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 CONVENIENCE AND NECESSITY FOR THE MILFORD PHASE I AND PHASE II WIND POWER PROJECT	**Docket No. 08-2490-01**

Sur-Rebuttal Testimony of

Krista Kisch

Exhibit MWC 2.0 SR

On behalf of

Milford Wind Corridor Phase I, LLC and
Milford Wind Corridor Phase II, LLC

September 22, 2008

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TESTIMONY OF KRISTA KISCH

Q Please state your name and business address.

A Krista Kisch. My business address is 110 West A Street, Suite 675, San Diego, California 92101.

Q What is your occupation?

A I am the Vice President, Business Development - West Region for First Wind.

Q On whose behalf are you appearing in this proceeding?

A I am appearing on behalf of Milford Wind Corridor Phase I, LLC and Milford Wind Corridor Phase II, LLC ("Milford Wind").

Q Are your educational background and experience described in the CV attached as Exhibit MWC 2.1 SR.?

A Yes.

Q What is the purpose of your testimony?

A I will adopt some of the statements of Evelyn Lim in Milford Wind's Application and the associated exhibits. In addition, I respond to issues raised in the rebuttal

testimonies of Dr. Joni Zenger on behalf of the Division of Public Utilities ("Division") and Mike Velarde on behalf of UAMPS on September 8, 2008. In particular I address the following issues:

- The impact of Milford Wind's 345 kV line on certificated public utilities in Utah;
- The status of the consents and permits necessary to build the 345 kV line; and
- The reasonable need for the 345 kV line.

Q Which statements and exhibits from the application are you adopting?

A I am adopting paragraphs 5 through 13 and 17 through 24 of the Application and the exhibits associated with those paragraphs. A copy of these are included at the end of this testimony as Appendix I:

Q Do you have any changes to make to those statements?

A Yes. Since filing the Application, the wind farm is no longer required to obtain a certificate, and Milford Wind has made significant progress toward planning and permitting the interconnection line. Some of the statements made in the Application, therefore, should be updated to reflect these recent developments. Other than those updates, which I identify and discuss below, I have no changes to make to the statements in the Application.

Q In light of the building of the generating plant, does the transmission line conflict with or adversely affect the operations of any existing certificated public utility in the state?

A No. Based on our investigations and understanding, the only certificated public utility in the area of the transmission line is PacifiCorp dba Rocky Mountain

Power. During this proceeding, the Division made several inquiries of PacifiCorp investigating this specific issue.

. PacifiCorp's responses to DPU Data Requests 1.1, 1.3, 1.4, 1.5, and 1.6 are attached hereto as Exhibit MWC 2.2 SR. In essence, a direct interconnection to the IPP system and then to the Los Angeles Department of Water & Power's balancing area, will have no impact on PacifiCorp's operations. It should have no impact on any of PacifiCorp's projects, and PacifiCorp sees no unintended consequences. There may be a potential of line crossings, but any impacts resulting from this would be paid for by Milford Wind.

Q **Mr. Velarde suggests at p. 3 of his testimony that a reduction of IPP Units I and 2 may have an effect on Utah purchasers, which was not explained in the studies. How do you respond?**

A As Dr. Zenger concluded after reviewing the system impact studies, "the evidence shows that the transmission line does not conflict with or adversely affect the operations of any existing certificated public utility in the state." Zenger at L. 122-124. While Mr. Velade states that the effect on Utah purchasers has not been explained, UAMPS was unable to identify any additional information that would be more helpful than the system impact studies in determining whether a reduction of Units 1 and 2 would affect Utah ratepayers. Moreover, it is my understanding that the Commission's inquiry pertains to whether construction of the interconnection line would have an adverse effect on the operations of a certificated utility, not on the ratepayers of any utility.

Q Dr. Zenger concludes at L.167, n.15 that the Transmission line does not constitute an extension into the certificated territory of a certificated public utility in the state. Do you agree?

A Yes. Based on our investigations and understanding, the only certificated public utility in the area of the transmission line is PacifiCorp dba Rocky Mountain Power. The Division posed this question to PacifiCorp as DPU Data Request 1.2, and PacifiCorp responded:

> The applicant will serve no retail load. A transmission line used for wholesale power delivery does not effect territory certification. The Company will need to serve the wind farm load during periods when the project is not generating but consuming energy from the transmission system load.

A copy of this response is attached hereto as Exhibit MWC 2.3 SR.

Q Dr. Zenger's testimony about whether the line constitutes an extension into the certificated territory of another certificated public utility, at L. 171-173, suggests that the Commission should "require Milford Wind to report any changes or expansions to Milford Phase I and Milford Phase II in order to monitor whether the project continues to pose no interference in other transmission facilities." Does Milford Wind plan future expansion of the project?

