

Mark C. Moench (2284)
 Yvonne R. Hogle (7550)
 201 South Main, Suite 2300
 Salt Lake City UT 84111
 Telephone: (801) 220-4050
 FAX: (801) 220-3299
 Email: yvonne.hogle@pacificorp.com

Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

)	
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. 08-035-38 MOTION FOR APPROVAL OF STIPULATION IN COST OF SERVICE, RATE SPREAD AND RATE DESIGN – PHASE II

MOTION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF STIPULATION IN COST OF SERVICE, RATE SPREAD AND RATE DESIGN – PHASE II

Rocky Mountain Power, a division of PacifiCorp, (“Rocky Mountain Power” or “Company”), hereby moves the Public Service Commission of Utah (“Commission”) for approval of the Stipulation entered into by and among Rocky Mountain Power, Utah Division of Public Utilities (the “Division”), Office of Consumer Services (the “Office”), UAE Intervention Group (“UAE”), Utah Industrial Energy Consumers (“UIEC”) the Kroger Co. (“Kroger”), Wal-Mart Stores, Inc. (“Wal-Mart”), Western Resource Advocates (“WRA”), Salt Lake Community Action Program (“SLCAP”), Southwest Energy Efficiency Project (“SWEEP”) and Utah Clean Energy (“UCE”). UCE, collectively with Rocky Mountain Power, the Division, the Office, UAE UIEC, Kroger, Wal-Mart, WRA, SLCAP and SWEEP, shall be hereinafter referred to as, the “Parties”. In support of this Motion, Rocky Mountain Power states as follows:

1. On July 17, 2008, Rocky Mountain Power (“Rocky Mountain Power” or “Company”) filed an application, together with revenue requirement, cost of service, rate spread and rate design testimony, requesting approval of an increase in its retail electric utility service rates in Utah in the amount of \$160.6 million above the then-currently effective rates (without reference to revenue increases requested in the Company’s 2007 rate case (Docket No. 07-035-93)) for a total revenue requirement in the approximate amount of \$1.592 billion. On September 10, 2008, Rocky Mountain Power filed supplemental testimony to reflect the Commission’s revenue requirement order in Docket No. 07-035-93, adjust net power costs, introduce an amended cost of service study, and update the proposed rate spread.

2. On August 1, 2008, the Commission issued an order establishing the procedural schedule for this case. On August 26, 2008, September 29, 2008, and September 30, 2008, the Commission issued orders amending the schedule. On October 14, 2008, the Commission issued an additional scheduling order for the Revenue Requirement and Cost of Service/Rate Design portion of this case. On October 30, 2008 and November 6, 2008, the Commission issued orders modifying the Revenue Requirement and Cost of Service/Rate Design procedural schedule. On January 27, 2009, the Commission issued a scheduling order amending the schedule for the Rate Design/Cost of Service phase of this case.

3. On October 28, 2008, the Commission held a hearing on Rocky Mountain Power’s Motion to Determine Test Year wherein Rocky Mountain Power sought approval to use a test period ending June 2009. On October 30, 2009, the Commission issued an order approving a test period ending December 2009, using average rate base.

Rocky Mountain Power subsequently filed supplemental direct testimony and exhibits with the Commission on December 8, 2008, which included a revised revenue increase request of \$116.1 million, a cost of capital request of 8.69% and return on equity of 11.0% with a 51.5% common equity component.

4. On February 4 and 9, 2009, certain Parties held settlement conferences to discuss cost of capital issues in the 2008 General Rate Case.

5. As a result of the settlement negotiations, certain Parties reached a compromise on cost of capital at issue in this case. The settlement resulted in a return on equity of 10.61 percent and a capital structure with a 51.0 percent common equity component. The Commission held hearings on March 12, 2009 and approved the cost of capital stipulation from the bench.

6. On March 17 and 18, 2009, the certain parties held settlement conferences to discuss revenue requirement issues in the 2008 General Rate Case. On March 18, 2009, notice was provided to all intervenors advising all parties who filed revenue requirement testimony and others that the parties had reached an agreement in principle, and that a draft stipulation would be circulated. On March 19, 2009 a copy of the draft stipulation was circulated to all intervenors.

