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 Docket No. 13-035-184
Service Rates in Utah and for Approval
Of its Proposed Electrical Service
Regulations;

In the Matter of the Application of
Rocky Mountain Power for Approval of
Revisions to Back-Up, Maintenance, and
Supplementary Power Service Tariff, Docket No. 13-035-196
Electric Service Schedule 31.

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PUBLIC WITNESS HEARING

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PLACE: Public Service Commission
160 E. 300 S.
Salt Lake City, UT

DATE: July 29, 2014

TIME: 5:00 p.m.

REPORTED BY: Kellie Peterson, RPR

A P P E A R A N C E S

PUBLIC SERVICE
COMMISSIONERS:

Ron Allen, Chairman
David R. Clark, Commissioner
Thad LeVar, Commissioner

P R O C E E D I N G S

COMMISSIONER CLARK: Good evening, ladies and gentlemen. This is the time and place duty noticed for the public witness hearing in Docket No. 13-035-184, 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.

My name is David Clark, and to my left is Commission Chair Ron Allen, to his left is Commissioner Thad LeVar, and we very much appreciate your interest in this proceeding and your willingness to come and be with us tonight. We welcome comments from the public in this matter. Just to give you a sense of context, we've been in this room for the last two days with seven parties in this docket who have been presenting evidence to us regarding the issue of the net metering charge that Rocky Mountain Power has proposed to us, and this hearing tonight is our opportunity to hear from members of the public.

Under our rules, you may address us in two ways; you can make a statement to us, in which case we would invite you to use the lectern here and your statement would be unsworn; you may also offer sworn

testimony. If you are going to do that, we will have you take the witness stand and I'll administer an oath. I should note that Chair Allen has asked that I serve as the Hearing Officer for our hearing tonight. I'll administer an oath and there's some basic information that would be helpful to us from any of you who speak to us. But if you are going to give sworn testimony, we particularly ask that you -- that you provide the following information, and I will remind you of it when you are sworn in but this will help us to have a more efficient process and we'll avoid the need for Counsel to ask you these basic questions: We would like, we would like to have your name, we would like to know whether you're a resident of the State of Utah, and a customer of Rocky Mountain Power or not, and we would be interested in knowing whether or not you are a net metering customer of Rocky Mountain Power.

We will take a break about once an hour. We have a court reporter who is working very hard, and if none of the rest of us need it, certainly she will need it. So we will break for ten minutes about every hour. We have been notified that there's at least one person that wanted to participate by phone and have we heard from that person yet. We have not. At some point, we may need to connect that phone into the hearing room so

we might have a little interruption.

Counsel for the parties; I think all of them are here with us seated at the tables, and, again, if you offer sworn testimony, then they will, at their discretion, ask questions of you regarding your testimony. If you offer an unsworn statement, then you will not be subject to cross-examination.

Just one other logistical item; I will read the names of people who signed up to speak to us. I have at least the first list that has 24 names on it. While a person is beginning to -- or when I announce a name, I will announce the next name in order, as well, so that the person who is next in line can take a seat in that purple chair in front of the door -- thank you for referring to that for us -- and that way, it will just be a little quicker for us to put you in position to make your statement. So with that -- Mr. Jetter?

MR. JETTER: I would just like to make one quick clarification comment. Correct me if I am wrong, but I believe this public witness date or time applies to the entire docket, and so I understand that most of the public witnesses here are intending to speak regarding the net metering home solar issue. I think just to clarify to the folks that can hear us here, that they are available and allowed to speak to other issues

within this general rate case at this time.

COMMISSIONER CLARK: Thank you, Mr. Jetter. That is a very useful clarification. So I didn't mean to imply that you weren't at liberty to address any of the issues in the case. Sometime between now and September 2nd, the Commission will issue a written order that will address all of the issues in the case, including the net metering charge.

MR. COLEMAN: Sorry, Commissioner Clark, before you start to call those on the list, I have a written comment from a member of the public who wanted to submit the written statement but that was uncomfortable presenting it orally, so if there is a way that I can make sure this gets to the record as part of my responsibilities with the Office, I would like to do that now.

COMMISSIONER CLARK: Surely. Mr. Myer, will you mind taking charge of this and we will make sure that it gets entered into the record of the proceeding? I hope I'll pronounce these names correctly.

OTHER SPEAKER: Could you introduce the Counsel, why they are here, where they are from, and all that kind of stuff?

COMMISSIONER CLARK: Let's have the Counsel introduce themselves. We will begin with applicant.

MS. HOGLE: Yvonne Hogle with Rocky Mountain Power.

COMMISSIONER CLARK: Thank you. You might just introduce the person seated next to you for everyone.

MS. HOGLE: I apologize. With me is Mr. Paul Clemmens. He is the director of revenue requirements for the Company.

COMMISSIONER CLARK: Thank you. Mr. Jetter?

MR. JETTER: I am Justin Jetter. I am the assistant attorney general and I represent the Utah Division of Public Utilities, and seated beside me is Chris Parker, who is the director of the Division of Public Utilities.

MR. COLEMAN: Brent Coleman, also an assistant attorney general. I represent the Office of Consumer Services, and with me at the table is Michelle Beck, who is the director of the Office.

COMMISSIONER CLARK: Thank you.

MR. ROSSETTI: Hi, I am Mike Rossetti, the founder of UCARE and I am not a lawyer.

