



201 South Main, Suite 2300
Salt Lake City, Utah 84111

February 1, 2010

VIA OVERNIGHT DELIVERY

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Julie P. Orchard
Commission Secretary

RE: Docket No. 10-035-__
In the Matter of the Application of Rocky Mountain Power for Alternative Cost Recovery for Major Plant Additions of the Ben Lomond to Terminal Transmission Line and the Dave Johnston Generation Unit 3 Emissions Control Measure

Rocky Mountain Power hereby submits for filing an original and fifteen copies of its Application for Alternative Cost Recovery for Major Plant Additions of the Ben Lomond to Terminal Transmission Line and the Dave Johnston Generation Unit 3 Emissions Control Measure. Enclosed are two CDs containing the confidential and non-confidential electronic copies of the testimony, exhibits and filing requirements in the file formats in which they were created. Exhibits provided in pdf format were provided from a published report, document or authored outside the company.

Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Dave Taylor at (801) 220-2923.

Sincerely,

JTW

Jeffrey K. Larsen
Vice President, Regulation

cc: Service List

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of February, 2010, a true copy of the foregoing Application of Rocky Mountain Power for Alternative Cost Recovery for Major Plant Additions of the Ben Lomond to Terminal Transmission Line and the Dave Johnston Generation Unit 3 Emissions Control Measure was sent via overnight delivery, in electronic format, to the following:

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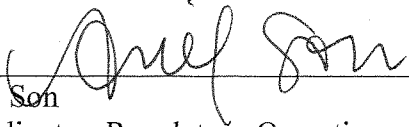
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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Alternative Cost Recovery for Major Plant Additions of the Ben Lomond to Terminal Transmission Line and the Dave Johnston Generation Unit 3 Emissions Control Measure)	DOCKET NO. 10-035-__
)	APPLICATION

APPLICATION FOR ALTERNATIVE COST RECOVERY

Rocky Mountain Power ("Rocky Mountain Power" or "Company") hereby submits its application ("Application") to the Public Service Commission of Utah ("Commission") requesting approval for alternative cost recovery of the major plant addition investments the Company is making in the Ben Lomond to Terminal Transmission Line and the Dave Johnston Generation Unit 3 environmental improvement measures, resulting in an increase in its retail electric utility service rates in Utah in the

amount of \$33.7 million pursuant to Utah Code Ann. § 54-7-13.4. The Company requests that this rate increase be deferred until, and made effective, approximately January 1, 2011. This Application is also filed pursuant to the Test Period Stipulation filed in Docket No. 09-035-23 on May 14, 2009, and to which all or most of the parties anticipated to be interested in this Application joined in. In support of the Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp. PacifiCorp is an Oregon corporation that provides electric service to retail customers through its Rocky Mountain Power division in the states of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington.

2. Rocky Mountain Power is a public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves approximately 800,000 customers and has approximately 2,400 employees in Utah. Rocky Mountain Power's principal place of business in Utah is 201 South Main Street, Suite 2300, Salt Lake City, Utah 84111.

3. Communications regarding this filing should be addressed to:

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In addition, Rocky Mountain Power requests that all data requests regarding the Application be sent in Microsoft Word or plain text format to the following:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Informal questions may be directed to David L. Taylor, Utah Regulatory Affairs Manager at (801) 220-2923.

Request for Authority to Increase Rates and Defer Such Increase Until Approximately January 1, 2011.

4. This Application substantially complies with the minimum filing requirements established by the Commission in Utah Admin. Code R746-700-30 for cost recovery of a major plant addition.¹

5. Pursuant to applicable Utah statutes and Commission rules, Rocky Mountain Power hereby requests approval for cost recovery of the major plant addition investments the Company is making in the Ben Lomond to Terminal Transmission Line

¹ The Company provided notice of its intent to file this Application more than 30 days in advance of the filing as required by R746-700-1.B to all parties in the Test Period Stipulation.

and the Dave Johnston Generation Unit 3 environmental improvement measures. The amount of the rate increase requested is \$33.7 million. Rocky Mountain Power hereby requests that the Commission allow the Company to defer the rate increase until approximately January 1, 2011.

6. The Ben Lomond to Terminal transmission line is a segment of the Populus to Terminal transmission line that is being installed as part of the Energy Gateway project to provide necessary additions to transmission capacity from Idaho to Utah. The Company expects the Ben Lomond to Terminal section to be completed and in service by June 30, 2010. The total capital investment in the Ben Lomond to Terminal section is expected to be \$268 million dollars. Of this amount, \$109.3 million will be allocated to Utah.