A Yes. Dr. Zenger notes that Milford plans to expand the generation capacity of the project by as much as 600 MW beyond Phase I and Phase II. The plan is to expand it to a total capacity of 1000 MW.

Q Will that require expansion of the interconnection line?

A As proposed, the line will have sufficient capacity to transmit the output of all five phases of the generation facility. Milford Wind has no plans to expand the line geographically, or to increase the capacity of the line, as it proceeds to develop and expand the generation capacity. Unless the capacity of the line itself is expanded or the line is expanded geographically, there should be no reason to report changes, if any, to the generation projects, which the Commission has ruled are exempt.

Q Has Milford Wind either received or begun the process of receiving the necessary consents and permits to build the facility?

A Yes. As detailed in Milford Wind's Application, we are in the process of receiving the necessary consents and permits. In addition, a table listing the required consents, permits and authorizations, and the status of each as of the filing of this testimony is attached hereto as Exhibit MWC 2.4 SR. Milford Wind will provide the Commission with notice of, and/or a copy of the required authorizations when they are received.

Q In light of building a generating facility that does not need a certificate, is there a reasonable need for the transmission line to get the output of the plant to its contracted market?

A Yes. The Project is to be located in Beaver and Millard Counties. The power from the turbines will be carried to an onsite substation, where the power from the turbines will be stepped up to 345 kV. Milford Wind's power purchase agreement requires delivery of the power generated by Phase I of the Project to

the Southern California Public Power Authority ("SCPPA"), which will take delivery at IPP. Because there already exists a line from IPP to the area served by SCPPA, the only additional connection necessary to carry the power to Milford Wind's "contracted market," is an interconnection line from the substation at the wind farm to IPP.

Q Mr. Velarde states at p.5 of his testimony that the only reported analysis of alternatives to constructing the line proposed was the PacifiCorp Draft Facilities Study. Did Milford Wind investigate other options for getting power from the wind farm to a transmission provider?

A Yes. Milford Wind studied various options through the Generation Interconnection study process on the Rocky Mountain Power grid before investigating the option addressed in the PacifiCorp Draft Facilities Study. We did not find that option to be viable, or find any other existing transmission facilities that would have allowed Milford Wind to construct a shorter interconnection line, and still have accommodated the output from Phase I as well as the planned expansion of the generation capacity. Because the wind generation site is relatively remote and there are no suitable alternative facilities, Milford Wind would be unable to get the output of the Project to its contracted market. Thus, there is a reasonable need for the line.

Q Dr. Zenger states in her testimony at L. 203-205 that the Bureau of Land Management ("BLM") is evaluating two possible routes for the

interconnection line. Do you have updated information on the BLM's selection of the route?

A Yes. In Milford Wind's Application, we described two possible routes for the line [see paragraphs 8 and 9 in Appendix I attached to this testimony]. One route, which was identified by Milford Wind as its preferred route, would follow the existing IPP 500 kV direct current transmission line and enter the IPP substation from the west. The other route would follow State Highway 257 to a point approximately 10 miles south of Delta, where it would turn east and then north and then back west. This latter route was rejected by the BLM in its environmental assessment of the project on September 3, 2008. It stated as follows:

> The Utah State Route 257 alternative transmission line route was ultimately eliminated from further consideration in May 2008 because the route was unacceptable in Millard County due to incompatible land use designations and planned land uses in the portion of the county through which it would have passed.

Environmental Assessment of Milford Wind Corridor Project, Millard and Beaver Counties, Utah, (Docket Nos. UT-040-07-20 UTU-82972 and UTU-82973) (September 3, 2008) ("Environmental Assessment") at p. 38. A copy of the relevant sections of the Environmental Assessment is attached as Exhibit MWC 2.5 SR. Thus, the BLM is is no longer considering the Highway 257 route, but is continuing to consider the proposed route through the BLM's "West-Wide Corridor" along the IPP transmission line.

Q Are there quantifiable benefits to Utah that result from construction of the interconnection line?