COMMISSIONER CLARK: But he has been participating in the proceeding.

MS. ROBERTS: I am Casey Roberts. I am Counsel for the Sierra Club.

MR. CULLEY: Thad Culley, with co-counsel Bruce Plank, on behalf of The Alliance for Solar Choice.

MS. HAYES: Sophie Hayes, representing Utah Clean Energy, and with me is Utah Clean Energy's executive director Sarah Wright.

COMMISSIONER CLARK: Thank you. I think we are ready to begin with the public statements. The first name on the list has a note next to it with the statement that he is going to testify by phone. We still don't have that person connected?

OTHER SPEAKER: No.

COMMISSIONER CLARK: Okay. Then David Bennett is next, followed by, I believe, last name is Ball with initial H, and I am having a little trouble with the middle name.

OTHER SPEAKER: McDaniel.

COMMISSIONER CLARK: Thank you, H. McDaniel Ball. So just to be clear, Mr. Bennett, would you come forward, and, Mr. Ball, if you would just take a seat in that sort of -- in that purple chair there.

And you desire, Mr. Bennett, to give sworn testimony or to make an unsworn statement to the Commission.

MR. BENNETT: I am happy to give sworn testimony.

COMMISSIONER CLARK: Please raise your right hand.

DAVID BENNETT

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN STATEMENT

COMMISSIONER CLARK: Please be seated. Mr. Bennett, would you state your full name and spell it for the record, please?

MR. BENNETT: David, B-E-N-N-E-T-T.

COMMISSIONER CLARK: And where do you reside?

MR. BENNETT: In Park City.

COMMISSIONER CLARK: And are you a Rocky Mountain Power customer?

MR. BENNETT: Yes, I am.

COMMISSIONER CLARK: Are you a net metering customer?

MR. BENNETT: Yes, I am.

COMMISSIONER CLARK: Thank you. We are ready to hear from you.

MR. BENNETT: Thank you. So $12,555 is the amount per month that this multi -- I don't think I am exaggerating -- billion dollar company would realize each month from myself and the other 2,700 solar users

in the State of Utah. It begs the question, why. It is such a small amount of money to be spending the days of testimony that you have taken and the weeks of preparation for these last couple of days to impose such a fee upon us solar users.

When I installed my solar system, in 2010, and I am able to general rate a 100 percent of my power using net metering, questions frequently have been asked of me of, "What is the payback period? Why did you do this? Are you going to be able to make money on doing this?"

And I said, "I've got the figures. I could figure it out, but I really don't know. It's the right thing to do."

We really need to start moving away from burning fossil fuels and using renewable energy and that's why, in 2010, I made the decision to install solar panels. Since that time, the panels have reduced -- the price to put panels up have dropped in half.

Also when I entered into this arrangement with Rocky Mountain Power, I understood that I was going to be charged a minimum fee. I am charged that every month, anyway. I pay $8.07 a month as a minimum fee to Rocky Mountain Power to have these solar panels, to be able to enjoy net metering. It was my understanding

that that was going to cover the net metering cost and I didn't have any objection with paying for it. In fact, I think if you were to poll the 2,700 solar users in the State of Utah, it not so much the $4.65 per month that is being proposed here; it's the idea that upon in addition to our own investment to install these panels to do the right thing for our state, that this additional fee is now being leveed.

What is very chilling is taking a look of what's happened in the State of Arizona, to see the significant reduction in new installations in the year since this fee has been installed in Arizona. That's very concerning. We really need to be encouraging individuals to use solar.

I sat in on a little bit of the hearing this afternoon and I heard some of the conversation about cost avoidance, and I appreciate the difficulty, the enormity of the question in front of you, of trying to figure out the exact dollars and cents. I understand that the Legislation doesn't specifically allow the arguments that are being made about the importance of clean air, the importance of moving away from fossil fuels, to be considered in making this determination.

But when you look at the enormity of what is at stake here, I think future generations will look back

upon this time and ask, "What did we do to start to move away." When we were put on notice that the use of fossil fuels was, first of all, going to be limited. It wasn't going -- it is not the unlimited amount of fuel that we might have once thought we had, and the harmful effect that it is having on our environment and, particularly, today in Utah on our air, what did we do about that.

Well, what we can do, and Rocky Mountain Power has done some of this, they've done some good things. On one hand, they have a Blue Sky program. They speak very favorably about the importance of blue energy. Blue Sky doesn't always produce that but they do good things with that. They provide grants to schools to install solar panels. They just recently did that and they are doing some good things. But then they turn around and try to install fees like this. They take net metering customers, like myself, and the statute says that whatever power we have generated by our billing date in March that we haven't used reverts back to the Company.

I understand the new legislation directs the Company to provide that to low-income housing people. But why do that read my meter in March, on the 10th of March, and not on the 31st of March. When I live in the

mountains and I have snow frequently on my solar panels, why not -- I don't understand why they are taking the excess power, anyway, but if they are going to do that via statute, why not do that the end of the month when they are supposed to? Because they don't and they won't.

They do conflicting things. They do some good things in the name of renewable energy, but at the end of the day, they are interested in preserving their motto, their status quo, their way of doing business. That is what's at stake here today. And as a solar user, and on behalf of my fellow solar users, many of whom you are going to hear from tonight, I encourage you to reject this fee outright.

