

STATE OF UTAH

Public Service Commission

In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations

Docket No. 10-035-124

**SIERRA CLUB
PETITION TO INTERVENE**

March 25, 2011

Gloria D. Smith, Senior Attorney
Sierra Club
85 Second Street, Second floor
San Francisco, CA 94105
(415) 977-5532 Voice
(415) 977-5739 Facsimile
gloria.smith@sierraclub.org

STATE OF UTAH

Public Service Commission

In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations

Docket No. 10-035-124

**SIERRA CLUB
PETITION TO INTERVENE**

I. Introduction

Pursuant to Utah Code Ann. Section 63G-4-207 and Rule R746-100-7, the Sierra Club hereby moves to intervene in this proceeding. Section 63G-4-207 allows intervention for any person or entity demonstrating a substantial interest in the proceeding. As shown below, Sierra Club members who are also Rocky Mountain Power Rate payers have a substantial interest in making sure that return on the capital expenditures described in the company's direct testimony is the most prudent course of action.

II. Petitioner Sierra Club's Grounds for Intervention

On December 1, 2010, Rocky Mountain Power filed its notice of intent to obtain Commission authority for the largest rate increase in Utah history:

an increase its retail electric utility rates by approximately \$323.6 million per year, resulting in residential rates increase of 14.6%.

Sierra Club's Utah members in the Rocky Mountain Power service territory have a direct and substantial interest in this proceeding because the proposed rate increase will have environmental, health and economic consequences for Rocky Mountain Power ratepayers. For example, according to the company's pre-filed testimony, pollution control equipment on its coal-fired power plants to reduce emissions that cause regional haze in national parks and wilderness areas constitutes 60% of the rate increase, or approximately \$430 million fleet-wide. (See, e.g., Teply testimony at p. 2.) Importantly, these capital investments may have been premature, calling into question whether such expenditures were prudent in the first place and in the best interest of ratepayers. Rocky Mountain Power has invested hundred of millions of dollars on capital improvements *in anticipation* of a final federal Clean Air Act rule to control regional haze. Utah has no final rule, thus the company does not know whether its retrofit work will, in the end, constitute best available retrofit technology ("BART"). Should the final regional haze rule include additional retrofit work, such as the commonly required selective catalytic reduction ("SCR"), Rocky Mountain Power will have to request approval to expend additional ratepayer resources to make its power plants compliant.

Similarly, EPA is in the process of finalizing a number of other rules with which Rocky Mountain Power will have to comply. These emerging rules include, but are not limited to: strict emission limits to control mercury and other hazardous air pollutants (Maximum Achievable Control Technology “MACT”); revisions to the National Ambient Air Quality Standards; cooling water regulations for existing plants; and, rules regulating coal combustion waste.

The synergistic magnitude of existing and proposed regulatory requirements must be considered in this docket. These mandates will inevitably inform the company’s decisions as they make future resource allocations to meet customer demand. Given the sheer number and wide coverage of these rules, it is essential that the Commission and Rocky Mountain Power consider their potential impact in a comprehensive manner, rather than a singular, case-by-case basis. Treating very expensive retrofit work in a piecemeal fashion is an imprudent and inefficient use of ratepayer money. Moreover, such an approach allows the company to impermissibly preclude full analysis of anticipated costs as compared to other, potentially less expensive, options such as alternative energy sources, fuel switching or retirement. Conversely, Rocky Mountain Power has not proffered a viable rationale for making these massive investments just prior to clarification of actual requirements. As a result, the company will inevitably have to make additional improvements that may or may not fit within its “planned

maintenance overhaul schedules,” thereby obviating Rocky Mountain Power’s basis for its hasty actions. (Teply testimony.) It makes no sense to spend ratepayer money on what the company believes future regulations will require, when waiting for clarification of actual requirements and producing a full analysis of costs and alternatives is an option.

Sierra Club is a national, non-profit environmental and conservation organization incorporated under the laws of the State of California. The Sierra Club is dedicated to the protection of public health and the environment. Sierra Club petitions to intervene in this proceeding on behalf of itself and its approximately 3,435 Sierra Club members who live and purchase utility services in Utah, many of whom are residential customers of Rocky Mountain Power:

Jeff Clay
Salt Lake City, Utah

Govert Bassett
Salt lake City, Utah

Sierra Club’s Beyond Coal campaign advances the development of energy conservation and renewable energy policies, which eliminate or reduce global climate change emissions, reduce utility bills, and generate renewable energy. Sierra Club’s work includes advocating for the implementation of robust incentive programs that assist its members and utility consumers generally to generate their own renewable energy and increase energy efficiency. The Sierra Club’s work includes intervening in rate cases,

integrated resource planning, efficiency and renewable energy dockets at public utility commissions nationwide in support of policies to reduce the impact of climate change and other air pollution by promoting clean energy alternatives and energy efficiency.

For the foregoing reasons, Sierra Club respectfully requests that the Commission grant its petition to intervene in this proceeding, and allow Sierra Club to participate as a party.

Dated: March 25, 2011

Respectfully submitted,

Original signed by:

Gloria D. Smith
Sierra Club
85 Second Street, Second floor
San Francisco, CA 94105
(415) 977-5532 Voice
(415) 977-5739 Facsimile
gloria.smith@sierraclub.org