A Yes. As we explained in the Application, the Project will provide significant benefits to the economies and tax base of Beaver and Millard Counties and the State of Utah. The Application quantifies those benefits with respect to the Wind Farm and the interconnection line [see paragraph 18 of the Application attached as Appendix 1]. The interconnection line alone is projected to have a total cost of as much as $80 million. During construction of the line, there will be a large infusion of spending in the local and state economy. Approximately 69 workers, many of them locals, will be involved in the construction phase of the line, and it is expected that up to $1.5 million in construction related expenses will be spent in the local counties. Up to 5 permanent jobs will be created for operation and maintenance of the interconnection line facilities, and the Project (including Phase I of the wind farm) will pay over $1.2 million per year of property taxes, most of which will go to the local school systems. In addition, it is expected that power from future phases of the Project will be available on a wholesale basis for potential purchase by Utah public utilities, municipalities, inter-local agencies, electric cooperatives, or other Utah electrical corporations. Finally, residents of Utah will benefit from the environmental advantages of having non-polluting renewable electric generation facilities located in the state. Additionally, the generation of electrical energy from wind energy is seen as part of the strategy

for addressing global climate change, with benefits to citizens of Utah, the nation and the world.

Q Do you have any other updates to the statements filed in the Application?

A Yes. As an update to the statement in paragraph 13 of the Application, it is anticipated that Phase II construction would commence in 2010, not in 2009 as originally stated.

Q Do you have any comment about maintenance of the interconnection line?

A First Wind will comply with all applicable regulations and standards of maintenance. Mr. Henriksen's testimony indentifies maintenance operations that likely will be required to maintain the line.

Q Does this conclude your testimony?

A Yes.

APPENDIX I

STATEMENTS FROM MILFORD WIND'S APPLICATION ADOPTED BY KRISTA KISCH

5. For the purposes of this Application, the Milford Phase I and II Wind Power Project ("Project") is described with respect to its two primary components, a wind farm and a transmission line, both of which will be located on federal, state and private land in Beaver and Millard Counties, Utah. An overview map of the proposed Project facilities is attached to Milford Wind's Application as Exhibit 1 [This Exhibit is attached to the Testimony of Krista Kisch at Exhibit MWC 2.6 SR]

6. The proposed wind farm will be located in Beaver and Millard Counties, Utah. A figure illustrating the wind farm area and conceptual layout is attached to Milford Wind's Application as Exhibit 2 [This Exhibit is attached to the Testimony of Krista Kisch at Exhibit MWC 2.7 SR]. When Phase I and Phase II are completed, the wind farm will generate approximately 300 megawatts of power (nameplate capacity) from a mix of wind turbines ranging from 1.5 to 2.5 MW each. The turbines will be arrayed along a series of parallel turbine corridors, with the precise location of each turbine to be fixed during the final design and construction process, which allows the avoidance of any sensitive resources or features. For Phase I, Milford Wind has entered into contracts for the purchase and delivery of thirty-nine (39) GE wind turbine generators and up to fifty-eight (58) Clipper Liberty C99 wind turbine generators, for a total installed capacity (nameplate) of 203.5 MW. It is anticipated that Phase II will consist of additional

installed capacity of approximately 100 MW[1]. The actual number and size of the turbines has not been finalized due to uncertainties in the ability of turbine suppliers to timely deliver on turbine orders.

7. The wind farm will include a system of buried lines that will collect power from the turbines and carry it to an onsite substation. At the substation, transformers will step the power up from 34.5 kV to 345 kV for transmission through the Project's 345 kV transmission line. The wind farm will also include a road system that will be used to build and then provide access to the turbines for maintenance. *See* Application Exhibit 2 [Exhibit MWC 2.7]. The wind farm will include an operations and maintenance facility including an approximately 30,000 square foot building and associated parking and garage facilities.

8. The Project includes a proposed 345 kV alternating current transmission line that will originate at the Phase I wind farm substation and terminate at the existing substation at the Intermountain Power Project ("IPP") generating station north of Delta, Utah. Two routes are being considered for the transmission line, both of which are illustrated in Exhibit 1 of the Application [also at Exhibit MWC 2.6 SR]. One route, which has been identified by Milford Wind as its preferred route, would follow the existing IPP 500 kV direct current transmission line and enter the IPP substation from the west. This route would be approximately 87 miles long. The other route would follow State Highway 257 to a point approximately 10 miles south of Delta, where it would turn east and then north

[1] It is possible that there will be additional future phases to the Project which will add capacity in an amount yet to be determined. In its Application, Milford Wind seeks certificates for Phase I and Phase II; authorization is not sought with respect to potential future phases.

and then back west. This route, which would be approximately 91 miles long, would enter the IPP substation from the east.

9. Both routes would be located primarily on federal land managed by the Bureau of Land Management of the United States Department of the Interior ("BLM"), and both would be located primarily within BLM-designated utility corridors. The choice between these routes will be made by the BLM based on an ongoing environmental review process being conducted by the BLM under the National Environmental Policy Act ("NEPA"), which includes input by the public, resource agencies and the affected counties.