We are not asking for you to give us anything more but to reject this fee. The $8.07 that we pay right now, too complicated to argue why we are having to pay a minimum charge, why that isn't put on at the end for people that use an excessive amount of power, rather than have a minimum amount of power.

Not in front of you today, but I encourage you to simply reject this $4.65 fee and allow our $8.07 current monthly fee to serve as that cost for using the Company's equipment that use the net metering and send a statement to the people of Utah that we encourage the

use of renewable energy, we encourage solar power. Thank you.

COMMISSIONER CLARK: Okay. Is there cross-examination for Mr. Ball?

MR. BENNETT: Bennett.

COMMISSIONER CLARK: Pardon me, Mr. Bennett?

MS. HOGLE: None from the Company.

COMMISSIONER CLARK: Any cross-examination? Thank you. Thank you for you statement, Mr. Bennett. You are excused. We are going to hear next from Mr. Ball, and Mr. Moench is now on the phone, so we will call on you next, Mr. Moench, and you will be followed by Mark Thomas.

MR. MOENCH: Okay.

COMMISSIONER CLARK: Just a moment, Mr. Moench.

MR. MOENCH: Can you hear me?

COMMISSIONER CLARK: Yes, we are hear you. We are first going to hear from Mr. Ball, then we will hear from you.

MR. MOENCH: Oh, first from Mr. Ball?

COMMISSIONER CLARK: Yes, thank you. I will let you know when it is your time. Mr. Ball?

MR. BALL: My name is H. McDaniel Ball. I agree with Mr. Bennett; Rocky Mountain Power has some

programs that are very helpful to the community. I have been involved with a number of the utility programs and I am very happy with the success of those programs.

I want to speak today to something I read in the newspaper recently, and I have actually heard this before from some other sources. It is not a quote from Rocky Mountain Power or a utility person but it is worth dissecting. It says, "Solar's major drawback from the point of view of utilities is that its peak output occurs in the early afternoon, a few hours ahead of peak demand when people get home from work."

And I would like to exam the premises there. First of all, it's assuming that I believe that people don't have the air conditioning running full tilt during the day, that they maybe either turn it on when they get home from work, or, at least, they change the settings, and that has never been my experience; that I have gone into hundreds of homes as a part of a home performance with Energy Star program, and if people have air conditioning, they are using it during the day. In Utah, there is somebody home during the day. There's children at home during the summer, and there is somebody in the home using air conditioning all day long.

There may be a couple, a young couple who

doesn't have children, who does setbacks on their thermostats. H-VAC heating and cooling manufacturers recommend no more than two degrees of setback or else you are just coming home to a house that is hot and trying to take all that heat out of the air and changing it to something cool. It is very inefficient. So I am not even sure that our peak residential is at five o'clock.

But, secondly, we are not talking about just residential. We are talking about commercial and residential. The two of them together create a peak, and at five o'clock, a lot of companies have shutdown. They don't have to run the air conditioning at full tilt. So I suggest that for commercial and residential, both, that the peak period is much earlier in the day; two o'clock, perhaps, or something like that. I am sure Rocky Mountain Power knows. They have all those records.

I have done hundreds of solar inspections, and in our state, about 95 percent of them are facing south or west. There's maybe five percent that are east. So that means in the summer afternoons, when peak -- when the demand is highest, from 12 o'clock to eight o'clock, these solar rays are produced. And many of the solar rays provide software so the homeowner can

see what the production is at any time of day or they can chart the whole day. And they don't look like a peak like this, where it peaks at one o'clock and goes down. They gradually go up to a peak, then they level off and come down a little bit, but that peak is there throughout the whole afternoon. And it's operating at -- say five o'clock in the afternoon, four o'clock in the afternoon, it's operating at 75 percent on a clear summer day.

So I am suggesting that it is not really a drawback, that there is a perfect use for the solar, so that the power companies don't have to provide a new utility -- a new manufacture, a new natural gas producing facility, or whatever they want do today, that the solar people who have stepped up to bat are actually assisting them in the avoided costs. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Ball. Mr. Moench, I believe you are on the phone with us?

MR. MOENCH: Yes. I am calling from Virginia. I would like to be a sworn witness, if that helps the Commission to pay attention to the points I would like to make.

COMMISSIONER CLARK: We are all here listening. I think you might have missed the introduction where I noted that you have the opportunity

to make a statement to the Commission or to offer sworn testimony to the Commission, in which case you would be subject to questioning by the Counsel for the parties who are present with us tonight.

MR. MOENCH: Questioning would be fine.

COMMISSIONER CLARK: So you would like to testify under oath, then; is that right?

MR. MOENCH: Yes.

COMMISSIONER CLARK: So if you would please raise your right hand, I will administer the oath now. And by the way, I am David Clark. I am one of the three Commissioners, acting as the Hearing Officer tonight, but present are all three of us; Chairman Allen and Commissioner LeVar, and me as well.

MR. MOENCH: Okay.

MALIN MOENCH

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN STATEMENT

COMMISSIONER CLARK: Please make your statement.

MR. MOENCH: Good evening. My name is Malin Moench. I grew up in Utah and I have a residence there, but I am currently working in Virginia. I have a law degree and an economic degree. I have analyzed and

modeled the economics of network industries for 35 years, most of it at the federal level. I advise Utah Physicians for a Healthy Environment on matters of law and economics.

