

**DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION**

**Pacific Northwest-Pacific Southwest Intertie Project  
Rate Order No. WAPA-157**

**COMMENTS OF GRIFFITH ENERGY LLC**

Griffith Energy LLC (“Griffith Energy”) hereby comments on the proposal of Western Area Power Administration (“Western”) to increase its transmission service rates for the Pacific Northwest-Pacific Southwest Intertie Project (“Intertie Project”). The opportunity to comment on the Western proposal is provided by the Notice of Proposed Transmission Service Rates published on the Federal Register on June 11, 2012. 77 Fed. Reg. 34,381 (June 11, 2012).

Griffith Energy owns and operates a natural gas-fired combined cycle electric generating facility with an installed capacity of 570 MW (summer rating) located in Mohave County, Arizona. Griffith Energy is a transmission service customer of Western and takes transmission service on the Intertie Project. Griffith Energy will be significantly and negatively affected by Western’s proposed increase in rates for service on the Intertie Project.

Western’s proposed rate increases for the Intertie Project are very significant, causing rates for firm and non-firm point-to-point transmission to increase by over 29%. The effect of the rate increases will be to cause a burden on Western’s customers that take service on the Intertie Project, including Griffith Energy. Griffith Energy is very concerned that the proposed rate increases will cause prices for energy delivered to customers using the Intertie Project to become uncompetitive with energy from competing suppliers that can provide delivered energy without taking service on the Intertie Project. Griffith Energy expects that the 29% rate increase will have a significant negative impact on its business, particularly because the entire rate increase is scheduled to be implemented at one time.

Griffith Energy respectfully requests Western to reconsider its proposed rate increases for transmission service on the Intertie Project and develop proposed rates that will have a lesser negative impact on its customers. The magnitude of the rate increases, in excess of 29%, are likely to have a material adverse effect on Western’s customers, including Griffith Energy, and their ability to remain competitive as suppliers of energy to customers. Moreover, the rate increases will have a negative impact on energy consumers who will bear the ultimate burden of Western’s rate increases, causing economic harm. Western should develop lower rates in the alternative to its proposed rate increases.

In addition, Western should consider phasing in any significant rate increases over the course of two or more years to allow any such rate increases to be implemented in a manner less likely to cause a “rate shock” to its customers.

Griffith Energy has reviewed the public information provided by Western with respect to its proposed transmission service rate increases and posted to Western’s “Intertie Project Rate Adjustment” webpage. Griffith Energy is aware that Western has provided additional

information about its proposed rate increases to interested parties who have participated in the public informational process, most recently on September 4 and September 5, 2012, but Griffith Energy has not had the opportunity to receive or review that additional information. Griffith Energy requests Western to make publicly available, through the Intertie Project Rate Adjustment” webpage or other means of communication, to all interested parties all the information provided to any participant in the public informational process.

Western also should extend the public comment period to give the public the opportunity to conduct a meaningful review of such additional information and submit comments informed by that information. If Western declines to extent the public comment period, Griffith Energy reserves the right to submit additional comments with respect to Western’s proposed rate increases.

Communications with respect to Western’s proposed rate increases for transmission service on the Intertie Project should be directed to Griffith Energy’s following representatives:

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. C. Griffen", with a stylized flourish at the end.

Michael C. Griffen  
Attorney for Griffith Energy LLC

September 10, 2012