

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism

Docket No. 09-035-15

In the Matter of the Application of the Utah Association of Energy Users for a Deferred Accounting Order Directing Rocky Mountain Power to Defer Incremental REC Revenue for Later Ratemaking Treatment

Docket No. 10-035-14

**STIPULATION AND JOINT MOTION  
FOR DEFERRED ACCOUNTING  
ORDERS IN DOCKET NOS. 09-035-15  
AND 10-035-14 AND SCHEDULING IN  
DOCKET NO. 09-035-15**

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Rocky Mountain Power (“Rocky Mountain Power” or the “Company”), the Division of Public Utilities (“Division”), the Office of Consumer Services (“Office”), the Utah Association of Energy Users (“UAE”), the Utah Industrial Energy Consumers (“UIEC”), Wal-Mart Stores, Inc. and Sam’s West, Inc. (“Wal-Mart”), Western Resource Advocates (“WRA”), and Utah Clean Energy (“UCE”) (collectively, “Parties”), pursuant to Utah Code Ann. § 54-4-1 and § 54-4-23, and Utah Admin. Code R746-100-9, for the purpose of resolving certain issues and expediting the conduct of the proceedings in Docket Nos. 09-035-15 and 10-035-14, hereby stipulate and jointly move the Commission for the entry of an order upon the Company’s motion for deferred accounting and UAE’s application for deferred accounting, as described below, and to determine the schedule of the proceedings in Docket No. 09-035-15.

**BACKGROUND**

1. In a February 8, 2010 Report and Order in Docket No. 09-035-15, pertaining to Phase I of the docket (“Phase I Order”), the Commission gave notice that the matter would proceed to Phase II to consider the Company’s proposed ECAM and

any modifications or alternatives that parties might propose. The Phase I Order also stated that Phase II should address whether the Company's use of natural gas hedging and its level of and reliance on market energy is affected by the use of an ECAM.

2. On February 9, 2010, the Company filed a Motion for a Deferred Accounting Order ("Company Motion") in the ECAM docket, requesting deferred accounting for the difference between net power costs ("NPC") allowed in the rates to be established in the Company's currently pending general rate case, Docket No. 09-035-23, and actual NPC incurred after February 18, 2010.

3. On February 18, 2010, the Commission issued its Report and Order on Revenue Requirement, Cost of Service and Spread of Rates ("Rate Order") in Docket No. 09-035-23.

4. On February 22, 2010, UAE filed an Application for Deferred Accounting Order for Incremental REC Revenue ("UAE Application") in Docket No. 10-035-14 ("REC docket"). The UAE Application sought a deferred accounting order commencing on the date of the application with respect to revenues recovered by the Company in connection with the sales of renewable energy credits ("RECs"), both in the form of unbundled RECs and the REC component of renewable energy products bundled with RECs, in excess of those utilized in setting rates in Docket No. 09-035-23. The UAE Application sought a deferred accounting order to preserve the ability of parties to argue for or against the use of deferred REC revenue as a credit to ratepayers in a future ratemaking proceeding.

5. On March 9, 2010, the Commission issued notices in the REC docket and in the ECAM docket, setting scheduling conferences for March 16, 2010.

6. The Parties met at the scheduling conference on March 16, 2010, in the REC docket and the ECAM docket and discussed issues relating to the Company Motion and UAE Application.

7. The Parties met again on March 24, 2010 and April 14, 2010 to continue to discuss issues in and scheduling of the ECAM docket and the REC docket. Based upon those discussions, the Parties stipulate as set forth herein and jointly move that the Commission grant the Company Motion and UAE Application and to schedule proceedings in the ECAM docket.

### **STIPULATION AND MOTION**

#### **Company Motion Docket No. 09-035-15 and UAE Application Docket No. 10-035-14**

8. As the basis for this motion pertaining to deferred accounting, the Parties stipulate as follows:

9. The Parties agree that the Company Motion should be granted and that a deferred accounting order should be issued by the Commission directing the Company to defer incremental NPC in accordance with the Company Motion, commencing February 18, 2010, pending the Commission's final determination of the ratemaking treatment of the deferred balance.

10. The Parties agree that the UAE Application should be granted and that a deferred accounting order should be issued by the Commission directing the Company to defer incremental REC revenue in accordance with the UAE Application, commencing February 22, 2010, pending the Commission's final determination of the ratemaking treatment of the deferred balance.

11. The Parties agree for purposes of settlement that the Company Motion and the UAE Application should both be granted. Not all Parties agree that deferred

accounting as requested in either the Company Motion or the UAE Application is warranted or supportable in isolation. Utah Code Ann. § 54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. While the Parties are not able to agree on each specific component of this Stipulation, all of the Parties who have executed this Stipulation agree that it is just and reasonable in result. The Parties are authorized to represent that no party to these dockets opposes this Stipulation. The Parties believe that the Commission properly can, and hereby jointly move the Commission to, enter an order granting both the Company Motion and the UAE Application based on this Stipulation.