Thus far, the docket has been vigorously dissecting the minutia of Rocky Mountain's request for a net metering surcharge. It seems to have lost the big picture in the process.

Utah's net metering statute permits the solar system owner to sell surplus electricity back to the utility. I presume that its legislative purpose is the same as that underlying similar provisions in other states that allow it.

Where it is allowed, the purpose of authorizing sell-back at retail is to provide incentive to stimulate the growth of the market for distributed solar. The sell-back-at-retail component of net metering is, by design, an incentive. It was intended to take the members of the residential retail customer class and to tip the balance in favor of solar investment for those members of that class who are on the verge of making that investment. In other words, its explicit purpose is to treat some members of the class, those considering investing in a system, more favorably than others in the class, those not interested

in investing in a system.

Discrimination within the class is the whole point of the incentive. It isn't intended to eliminate the difference in cost between serving those in the residential retail customer class who invest and those who don't. It isn't intended to be a component of the tariff that keeps cost shares of the subgroups symmetrical. If it did that, it would neutralize the incentive.

The chance to sell surplus power back at retail does discriminate within the class if only the direct costs and benefits are considered, but it is discrimination for a purpose. The purpose is to supply society with the energy that it needs in a way that reduces social costs and increases its social benefits.

Earlier in this docket, Utah Physicians for a Healthy Environment filed a summary of the latest research on the impact of burning fossil fuels on Utah's climate and its potentially enormous harm to the public health. The comments run 70 pages and are supported by several hundred cites to peer-reviewed journals. The research summarized there describes a consensus among scientists that climate change is expected to accelerate the heating and desertification of Utah's environment.

For example, forest fires are expected to

expand by five-fold by the year 2100, greatly increasing the exposure to Utah's residents to the toxic particulate pollution that such fires generate. It creates increased heat, drought and fire caused by climate warming are expected to strip the rangelands of the Great Basin of much of their vegetation.

This effect will be magnified if the Southern Nevada Water Authority proceeds with its plans to drain the aquifers of the already parched lands of Central Nevada and Western Utah to supply additional water to Las Vegas. Climate change coupled with aquifer draining threatens to release millions of tons of unanchored desert soils to coat Utah's heavily populated Wasatch Front.

Great Basin soils are contaminated with unusually dangerous toxins. Theses include a fibrous material called Erionite that is hundreds of times more toxic than asbestos, radioactive waste from decades of nuclear testing, and mercury from gold mining. Increased heat, drought, and fire associated with climate warming is expected to remove much of the vegetation that now holds those soils in place.

By mid-century, increased exposure to ozone, smoke, dust, and airborne toxins due to local climate warming is expected to substantially increase rates of

respiratory and cardiovascular disease, cancer, genetic damage and premature death. It is estimated that by mid-century, two million Utahans will be too young, too old, or too sick to withstand the effects of the increased air pollution to which they will be exposed.

These assessments of the regional climate damage predicted from accumulating greenhouse gases and their effects of public health in Utah have value in this proceeding, and will have even more value if there is a subsequent proceeding to honor the mandate of Senate Bill 208 and actually measure the social costs of continuing to rely on fossil fuel to provide Utah's power needs.

Selling self-generated power back at retail is discriminatory within the class, but only if the analysis is confined to the direct costs and benefits experienced. If the focus is broadened to include indirect costs and benefits, as section 208 requires, the discrimination analysis is reversed. The residential power customer who undertakes the expense and risk of installing a system helps secure clean air, water, and moderate livable temperatures for the benefit of his non-net metering neighbor, even though the non-net metering neighbor does not shoulder the expense and bear the risk necessary to produce these benefits.

Perhaps more importantly, the Company, the Division, and the Customer Advocate all support RMP's proposal by applying what is an irrelevant legal standard. They all assume that the intent of the Legislature is to have the Public Service Commission judge RMP's proposal on the basis of an intraclass fairness on whether the cost burdens are symmetrical for net metering and non-net metering customers.

All three parties further assert that the costs to be considered in making this determination are narrowly defined to exclude avoided harm to the climate and public health, arguing that this narrow definition of avoided cost is required by the outcome of Docket No. 1205-100. This is not a plausible reading of the applicable law; however, the standard that the Company, the Division, and the Consumer Advocate apply is the default standard, the one that the Public Service Commission would have applied if the legislature had not spoken in SB 208, but if this is how the Legislature wanted RMP's proposal to be evaluated, the Legislature would not have moved to articulated a different standard in Senate Bill 208 and applied it specifically to a net metering program, quote/unquote.

SB 208 requires that to do anything with net metering programs that change existing tariff in place,

in place of an new tariff, or reject, the Public Service Commission must first determine, quote, whether costs to the Company or other customers will exceed the benefits. The term costa, quote/unquote, is limited only by specifying that they are those of the Company or other customers. The term, quote, benefits, is not modified or narrowed in any way.

Section 54-15, which SB 208 amends, has an extensive list of definitions but has no narrowed or technical definition of benefits. If a narrowed or technical definition of benefits were intended, one would think that the narrowed or technical definition would have been included here. The only plausible reading of SB 208 is that it is an instruction to the Public Service Commission to base any action that it takes with respect to net metering programs on a cost, slash benefit analysis, in which the term benefits is generic and common sense. In other words, not restricted by anything other than the benefits relevant to net metering.

