

**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. 11-035-200

**SIERRA CLUB  
PETITION TO INTERVENE**

**March 22, 2012**

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**I. Introduction**

1. Pursuant to Utah Code Ann. Section 63G-4-207 and Rule R746-100-7, the Sierra Club hereby moves to intervene in the above-captioned proceeding. Section 63G-4-207 allows intervention for any person or entity demonstrating a substantial interest in the proceeding. Sierra Club and its Utah members, many of whom are Rocky Mountain Power (“Rocky Mountain Power” or “the Company”) ratepayers, 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.

Sierra Club will accept service at the following business address:

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## **II. About Petitioner Sierra Club**

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'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. The Sierra Club's work includes intervening in rate cases, integrated resource planning proceedings, 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.

Sierra Club petitions to intervene in this proceeding on behalf of itself and its approximately 3,655 members who live and purchase utility services in Utah, many of whom are residential customers of Rocky Mountain Power. Two such Rocky Mountain Power ratepayers are:

Jeff Clay  
Salt Lake City, Utah

Govert Bassett  
Salt Lake City, Utah

## **III. Petitioner Sierra Club's Grounds for Intervention**

On February 15, 2012, Rocky Mountain Power filed an application to increase its retail electricity utility service rates in Utah and for approval of its proposed electric service schedules and electric service regulations to obtain Utah Public

Service Commission (“Commission”) authority for one of the largest rate increases in Utah history: an increase in its retail electric utility rates by approximately \$172.3 million per year, resulting in a 9.7% overall increase to customers and a residential rate increase of 10.5%.

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, \$37 million of the requested rate increase is to cover costs associated with capital that was invested to comply with federal regulatory mandates related to power plant emissions. (See, e.g., Walje testimony at p. 3.) Another \$30 million was requested to cover O&M costs associated with acquiring reagent chemicals needed for operating recently installed environmental equipment. (See, e.g., Walje testimony at p. 3.) Rocky Mountain Power has invested hundreds 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.

In December 2011, EPA finalized the Mercury Air Toxics Rule (“MATS”) and has now turned to finalizing Regional Haze rules for both Utah and Wyoming. Under a consent decree, EPA will issue its final action on both states’ SIPs in October, 2012.

The synergistic magnitude of existing and proposed regulatory requirements must be considered in this docket. The Commission and Rocky Mountain Power must consider these rules’ impacts 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. Rocky Mountain Power has not proffered a viable rationale for making these massive investments just prior to clarification of actual Regional Haze requirements. It makes no sense to spend ratepayer money on what the Company believes future regulations will require, when clarification of actual requirements is just around the corner.

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 22, 2012

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I hereby certify that on this 22<sup>nd</sup> day of March, 2012, a true copy of the foregoing document was sent via email to the following:

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