7. As a result of the settlement negotiations, certain parties agreed to the revenue requirement in this case. The settlement resulted in an increase in revenue requirement in the amount of \$45 million, or 3.34 percent, based on an allowed rate of return on equity of 10.61 percent and a capital structure with a 51.0 percent common equity component. The Commission held hearings on March 31, 2009 and issued an order (“Order”) approving the revenue requirement stipulation on April 21, 2009.

8. On April 24, 2009, a notice of a settlement conference was provided to intervenors.

9. The Parties held a settlement conference on the cost of service and rate spread phase of the case on April 28, 2009. On April 29, 2009 a copy of a draft rate spread stipulation was circulated to intervenors.

10. As a result of the settlement negotiations, the Parties reached agreement on the rate spread in this case and submitted a stipulation dated April 30, 2009 (the "Rate Spread Stipulation"). The Commission held a hearing and issued an order approving the Rate Spread Stipulation on May 7, 2009.

11. Parties whose interests included Schedules 6, 8 and 9 developed a proposed rate design settlement for these schedules and presented it to the Company on May 12, 2009. Other Parties whose interests included residential rate design, developed a proposed rate design settlement and presented it to the Company on May 21, 2009.

12. On May 26, 2009, a notice of settlement conference was provided to the Parties and settlement conferences on all rate design issues in the case were held on May 27, 2009. On May 28, 2009, a copy of the draft stipulation was circulated to the intervenors in the case.

13. As a result of the settlement negotiations, the Parties agreed to settle the rate design phase of this case, pursuant to the terms and conditions in the Stipulation in Cost of Service, Rate Spread and Rate Design - Phase II ("Stipulation"), attached hereto.

14. Subject to Paragraph 2.b. in the Stipulation, all of the Parties believe it to be just and reasonable and in the public interest.

WHEREFORE, Rocky Mountain Power respectfully requests approval of the Stipulation. In addition, Rocky Mountain Power requests that the Commission direct any parties that wish to oppose the Stipulation notify Rocky Mountain Power and the other stipulating parties at least 5 days prior to the hearing so the stipulating parties can arrange for technical witnesses to be present at the hearing.

DATED: June 3, 2009.

Respectfully submitted,

Mark C. Moench
Yvonne R. Hogle

Attorneys for Rocky Mountain Power

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of June, 2009, I caused to be emailed a true and correct copy of the foregoing **MOTION FOR APPROVAL OF STIPULATION IN COST OF SERVICE, RATE SPREAD AND RATE DESIGN – PHASE II** in Docket No. 08-035-38 to the following:

<p>F. Robert Reeder William J. Evans Vicki M. Baldwin Parsons Behle &, Latimer 201 South Main Street, Suite 1800 Salt Lake City, Utah 84111 bobreeder@parsonsbehle.com bevans@parsonsbehle.com vbaldwin@parsonsbehle.com</p>	<p>Cheryl Murray Dan Gimble Michele Beck Office of Consumer Services 160 East 300 South, 2nd Floor Salt Lake City, UT 84111 cmurray@utah.gov dgimble@utah.gov mbeck@utah.gov</p>
<p>Paul Proctor Office of Consumer Services Heber M. Wells Bldg., Fifth Floor 160 East 300 South Salt Lake City, UT 84111 pproctor@utah.gov</p>	<p>Gary A. Dodge Hatch James & Dodge 10 West Broadway, Suite 400 Salt Lake City, UT 84101 gdodge@hjdllaw.com</p>
<p>Dennis Miller William Powell Philip Powlick Division of Public Utilities Heber M. Wells Building 160 East 300 South, 4th Floor Salt Lake City, UT 84111 dennismiller@utah.gov wpowell@utah.gov philippowlick@utah.gov</p>	<p>Michael Ginsberg Patricia Schmid Assistant Attorney General Utah Division of Public Utilities Heber M. Wells Bldg., Fifth Floor 160 East 300 South Salt Lake City, UT 84111 mginsberg@utah.gov pschmid@utah.gov</p>
<p>Rick Anderson Kevin Higgins Neal Townsend Energy Strategies, Inc. 215 South State Street, Suite 200 Salt Lake City, UT 84111 randerson@energystrat.com khiggins@energystrat.com ntownsend@energystrat.com</p>	<p>Michael L. Kurtz, Esq. Kurt J. Boehm, Esq. Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202 Ph: 513-421-2255 Fax: 513-421-2764 mkurtz@bkllawfirm.com kboehm@bkllawfirm.com</p>