It is hard to see how the Public Service Commission could take any action with respect to this net metering surcharge without first holding a full hearing on its costs and benefits, including all relevant environmental and health benefits. The

Consumer Advocate, however, has taken the position that the benefits of net metering are likely to be so far below its costs that the surcharge could be adopted now to lock-in the policy, and its size can be trued up in the subsequent proceeding.

This is are remarkable assertion. It may be difficult to fine-tune an estimate of social cost avoided by carbon-generated energy versus carbon-free but there are plenty of ballpark and order of magnitude estimates that indicate that the extra costs would be overwhelmed by the social benefits.

For example, the EPA calculates the social costs of carbon as $39 a ton, adding this to a ton of Uintah Basin coal, which sells now for $36 a ton, would more than double its price. Adding this to a ton of powder basin coal, which now sells for $12 a ton, would more than triple its price.

A recent Harvard study estimated that the social cost of burning coal in the United States each year at between one-third and one-half trillion dollars. If these costs were included in the price of coal, the price would double or triple. The price of coal-generated electricity would increase by from 9 to 27 cents per kilowatt hour. Since the average price of electricity now is about 11 cents per kilowatt hour,

accounting for the social costs of coal-generated power, would double or triple its price per kilowatt hour relative to the price of carbon-free sources of power such as of solar PV.

The third authoritative estimate of the order of magnitude of social costs of fossil, fuel-generated electricity comes from the EPA's Clean Power program rule making that it launched last month. It sets carbon-intensity reduction targets on a state-by-state basis. It estimates the cost of this program, assuming that the state uses the most cost-effective means available to achieve its targeted reduction and benefit to that state, is analyzed separately as well.

The national average cost, benefit ratio that it estimates ranges from 7:1 to 12:1. Cost estimates include an analysis of the net effect on employment, finding a net increase of 100,000 work years of labor. As far as monetizing the climate and health benefits of substituting low-carbon for high-carbon power, the EPA's estimate is very conservative. Ninety percent of the benefits measured consist of the value of the labor contributed by those who would have otherwise died prematurely from air pollution.

The Public Service Commission was reluctant

to put a dollar value on environmental and health benefits of solar-generated energy in docket No. 12035-100, calling the estimates divergent and speculative. The evidence presented in that docket may have been too imprecise to serve as the as the basis for calibrating the size of a particular net metering charge. But that is not the issue at this juncture in this docket.

The issue here is whether the likely benefits of the current net metering tariff and reduce the burning of fossil fuel to generate electricity are twice the cost or up to 12 times the cost. If the benefits are far higher than the cost, as they almost certainly are, it isn't necessary to calibrate precisely how much higher they are, in order to support the Public Service Commission's rejection of the proposed net metering surcharge.

As far as the notion that approving a net metering surcharge now would make sure that the table is properly set for the industry pricing structure in coming years, there are a few words of caution. Lithium-based energy storage that is practical for distributed power generation systems is in development by Elon Musk's fast growing solar city and by others. The technology is expected to become widely available by

the year 2020.

The prospect of practical storage for distributed solar systems is a game changer. It recently caused Barclays Bank, which is an internationally influential investment bank, to apply a sector-wide downgrade to all issuers of electric utility bonds in the United States. Practical storage technology would allow solar system owners to shift all purchases of grid power to off-peak portions of the day.

Rocky Mountain Power uses a measure of net metered customers' contribution to the daily peak load as the basis for its imputation or fixed network cost responsibility. As contributions by system owners to peak load disappears, this would remove the Company's criteria for assigning fixed network costs to such customers.

The technology of our generation is moving rapidly. The cost of distributed solar PV is predicted to reach parity with carbon-generated power in two or three years, and to fall to 8.8 cents per kilowatt hour by the year 2020, while the costs of carbon-generated power is expected to rise from its current average of 10.5 cents kilowatt hour, giving solar a significant cost advantage. Practical storage, when it arrives, will make distributed solar and wind far more attractive

to the market. The cost trajectory for wind is similar. It has fallen by 40 percent over the last four years, with the help of the production tax credit. Practical storage may allow solar system owners to dispense with the grid entirely if surcharges make continued connection grid erroneous. This rises the prospect of a steadily declining customer base to cover static fixed-costs and rising variable costs.

Electric utilities will have to accelerate the rate increase to meet their bond obligations, which will begin a downward financial spiral. On top of the impact of technology will be the impact of the EPA's CO2 reduction targets. There is a coming train wreck between the forces of technology and regulation and public utilities traditional business model. And too many states, utilities and their regulators still favor large investment and the centralized generation and distribution of carbon-based electricity that rely on stagnant technologies because it expands revenue that utilities can qualify for under traditional rate-based analysis.

Instead of trying to stop the momentum of this green power train by slapping surcharges on the distributed generation of energy, utilities need a different set of financial incentives that would cause

them to participate in, rather than resist, the inevitable shift of the industry to clean distributed generation. The utility should be allowed to earn higher rates of return for its investments in carbon-free energy than its investments in black energy, effective RPS programs are needed and, perhaps, bounties earned by the utilities for the kilowatts that are distributed, carbon-free generation that it connects to its system, or the kilowatts avoided through energy efficiency programs.

A good place to begin this reform is here, in this docket, with the rejection of surcharges on distributed solar. That concludes my statement.