12. The Parties agree that the granting of the Company Motion and the UAE Application are mutually conditioned upon the Commission granting both without material change or condition. The Parties further agree that the Commission's order should be consistent with Utah Admin. Code R746-100-10(5)(a) and provide that the orders are not binding precedent in future cases involving similar issues.

13. The Parties agree that any party who wishes to assert that the deferred REC revenues should or should not be applied as a credit to offset deferred NPC in the initial ECAM balance or that future REC revenues should or should not be included as a component of an ECAM going forward, assuming in either case that an ECAM is ultimately adopted, may present evidence and argument in support of its position in Phase II of the ECAM docket

14. The Parties agree that the deferred accounting orders contemplated herein do not create any presumption regarding future ratemaking treatment of the deferred amounts. Accordingly, by agreeing to issuance of the deferred accounting orders

contemplated herein, the Parties are not stipulating or agreeing to any facts or legal arguments offered in support of or in opposition to either the Company Motion or the UAE Application.

15. The Parties agree that the deferred accounting orders contemplated herein should:

a. require the Company to record NPC and REC revenues in separate accounts and in sufficient detail and granularity to permit whatever ratemaking treatment may be ultimately ordered by the Commission for all or any part of the deferred NPC and REC revenues, and

b. provide that amounts accumulated in each of the two deferred accounts will be subject to a carrying charge that is equivalent for ratemaking purposes whether the amounts are revenues or costs. The carrying charge shall be based on the Company's current cost of long-term debt as established in the Rate Order, 5.98 percent.

**Schedule Docket No. 09-035-15**

16. The Parties move the Commission to establish the following schedule and procedures in Phase II of the ECAM docket:

17. The schedule of proceedings should be:

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| Wednesday, June 16, 2010 | Deadline for parties other than Rocky Mountain Power to file direct testimony on issues relating to hedging and reliance on market energy in connection with an ECAM |
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| Tuesday, July 20, 2010 | Deadline for parties to file rebuttal testimony to testimony filed by June 16, 2010 |
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| Tuesday, August 10, 2010 | Deadline for parties to file surrebuttal testimony to rebuttal testimony filed by July 20, 2010 |
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| Tuesday, August 17, 2010                                | Hearing on issues relating to hedging and reliance on market energy in connection with an ECAM to be held commencing at 9:00 a.m. in Room 403, Heber M. Wells State Office Building, 160 East 300 South, Salt Lake City, Utah     |
| Wednesday, August 4, 2010                               | Deadline for parties other than Rocky Mountain Power to file direct testimony on all remaining ECAM issues and for Rocky Mountain Power to file supplemental direct testimony, if desired, on REC revenues as related to the ECAM |
| Wednesday, September 8, 2010                            | Deadline for parties to file rebuttal testimony to testimony filed by August 4, 2010  |
| Wednesday, September 29, 2010                           | Deadline for parties to file surrebuttal testimony to testimony filed by September 8, 2010  |
| Tuesday, October 12 –<br>Wednesday, October 13,<br>2010 | Hearing on ECAM Phase II issues other than hedging and reliance on market energy to be held commencing at 9:00 a.m. each day in Room 403, Heber M. Wells State Office Building, 160 East 300 South, Salt Lake City, Utah          |

18. Responses to discovery requests served within the following time frames shall be provided within the following number of days:
- a. Through a date forty-five days prior to the date direct testimony is due with respect to the issues covered by the discovery requests, within 21 calendar days.
  - b. After forty-five days prior to and through the date direct testimony is due with respect to the issues covered by the discovery requests, within 14 calendar days.
  - c. Through the date rebuttal testimony is due with respect to the issues covered by the discovery requests, within 10 calendar days.

d. After the date rebuttal testimony is due with respect to the issues covered by the discovery requests, within 7 calendar days.

19. Parties shall serve copies of all filings on other parties by electronic mail at or near the time an electronic copy of the document is filed with the Commission. Parties shall serve discovery requests and responses on applicable parties by electronic mail. In the event a document filed with the Commission or produced in response to a discovery request cannot reasonably be transmitted by electronic mail, the party filing the document shall file an electronic copy of the document on CD (or, if an electronic copy is not available, a paper copy) to the Commission by hand delivery and shall serve an electronic copy of the document on CD (or, if an electronic copy is not available, a paper copy) on applicable parties by hand delivery if the party being served is in the same metropolitan area as the serving party or by overnight courier if the party being served is located in a different metropolitan area from the serving party.

### **RELIEF REQUESTED**

Therefore, the Parties move that the Commission issue deferred accounting orders granting the Company Motion and the UAE Application consistent with the Parties' agreement and this motion, and issue an order scheduling further proceedings in the ECAM docket in accordance with this motion. The Parties are authorized to represent that no party to these dockets opposes this motion and believe that this motion may properly be approved by the Commission without a hearing.

RESPECTFULLY SUBMITTED: May 4, 2010.

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## CERTIFICATE OF SERVICE

I hereby certify that on May 4, 2010, I caused to be emailed a true and correct copy of the foregoing **JOINT MOTION FOR DEFERRED ACCOUNTING ORDERS IN DOCKET NOS. 09-035-15 AND 10-035-14, AND SCHEDULING IN DOCKET NO. 09-035-15** to the following:

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