<p>Arthur F. Sandack Attorney for Petitioner IBEW Local 57 8 East Broadway, Ste 510 Salt Lake City, Utah 84111 Telephone: (801) 532-7858 asandack@msn.com</p>	<p>Roger J Ball 1375 Vintry Lane Salt Lake City, Utah 84121 (801) 277-1375 ball.roger@gmail.com</p>
<p>Roger Swenson US Magnesium LLC 238 North 2200 West Salt Lake City, Utah 84116 Roger.swenson@prodigy.net</p>	<p>Betsy Wolf Utah Ratepayers Alliance Salt Lake Community Action Program 764 South 200 West Salt Lake City, Utah 84101 bwolf@slcap.org cjohnson@ieee.org</p>
<p>Barrie L. McKay, Director State Regulatory Affairs Questar Gas Company 180 East 100 South P.O. Box 45360 Salt Lake City, UT 84145-0360 barrie.mckay@questar.com</p>	<p>Colleen Larkin Bell Jenniffer Byde Questar Gas Company 180 East 100 South P.O. Box 45360 Salt Lake City, UT 84145-0360 colleen.bell@questar.com jenniffer.byde@questar.com</p>
<p>Gregory B. Monson (2294) Stoel Rives LLP 201 South Main Street, Suite 1100 Salt Lake City, UT84111 gmonson@stoel.com</p>	<p>Steven S. Michel Western Resource Advocates 2025 Senda de Andres Santa Fe, NM 87501 smichel@westernresources.org nkelly@westernresources.org</p>
<p>Mike Mendelsohn Western Resource Advocates 2260 Baseline Rd, Suite 200 Boulder, CO 80302 mmendelsohn@westernresources.org</p>	<p>Sarah Wright Executive Director Utah Clean Energy 1014 2nd Avenue Salt Lake City, UT 84103 sarah@utahcleanenergy.org kevin@utahcleanenergy.org brandy@utahcleanenergy.org</p>
<p>Gerald H. Kinghorn Jeremy R. Cook Parsons Kinghorn Harris, P.C. 111 East Broadway, 11th Floor Salt Lake City, UT 84111</p>	<p>Peter J. Mattheis Eric J. Lacey Brickfield, Burchette, Ritts & Stone, P.C. 1025 Thomas Jefferson Street, N.W. 800 West Tower</p>

ghk@pkhlawyers.com jrc@pkhlawyers.com	Washington, D.C. 20007 pjm@bbrslaw.com elacey@bbrslaw.com
Holly Rachel Smith, Esq. Russell W. Ray, PLLC 6212-A Old Franconia Road Alexandria, VA 22310 holly@raysmithlaw.com	Steve W. Chriss Wal-Mart Stores, Inc. 2001 SE 10th Street Bentonville, AR 72716-0550 stephen.chriss@wal-mart.com
Mr. Ryan L. Kelly Kelly & Bramwell, PC Attorneys at Law 11576 South State Street Bldg. 203 Draper, UT 84020 ryan@kellybramwell.com	Penny Anderson Western Resource Advocates 2260 Baseline Rd., Suite 200 Boulder CO 80302-7740 penny@westernresources.org
Rich Collins Associate Professor, Finance and Economics Bill and Vieve Gore School of Business Westminster College 1840 South 1300 East Salt Lake City, UT 84105 801-832-2665 rcollins@westminstercollege.edu hgeller@swenergy.org	Howard Geller Executive Director Southwest Energy Efficiency Project (SWEEP) 2260 Baseline Rd. #212 Boulder, CO 80302 Ph: 303-447-0078 x1 hgeller@swenergy.org

Ariel Son
Coordinator, Administrative Services