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State of Utah  
DEPARTMENT OF COMMERCE  
Office of Consumer Services

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To: The Public Service Commission of Utah

From: The Office of Consumer Services  
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Copies To: Rocky Mountain Power  
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Milford II  
William Evans  
The Division of Public Utilities  
Chris Parker, Director  
Artie Powell, Energy Section Manager

Date: March 17, 2011

Subject: Office of Consumer Services' Comments on 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

### **Background**

On January 24, 2011, Rocky Mountain Power (Company) filed an Application with the Commission for Approval of a Master Electric Service Agreement (MESA) between Rocky Mountain Power (the Company) and Milford Wind Corridor II, LLC (Milford Wind II) dated January 21, 2011. Accompanying the Application, the Company submitted a copy of the MESA that was negotiated and agreed to by the Parties as well as a copy of the Power Purchase Agreement (For Milford Wind Corridor Phase II Project) between the Department of Water and Power of the City of Los Angeles (LADWP) and PacifiCorp. The MESA is designated as a confidential document so we will address it in general terms only.

### **Discussion**

The Office reviewed the Company's application, the MESA, Power Purchase Agreement, Generator Interconnection Agreement between Intermountain Power Agency (IPA) and Milford Wind II as well as responses to data requests from the Division of Public Utilities and the Office. Our focus in this docket was to ascertain whether by entering into this agreement with Milford Wind II, the Company was putting its other customers at risk such

that they would be subject to higher prices or perhaps be requested to pay for power received from LADWP to supply station service for Milford Wind II.

The MESA between Rocky Mountain Power and Milford Wind II is substantially the same as the agreement between Rocky Mountain Power and Milford Wind Corridor Phase I, LLC (Milford Wind I) which was approved by the Commission on July 29, 2009. The parties have agreed to a formula which will be the basis for LADWP to bill PacifiCorp for energy used to serve Milford Wind II and Rocky Mountain Power will in turn bill Milford Wind II for the full costs plus an administrative fee.

Based on our review of documents and discussions with the Company, the Office has determined that approval of this agreement will not have an impact on the customers we represent. However, similar to our recommendations in regard to the agreement with Milford Wind I the Office recommends that the Company be required to file any changes to the MESA, whether it is an actual revision to the contract, a cancellation to serve Milford Wind II under an existing rate schedule or for any other reason. Further, the Commission should require that it be informed if the Company undertakes any System Improvements under the terms of section 2.03 of the MESA. Because of the unique nature of Milford Wind as a customer of Rocky Mountain Power, any change in service must be taken to the Commission both to determine appropriate treatment of Milford Wind as well as to ensure that the contract does not impact other Rocky Mountain Power customers.

### **Recommendation**

The Office recommends that the Commission approve the Company's proposed Application, with the requirement that any changes or cancellation involving the MESA be filed with the Commission.