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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	PRELIMINARY POSITION STATEMENT OF INTERVENOR UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS Docket No. 08-2490-01
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Utah Associated Municipal Power Systems, a Utah interlocal entity and political subdivision of the State of Utah (“UAMPS”), respectfully submits this Preliminary Position Statement in response to the Commission’s request.

INTRODUCTION

UAMPS is a Utah electrical service interlocal entity and a political subdivision of the State of Utah, organized and existing under the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Ann. (1953) (the “Act”). Headquartered in Salt Lake City, UAMPS provides electric energy on a nonprofit basis to community-owned power systems throughout the Intermountain West. Its principal purposes are the planning, financing, development, acquisition, construction,

improvement, operation, and maintenance of projects for the generation, transmission, and distribution of electric energy for the benefit of its members. The majority of UAMPS' members are Utahns, but there are additional members in Arizona, California, Idaho, Nevada, Oregon, and New Mexico.

Milford Wind Corridor Phase I, LLC and Milford Wind Corridor Phase II, LLC (together, "Milford Wind") commenced this proceeding in February. By Order dated April 9, 2008, the Commission granted UAMPS' Petition to Intervene; Milford Wind did not object. UAMPS' continued participation ensures that its members' direct interests, which stand to be impinged by the project for which Milford Wind seeks back-door approval, will be adequately represented; indirectly, UAMPS' continued participation also gives a much-needed voice to the Utah ratepayers served by its members. Some of these interests are illustrated below in this Statement. However, it has consistently been UAMPS' position—and a cause for alarm—that most of the crucial details are *not* part of the administrative record. Instead, they are known exclusively by Milford Wind and/or the real parties in interest who would like to remain out of these proceedings.

UAMPS can only identify the full extent of Milford Wind's adverse impact on UAMPS if the Commission permits the parties to complete discovery, delve into Milford Wind's capabilities, solicit expert testimony, and develop a complete and proper record. As and when UAMPS can provide additional factual support, it will promptly supplement this Statement.

I. MILFORD WIND'S PROJECT DIRECTLY AND ADVERSELY IMPACTS UAMPS

As set forth in UAMPS' Petition to Intervene, UAMPS' status as an interlocal entity dictates that prior to constructing any electrical generating plant or transmission line, UAMPS

must obtain a Certificate of Public Convenience and Necessity (“Certificate”) from the Commission. *See* Utah Code Ann. § 11-13-304. Because UAMPS foresees its own participation in the Certification process continuing from time to time in the future, it is deeply concerned that such proceedings be conducted regularly and uniformly, and that all applicants adhere to applicable rules and requirements. Moreover, Utah’s growing energy need is a reality, and the exportation of energy produced in-state using finite Utah resources may compromise the ability of UAMPS’ members to serve their customers using the renewable resources they increasingly demand. Finally, Milford Wind has simply not disclosed enough information about its project for UAMPS to evaluate its ultimate impact on the Intermountain Power Project facilities, but interference and interruption are fundamental—and very real—possibilities.

A. UAMPS’ Facilities May Be Compromised

Milford Wind’s project will include an “interconnecting power line” that originates at its wind farm in Beaver and Millard Counties, and runs across more than 90 miles. Rather than following the ordinary industry practice and “plugging in” to lines operated by Rocky Mountain Power, Milford Wind proposes to interconnect its transmission line to the Intermountain Power Project (“IPP”) generating station.

As a developer with exclusive contractual rights in the IPP Unit 3, UAMPS has rights and interests in the IPP site and facilities. These include but are not limited to the IPP switchyard bus. Milford Wind intends to use the IPP switchyard station to convert alternating current transmitted from the wind farm site into direct current, which could result in power disruptions. Moreover, many UAMPS members (a large number of which are also members of the Intermountain Power

Agency (“IPA”)) purchase power from IPP and are entitled to reliable, uninterrupted service. Milford Wind’s use of IPP as an interconnection point may have grave consequences.

