered at the same point, it is necessary to change the location of the meters for both Milford I and Milford II from the point of interconnection at IPP to the Milford Valley Wind Collector Station South ("Collector Station") so that the energy delivered to Milford I can be metered separately from the energy delivered to Milford II.

10. Rocky Mountain Power is filing concurrently herewith an Application for an Amendment to the Milford I Agreement to reflect a change in metering location from IPP

² Report and Order Approving Electric Service Agreement, (Docket No. 09-035-55) at ¶¶ 4-5.

to the Collector Station. The amended Milford II Agreement specifies that the meters will be located at the Collector Station.

11. Rocky Mountain Power and Milford II executed the Agreement on January 21, 2011, a copy of which is attached hereto as Attachment 1. The initial term of the Agreement begins upon the date the Commission allows the agreement to take effect and expires 10 years after commencement. The Agreement may be renewed from year to year with a maximum total term of 20 years.

12. Under the Agreement, Rocky Mountain Power will provide Milford II with retail service of electric power and energy to the extent available to PacifiCorp under the Wholesale PPA and Milford II will compensate Rocky Mountain Power for the full costs of the Wholesale PPA plus an administrative fee. The rates for retail service that Milford II will pay Rocky Mountain Power are negotiated rates consistent with rates charged by LADWP. Milford II has agreed to pay these rates for retail electric service in lieu of receiving retail electric service at the applicable standard tariff rates.

13. The Company will account for the cost of the Wholesale PPA and the revenue received from Milford II under the retail Agreement separately from Rocky Mountain Power's other revenues and purchased power costs, and will book the revenue from the administrative fee to its miscellaneous revenue account.

14. The prices, terms and conditions of the Agreement are just and reasonable and in the public interest.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue its Order approving the Agreement and finding that the Agreement and

the rates, terms and conditions set forth therein are just and reasonable and in the public interest.

DATED this 24th day of January, 2011.

Respectfully submitted,

____/s/_ Barbara Ishimatsu _
Barbara Ishimatsu
Daniel E. Solander
Attorneys for Rocky Mountain Power

CERTIFICATE OF SERVICE

I hereby certify that on the 24th day of January, 2011, I caused a copy of the foregoing **APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF ELECTRIC SERVICE AGREEMENT**, in Docket No. 11-035-17, to be sent via electronic mail to the following:

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