7. The pollution control project being undertaken at the Dave Johnston Unit 3 power plant will update and improve the unit's sulfur dioxide and particulate matter controls. The environmental improvements are expected to be completed and in service by May 31, 2010. The total capital cost for the Dave Johnston Unit 3 environmental improvements is \$293 million. Of this amount, \$112.6 million will be allocated to Utah.

8. The capital cost for each of these projects allocated to Utah is in excess of one percent of the Company's rate base devoted to service to customers in Utah of \$46.3 million as determined in the Company's most recent rate case, Docket No. 09-035-23.²

² The Commission will be determining the Company's rate base devoted to service to Utah customers in the Company's currently pending 2009 General Rate Case, Docket No. 09-035-23, within a few weeks of this Application. It is clear that the investment in each of the projects will exceed one percent of the rate base determined in that case as well.

General Information

9. The general information required by R746-700-30.A is provided in the Direct Testimony of Steve McDougal, John Cupparo, Darrell T. Gerrard, and Chad Teply, Exhibits 1, 2, 3 and 4, respectively, to this Application, and is described in detail in Attachment 1 to this Application.

Financial Information

10. The financial information required by R746-700-30.B is included in the Direct Testimony of Stephen R. McDougal, Exhibit 1 to this Application, and described in detail in Attachment 1 to this Application.

Capital Cost, Rate Base and Jurisdictional Allocation

11. The capital cost, rate base and jurisdictional allocation information required by R746-700-30.C is included in Direct Testimony of Stephen R. McDougal and Bruce N. Williams, Exhibits 1 and 5, respectively, to this Application, and is described in detail in Attachment 1 to this Application.

Cost and Operating Expense Information

12. The cost and operating expenses information required by R746-700-30.D is included in the Direct Testimony of Steven R. McDougal, Darrell T. Gerrard, and Chad Teply, Exhibits 1,3, and 4, respectively, to this Application, and is described in detail in Attachment 1 to this Application.

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Net Power Cost

13. The net power costs information required by R746-700-30.E is included in the Direct Testimony of Hui Shu, Darrell T. Gerrard, and Chad Teply, Exhibits 6, 3, and 4, respectively, to this Application, and is described in detail in Attachment 1 to this Application.

Rate Spread

14. Because the Company is proposing to defer the rate increase from this Application until approximately January 1, 2011, the Company will include its rate spread proposal for the rate increase related to this single item rate case in its application for alternative cost recovery of a major plant addition to be filed in August 2010. At such time, the Company will allocate the revenue increase from both this Application and the August 2010 application to customer classes based upon the cost of service study results as determined by the Commission in the Company's 2009 General Rate Case.

Witnesses – Prefiled Written Testimony

15. The Application and the requests made herein are supported by the prefiled written direct testimony and exhibits of the following witnesses, all of which are exhibits to the Application:

- **Steven R. McDougal**, Director, Revenue Requirement, provides the Company's revenue requirement associated with the major plant additions and the tariff rider to be implemented approximately January 1, 2011 to collect the rate increase.
- **John Cupparo**, Vice President of Transmission for PacifiCorp, provides information on the Ben Lomond to Terminal transmission line.

- **Darrell T. Gerrard**, Vice President of Transmission System Planning for PacifiCorp, provides additional information on the Ben Lomond to Terminal transmission line.

- **Chad A. Teply**, Vice President of Resource Development and Construction for PacifiCorp Energy, provides information on the environmental improvements made to the Dave Johnston Unit 3 power plant.

- **Bruce N. Williams**, Vice President and Treasurer, provides information concerning the Company's financing of the capital investments in the major plant additions and of contacts between the Company and bond rating agencies regarding the projects..

- **Hui Shu**, Manager, Net Power Costs for PacifiCorp, provides the net power cost impact of the major plant additions.

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WHEREFORE, by this Application, Rocky Mountain Power respectfully requests that the Commission:

1. Authorize cost recovery of the major plant addition investments the Company is making in the Ben Lomond to Terminal Transmission Line and the Dave Johnston Generation Unit 3 environmental improvement measures. On or approximately January 1, 2011, this will result in an increase in Rocky Mountain Power's retail electric utility service rates in Utah in the amount of \$33.7 million.

2. Defer said cost recovery until approximately January 1, 2011.

DATED this 1st day of February, 2010.

Respectfully submitted,

ROCKY MOUNTAIN POWER

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