
BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Authority to Increase Rates by \$29.3 Million or 1.7 Percent through the Energy Balancing Account

Docket No. 12-035-67

SETTLEMENT STIPULATION

This Settlement Stipulation (“Stipulation”) is entered into in Docket No. 12-035-67 by and among the parties whose signatures appear on the signature pages hereof (collectively referred to herein as the “Parties” and individually as a “Party”).

1. The Parties have conducted settlement discussions over the course of several days. No intervening party opposes this Stipulation.

2. The Parties recommend that the Public Service Commission of Utah (“Commission”) approve the Stipulation and all of its terms and conditions. The Parties request that the Commission make findings of fact and reach conclusions of law based on the evidence and on this Stipulation and issue an appropriate order thereon.

3. The Parties agree that the Commission should allow Rocky Mountain Power (“RMP” or the “Company”) to recover Energy Balancing Account (“EBA”) costs in this matter in the amount of \$7.8 million, of the approximate amount of \$9.6 million that the Company requested in this Docket.

4. The Parties agree that they will not challenge rate treatment of the DC Intertie and Centralia Point to Point contracts on the basis of imprudence of the original contracts or actions

the Company undertook or failed to undertake related to the contracts through December 31, 2012.

5. The Parties agree that there is no evidence to support a finding of imprudence in hedging, but only as related to hedging transactions settled during the EBA deferral period, October 1, 2011 through December 31, 2011.

6. The Parties agree to expand the filing requirements for future EBA proceedings to include the items listed in Attachment 1 hereto.

7. Consistent with the settlement stipulation between the Parties, among others, in Docket Nos. 11-035-200, 12-035-79 and 12-035-80 dated August 7, 2012, the Parties agree that the approved rate change in this Docket shall be collected over a two-year period, with no carrying charges during the two-year collection period.

8. The Parties agree that all issues raised by US Magnesium in its intervention in response to the testimony of the Office of Consumer Services (“Office”) and the Division of Public Utilities (“Division”) shall be severed and dealt with separately as noted in the Stipulated Motion to Sever Special Contract Issues, filed with the Commission January 17, 2013.

9. The Parties agree to spread the approved rate change as set forth in Attachment 2 hereto but also agree that the Commission may modify the agreed upon rate spread to reflect its resolution of the special contracts issue referenced in paragraph 8 above. The Parties recommend that the Commission issue its order in this Docket in time for the approved rate change to become effective March 1, 2013.

10. The Parties agree that in support of future EBA filings, rather than the Company providing to the Division and filing with the Commission reports on a monthly basis, the

Company will provide to the Division and file with the Commission each quarter a report with the same monthly information now contained in its monthly reports. The Company agrees to provide and file a quarterly report 60 days after the end of each quarter, with the exception of the filing of the fourth quarter report which will be filed as part of the Company's annual EBA filing application on March 15. In addition to the type of monthly data that the Company has been providing to the Division and filing with the Commission, the Company's quarterly reports will include monthly trade data similar to that provided in Filing Requirement 1-1 and Filing Requirement 1-2.

11. The Parties agree that no part of this Stipulation or the formulae and methodologies used in developing the same or a Commission order approving the same shall in any manner be argued or considered as precedential in any future case except with regard to issues expressly called-out and resolved by this Stipulation. This Stipulation does not resolve and does not provide any inferences regarding, and the Parties are free to take any position with respect to any issues not specifically called-out and settled herein.

12. Utah Code Annotated Section 54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. The Parties agree that this Stipulation as a whole is just and reasonable in result and in the public interest.

13. All negotiations related to this Stipulation are confidential, and no Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, and in accordance with Utah Administrative Code R746-100-10.F.5, neither the execution of this Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgement by any Party of the validity or invalidity of any principle or practice of

regulatory accounting or ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Stipulation.

14. The Parties request that the Commission consider this Stipulation at the hearing scheduled in this docket. The Company, the Division and the Office each will, and any other Party that has intervened in these proceedings may, make one or more witnesses available to explain and offer further support for this Stipulation. As applied to the Division and the Office, the explanation and support shall be consistent with their statutory authority and responsibility.

15. This Stipulation may be executed by individual Parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

DATED this 23 day of January, 2013.

Mark C. Moench
Yvonne R. Hogle
ROCKY MOUNTAIN POWER
201 South Main Street, Suite 2300
Salt Lake City, UT 84111

Chris Parker
DIVISION OF PUBLIC UTILITIES
500 Heber Wells Building
160 East 300 South, 4th Floor
Salt Lake City, UT 84111

William J. Evans
Vicki M. Baldwin
PARSONS BEHLE & LATIMER
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111
Attorneys for UIEC

Michele Beck
OFFICE OF CONSUMER SERVICES
500 Heber Wells Building
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111