UAMPS, handicapped by a significant lack of disclosure from Milford Wind, has engaged experts and engineers to evaluate and report on the details and implications of the proposed project, including Milford Wind’s impact on the energy grid and Utah consumers. These are considerations the Commission must include in its “long-range planning regarding public utility regulatory policy in order to facilitate the well-planned development and conservation of utility resources.” See *In re PacifiCorp for a Certificate of Public Convenience and Necessity Authorizing Construction of the Lake Side Power Project*, Docket No. 04-035-30 (Nov. 12, 2004) (internal citations omitted).

B. Milford’s Financial Viability and Ability to Complete its Project Are Not Established

Milford Wind has revealed very little to the Commission or the public, except that it is a Delaware limited liability company that denies being an agent of the Southern California Public Power Authority (“SCPPA”). The Commission has no history of dealing with this alien entity, and no basis to evaluate Milford Wind’s ability to complete its project. In the context of bonding, for example, the viability of Milford Wind (and its project) is critical. Bonds can be issued for the entire project, including the wind farm and its “interconnecting power line,” but the components cannot be unbundled and separately bonded. If the project is not completed, or if

bonding is not viable, there could be far-reaching consequences. Not least of these would be UAMPS' inability to rely on finite resources that would otherwise be available to it.¹

Discovery and expert analysis are necessary to illuminate the full impact if Milford Wind is unable to complete its project, or if the bonding it anticipates is not viable.

C. Southern California Public Power Authority's Status and Relationship to Milford Wind Must be Developed in the Administrative Record

As UAMPS has already explained to the Commission, SCPPA and the Los Angeles Department of Water and Power ("LADWP") are indisputably involved in phase I of Milford Wind's project. *See, e.g.*, UAMPS' Memorandum in Opposition to Motion to Dismiss the Application of Milford I and Milford II for Certificates of Public Convenience and Necessity, dated March 28, 2008, at 3-4; UAMPS Petition for Rehearing, dated June 16, 2008, at 12. The extent to which Milford Wind relies on SCPPA's and/or LADWP's status as exempt governmental entities to avoid FERC licensing and other requirements—as to which Milford Wind has been regrettably yet characteristically reticent—should be explored. SCPPA's and LADWP's true roles must be illuminated in the record, and they should be joined as parties to this proceeding.

II. RELIEF SOUGHT

At a minimum, the Commission should require the parties to develop a fuller record, including but not limited to careful fact and expert discovery and an evidentiary hearing. The Commission should ensure that all real parties in interest are joined in this proceeding, and that Utah's Certification requirements are observed and uniformly adhered to. UAMPS respectfully

¹ As the Commission is surely aware, although our supply of wind itself is not limited—as is, for example, coal—producing electric energy from wind would be impossible without consuming other finite resources, including the transmission corridor where Milford Wind intends to place its 90-mile transmission line.

requests that the Commission reserve ruling on this Preliminary Position Statement, refrain from acting on Milford Wind's belated request to "limit or exclude UAMPS' participation," (Mem. in Opp. to Petition for Rehearing at 24], and refrain from scheduling a hearing until after the completion of discovery. In addition, UAMPS reserves the right to supplement this Preliminary Position Statement promptly as and when additional relevant information, including but not limited to forthcoming information and analysis of UAMPS' experts and engineers, becomes available.

Finally, UAMPS respectfully requests that the Commission limit any actions or decisions it is inclined to make—or refrain from making—to Phase I of Milford Wind's project. Very little is known about Phase I; even less is known of Phase II and beyond. Milford Wind has provided no information as to the Phase II transmission line, the interconnection of Phase II, the purchasers of Phase II, or the financing of Phase II. The Commission should refrain from exercising its sound judgment with regard to Phase II until the Commission and the public are informed. Any decision at this juncture with respect to Phase II would be premature and inappropriate.

DATED this 28th day of July, 2008.

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CERTIFICATE OF SERVICE

I hereby certify that I caused true and correct copies of the foregoing **PRELIMINARY POSITION STATEMENT OF INTERVENOR UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS** regarding Docket No. 08-2490-01 to be e-mailed and mailed by first class mail, postage prepaid, this 28th day of July, 2008 to the following:

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