COMMISSIONER CLARK: Thank you, Mr. Moench. Cross-examination for Mr. Moench from any Counsel? Thank you very much. Our next witness is Mr. Mark Thomas and he will be followed by Robert Broadhead.

Would you mind standing while I administer -- I assume you taking that seat, that your intending to give sworn testimony?

MR. THOMAS: Yes, I am.

COMMISSIONER CLARK: Okay.

MARK THOMAS

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Would you please provide your name for the record?

MR. THOMAS: Mark Donald Thomas.

COMMISSIONER CLARK: And your residence?

MR. THOMAS: Holladay, Utah.

COMMISSIONER CLARK: Thank you. And are you a Rocky Mountain Power customer?

MR. THOMAS: I am.

COMMISSIONER CLARK: And a net metering --

MR. THOMAS: I am not a net metering customer.

COMMISSIONER CLARK: Thank you. Please proceed.

MR. THOMAS: Thank you. It is my great privilege to address you, Commissioners. It is an honor to be in your presence and the many thoughtful and Areodite among you here. I represent MESA, Mormon Environmental Stewardship Alliance, a group of 4,000 Mormons and friends, who are interested in power-justice in Utah and around the world. I must apologize. Greg Wheeler was going to speak today for our organization and had a previous commitment, and at the last minute, asked me to speak, and I must say, the chief virtues that I bring to this task is that I am not too tall and

I am not too handsome, though my wife disputes me on the latter point.

My background is in public finance. In the 1980's, I worked with Larry Denim, my colleague, at Prudential Base Securities, to help finance the largest coal power plants in Utah at IPP. I worked also to help finance a coal power plant in Ephriam, Utah, a natural gas power plant in Springville, and I was the corporate trustee for a number of years on a bond issue that financed the coal power plant in Bountiful. I have always financed hundreds of millions of dollars of other sorts of things, low-income housing in San Francisco, and so forth, which are of no consequence here, but my background of being in public finance, I think, has some merit and some narrow interest at the issue at hand.

I have two comments that I wish to represent MESA here today, two critiques of the fee and reasons why it should be rejected. I wish to introduce the first one with a story from my colleague, one of the founders of public financing in this State, Dick Christensen, who I worked with at Prudential Base Securities. We did most of the bond issues in the 1980's in this State.

Dick and I were driving out front when I -- in the 1980's when I was starting my career and he

pointed at this building and asked me, "How much do you think that cost to build?" We just finished a bond issue here. I wasn't working on it. I was working on something else.

I said, "I have no idea, $5 million?" He laughed. I've forgotten what the amount was. It was probably closer to 30, a big shock to a young finance graduate from Northwestern. His wisdom was, when you want to do a bond issue, trust the people. If you go to an election, whether it's a million dollar bond issue in Richfield or whatever it might be, if you tell people the facts, they generally know how to vote on their own. The people in Utah are smart enough to vote for or against something.

I think in this case, the people in Utah are ready to vote down this proposal. Why? I believe, and the people at MESA believe, that the calculation of avoided costs before you are insufficient. The voice of wisdom has not spoken in the street. I am ready to bring before you Bob Litterman, the former head of Risk Management. Look him up on Wikipedia. He taught at MIT, one of the great risk managers of any age. I have had personal correspondence with him. I would be happy to bring him in front of you. He will tell you, you do not have the right number. Let him speak. But until

then, let the voice of wisdom speak in the streets.

I would also like to bring before you Bob Malco, who has published 100 articles on regulation of energy in the State. He's published books, he's an economist in Wisconsin. He knows energy regulation better than anybody in this room or anybody in this building. Let him speak. He has not. But he will tell you that you do not have the proper avoided cost calculation, and until you do, let the voice of wisdom speak in the streets. And I went out in the streets; she is not there.

The second reason why I think this needs to be defeated, if you have the wisdom and daring to approve it, is simply by pointing out that last year, the United States carbon-based energy received somewhere between 10 and 52 billion dollars in subsidies. It had nothing to do with the State of Utah. You have nothing to do with this. You have nothing to do with the $2 billion of subsidized energy that is subsidized by the State as being proposed to transport carbon-based energy from Duchesne to Price. It has nothing to do with you. And, yet, you are asked to stand in place of justice and tell us that we need to charge solar more money. Let the voice of justice speak in the streets and deny this unjust proposal. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Thomas. Before you leave us, let me just assure that there are no Counsel that have questions for you. Thank you for returning to the stand. Thank you, you are excused. Mr. Broadhead, Robert Broadhead, followed by Vicki Bennett. Please raise your right hand.

ROBERT BROADHEAD

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please be seated.

MR. BROADHEAD: Thank you.

COMMISSIONER CLARK: And your name and spelling for the record, please.

MR. BROADHEAD: Robert Broadhead, Robert is straightforward, Broadhead, B, as in boy, R-O-A-D-H-E-A-D.

COMMISSIONER CLARK: And where do you reside?

MR. BROADHEAD: Salt Lake City.

COMMISSIONER CLARK: And are you a Rocky Mountain Power power customer?

MR. BROADHEAD: Yes, I am.

COMMISSIONER CLARK: And a net metering

customer?

MR. BROADHEAD: No, I'm not.

COMMISSIONER CLARK: Thank you. Please proceed with your statement.