10. At the IPP substation, the power from Phase I of the Project will be converted from alternating current to direct current and transmitted to southern California on the existing 500 kV DC transmission line that carries power from the IPP generating station to southern California. This interconnection, including the interconnection equipment and facilities, require an interconnection agreement with the Intermountain Power Agency ("IPA").

11. The market for power from Phase II of the Project is not currently finalized. However, it is expected that the interconnection equipment and facilities for the 100 MW of Phase II power will be built at the same time as the Phase I interconnect to the IPP substation is made, although it is possible that additional interconnection equipment and facilities may later be required when Phase II is constructed, depending on the power's destination.

12. The Phase I facilities consist of wind turbines of up to 203.5 MW of installed capacity, the collector lines and roads associated with those turbines, an onsite substation, an onsite control facility, the transmission line, and the IPP interconnection facilities. Under the power purchase agreement described in the Application and in Paul Gaynor's testimony, filed concurrently herewith, the Phase I facilities must be placed in service no later than March 31, 2009. Milford Wind originally requested that the Commission grant a certificate of convenience and necessity for the Project by April 15, 2008, in order to allow Milford I to construct the facilities.

13. The Phase II facilities are comprised of the turbines required for up to 100 MW (or the balance of the 300 MW total wind farm facility), and the collector lines and roads associated with those turbines. It may also include any additional IPP interconnection facilities that may be required to allow transmission of this power to purchasers. It is anticipated that Phase II construction would commence in early 2009. Because Phase II will likely follow closely on the heels of Phase I, Milford Wind originally asked that this certificate also be granted by April 15, 2008.

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17. Because the output from Phases I will not be available to Utah consumers, Milford Wind does not assert that the public convenience and necessity require construction of the Project to provide electrical service to Utah residents.

18. The Project, however, will provide significant benefits to the economies and tax base of Beaver and Millard Counties and the State of Utah. The Project is projected to have a total cost of as much as $80 million. During construction of the Project, there will

be a large infusion of spending in the local and state economy. Approximately 69 workers, many of them locals, will be involved in the construction phase, and it is expected that up to $1.5 million in construction related expenses will be spent in the local counties. Up to 4 permanent jobs will be created for operation and maintenance of the Project facilities, and the Project will pay over $1.2 million per year of property taxes, most of which will go to the local school systems. Letters in support of the Project from the Office of the Governor's Energy Advisor and from Beaver County were attached to Milford Wind's Application as Exhibit 7.[2]

19. In addition, it is expected that power from future phases of the Project will be available on a wholesale basis for potential purchase by Utah public utilities, municipalities, inter-local agencies, electric cooperatives, or other Utah electrical corporations.

20. Finally, residents of Utah will benefit from the environmental advantages of having non-polluting renewable electric generation facilities located in the state. Additionally, the generation of electrical energy from wind energy is seen as part of the strategy for addressing global climate change, with benefits to citizens of Utah, the nation and the world.

21. The Project complies with the criteria set out at Utah Code Ann. § 54-4-25(3) because the Project will not interfere with the operation of the facilities or systems of any public utilities. As described above, the power from Phase I will be delivered by Milford

[2] The letter from Beaver County that is included in Exhibit 7 is a copy of the original, which UPC understands was sent directly from the Beaver County Commission to the Public Service Commission.

WInd to its customer through interconnection facilities at the IPP substation, and that power will then be transmitted through the existing IPA 500 kV DC transmission line to southern California. None of the Phase I power will enter a transmission system owned by or serving any Utah public utility, and there will be no effect on any such system.

22. In the event that Milford Wind sells some or all of the power from Phase II to entities providing retail service to Utah consumers, it will take appropriate steps to obtain the approval of state or federal authorities, if any is required. Because Milford Wind does not seek authority in this Application to furnish electric power to the public or to any consumer in the state of Utah, there will be no interference from Phase II on the system of any public utility.

23. With respect to Utah Code Ann. § 54-4-25(3), Milford Wind is in the process of obtaining all required consents, permits and other authorizations for the Project. A table listing the required consents, permits and authorizations, and the status of each as of the filing of the Application was attached to Milford Wind's Application as Exhibit 8 [and attached hereto as Exhibit MWC 2.8 SR]. Milford Wind will provide the Commission with notice of, and/or a copy of the required authorizations when they are received.

24. As required by Section 54-4-25(4)(B) of the code, Milford Wind states that none of the proposed facilities will conflict with or adversely affect the operations of any existing certificated fixed public utility which supplies electric power or service to the public, and that Milford Wind facilities will not constitute an impermissible extension into the territory certificated to an existing fixed public utility.