MR. BROADHEAD: Thank you. I am refired professor from the University of Connecticut and my wife and I moved to Salt Lake City, in 2006, to be close to our identical twin granddaughters, and we live on 7th and H in the Avenues. One of our granddaughters -- well, let me just preface this by saying that my wife and I were naive when we moved here. We had no idea that we would be moving to a city that has some of the worst air pollution in the country, nay, perhaps the world, during many winter and summer months. Coming from new England, we did not know that.

One of our granddaughters, Emma, began having breathing problems when she was four. She had asthma attacks and she eventually had to start relying on inhaler. In 2010, our daughter and her husband moved the grandchildren up to Park City, and from that moment on, Emma has not had any asthma attacks, no longer uses an inhaler, except those times when she comes to visit us in Salt Lake.

My wife and I are in the midst of a very large remodel of our house in the Avenues, and from the

very beginning of this remodel project, we wanted to install solar panels, to do whatever we could, as private citizens, to help reduce our carbon imprint. And this -- as part of this job the installation of the solar panels, will run over $14,000, which we have been willing to add to the project. I can tell you, though, that in realizing you are on the verge of passing this fee or tax, I cannot, and my wife cannot, help but seriously reconsider whether we want to go ahead and invest this money and install these solar panels, and I don't think we are the only ones who are in that category.

In March and April of this month, while our house was being remodeled, we had the opportunity to go down and live in Tucson for two months. And while we were there, we followed the many newspaper articles about how Arizona Public Electrical Service had successfully saw the enactment of a similar fee in Arizona. And the newspapers reported that following the enactment of this fee in Arizona, applications from residential customers to install solar panels on their houses dropped precipitously, some reports said up to 60 percent of applications, following the enactment of this tax or fee, whatever you want to call it.

However, in areas like Tucson and other

places in Arizona that are not served by Arizona Public Service and in which there are no solar fee that has been enacted, applications for solar panels on various homeowners' residences, have remained stable or increased, and I find us very much in that same situation.

I think Arizona serves as a very good example of what will happen in Utah if we enact a fee or tax on people who want to invest in this very smart, renewable energy that could affect pollution index, if not in Salt Lake, in larger areas of the country. And we will be inclined to walk away from this contract, to spend an additional $14,000 to install the solar panels, if you enact this tax.

And, in addition, I think if you are willing to enact this tax now, you will be willing to increase the tax in the years to come. Willingness begets willingness. And it's a total disincentive for us. So I would hope that you would seriously realize that this disincentive is working against an industry that I see as the future, and the hope of making our community much more livable and healthy and to create a disincentive is exactly what we do not want to do. Thank you.

COMMISSIONER CLARK: Questions for Mr. Broadhead? Okay, thank you, Mr. Broadhead, you are

excused. We will hear next from Vicki Bennett and after you have concluded, Ms. Bennett, we will have a ten-minute recess, and you will be -- that recess will be followed by, is it Judith Johnson? Am I reading that's correctly? Okay, thank you. Please raise your right hand.

VICKI BENNETT

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated. Your name for the record, please.

MS. BENNETT: My name is Vicki Bennett. It's V-I-C-K-I, B-E-N-N-E-T-T. I am here representing myself and Mayor Ralph Becker tonight. He could not attend this hearing and sends his regards. I am and personally and Salt Lake City are net metering customers.

COMMISSIONER CLARK: Thank you. Of Rocky Mountain Power?

MS. BENNETT: Of Rocky Mountain Power, definitely.

COMMISSIONER CLARK: Thank you.

MS. BENNETT: So thank you very much for your detailed analysis of this issue. I realize it is

extremely technical. We understand that there are a lot of details that need to be looked at, and this is a very important policy decision that is going to affect the solar market, both in the State and for our residents here in Salt Lake City.

As you are all aware, Salt Lake City and Mayor Becker is very aggressive when it looks at alternative energy and the many issues that we have when we are considering our long-term livability of the city. And we truly believe that at this point in time, a solar fee, such as this, would definitely hinder the market and there would be economic development issues for both the market and potential other economic developments that we could have looking at independent solar installers within our immediate region.

There are also long-term effects that we track closely in the city; climate change, air quality, things that we feel are really do affect the quality of life for our citizens. We have important policy goals for net zero buildings which rely on, on alternative energy options. We also work closely with Rocky Mountain Power on energy efficiency issues and realize they can be an excellent partner when we start looking at this in great detail.

Because of all of this, we ask that you

decline the current proposal, and that we open an individual docket to really look at the cost and benefits as we have been instructed by the State Legislature. As many are aware here, Salt Lake City partners closely with Utah Clean Energy on many of the renewable energy issues, and we concur with specifics that they have put into the docket as to how a technical committee should be formed and that we look much more closely at all of the benefits that would come from solar, that we don't believe have been completely included at this point if time.

So, again, we thank you very much for all of your work, and we look forward to a positive decision soon.

COMMISSIONER CLARK: Thank you very much. Questions for Ms. Bennett? Thank you. A ten-minute recess. Thank you very much.

(Whereupon, a break was taken.)

THE COURT: Our next member of the public that is going to address us is Judith Johnson, followed by Robert Birch. And Ms. Johnson?

MS. JOHNSON: Thank you. I am Judith Johnson. I live in South Jordan Utah. I am a Rocky Mountain Power customer and I do not have solar -- I am not a net metering customer.

COMMISSIONER CLARK: And are you intending to offer sworn testimony?

MS. JOHNSON: Yes, I am.

JUDITH JOHNSON

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please proceed. And are you representing any group?

MS. JOHNSON: No, I am representing myself.

COMMISSIONER CLARK: Thank you.

MS. JOHNSON: As I said, my name is Judith Johnson. I worked for the Division of Public Utilities for 13 years, the last several as manager of the energy section. I also worked as an electric utility stock analysis for Lehman Brothers in the years before Lehman Brothers became a bad word. I had some expertise in price regulation for electric utilities.

I also admit to a bias. I was energy manager in the years 2000 and 2001 when the electricity price crisis -- during the electric price crisis when, according to Wikipedia, there was an 800 percent increase in wholesale prices, from April 2000 to December 2000. I vividly remember the crisis and trying to recover from it in a way that was in the public

interest. That means, I, as a regulator, neither wanted the utility to go bankrupt. Not so good for the economy of Utah, reliability, or the prices in the future; nor did I think it fair to charge customers who had no control over the purchase of power for the amount. We worked through it but many of us have not forgotten that time.

Avoiding that cost, that high cost during any hour of the high use time, would have been of great benefit to the company who had to absorb some of the excess power cost and all users who paid a significant portion of those costs as an add-on to their existing rates.

Following that crisis, I became quite schooled to anyone that was in the company who would listen, or had to listen, during negotiations, meetings, etc. I would natter on about how we, in Utah, must be do everything in our power to lesson the reliance on purchased power, to lower peak usage, conserve energy, and on and on until people probably wanted to run away when I began to talk.

So when I became aware that Rocky Mountain Power wanted to charge -- start charging a monthly fee for solar, which seems unnatural in the sun-washed State, an answer to my quest for clean, renewable energy

available at high use times, I became interested. I was surprised to see that both the Division and the Office of Consumer Services recommended the charge. I read the testimony of those agencies, as well as Rocky Mountain Power's, and had some points that, as a form former regulator, need to be made.

The first point of my citizen's testimony is to declare out loud that something, something that everyone that works for and in the industry knows, price regulation is an imprecise methodology and it is based on averages. That doesn't make it ineffective or unfair. I will give an example. Electric -- electricity users who, who live in the rural areas require longer transmission and distribution lines than do those users in densely populated areas. And I go further. I live in a PUD and to service my, my home and others in the area, requires even less because some of the homes are joined together, so even less, but there is no attempt, or should there be, to quantify the difference in costs to my PUD home and a rural user who is miles away from the next user.

Price regulation must use averages, and by doing so, will cause more cost to some and -- by doing so, some customers will cause more costs and some will cause less than the average. That is the nature of

average. There is no attempt to set precise prices and trying to do so would cost more than is reasonable. Price regulation has successfully relied on the use of averages to set prices for as long as there has been price regulation.

The second issue is in regard to Senate Bill 208. According to the Tribune, it requires that net meter customers, they can be charged for the costs -- that they incur to the electrical grid, but they also want the PSC to weigh those costs against the benefits net metering provides.

The reading of Rocky Mountain Power's testimony is that the analysis has been provided and acceptance by such -- by the DPU and the OCC constitute enough evidence that the Public Service Commission can make a determination that net metering customers can be charged a monthly fee. However, I find several areas of the file testimony that argue against setting a monthly net metering charge at this time.

There are two aspects to consider; do the net metering customers incur a significant cost to the grid that has shifted to other rate payers? I emphasize the word significant because again, price regulation is an imprecise and based on averages. The other side required is an analysis of the benefits net metering

provides.

Turning first to the cost side, I think that the model that the Company provided and that the DPU and the -- it used to be called committee so I might make a mistake and say that, the Office, I believe they have all both accepted that. I think it is very, very simplistic. Basically what it shows is that the average fixed cost are -- for transmission and distribution are a certain number. Some of that is captured in the $8 fee that somebody else testified about. Some of it is captured through volumetric charges. And since the net metering customer uses less of that volume, then they are not meeting their full share.

But, you know, if you think about it, as I have, that maybe a customer who lives in the mountains, in a cooler area, still a Rocky Mountain Power customer, but they don't own an air conditioner because it is so much cooler than in the valley. They, and most of their neighbors, usage is much much lower than the average use of Salt Lake Valley. What about those who live in Valley and can't afford air conditioners. Isn't their usage lower than the average? Shouldn't they also be charge for fixed charge for their less than average volumetric use? It doesn't make sense that this is what this charge is based on. I don't think that is an

adequate analysis.

It is just such an analytic problems that reiterate the idea that price regulation is imprecise and based on averages, so trying to determine accurate cost shift is an imprecise and, frankly, I think useless tax. Excuse me for a minute.

Rocky Mountain Power also asserts that there may be increased wear and tear on equipment caused by the intermitting nature of customers' generation. Mr. Dan Gimble, who testified for the Office, asked a question: Well, what are those costs. They asked the question, the question to Rocky Mountain Power in a data request. And, basically, the customer says the Company doesn't know. It says it doesn't have a repository for system upgrades and the corresponding cost for each individually net metering project as selected. They assert there is a cost but they don't know what it is. Again, not enough analysis.

As far as an adequate analysis for the benefits, I can't see where that's ever been made by the Company, the DPU, or the Office of Consumer Services. Again, Mr. Duvall, for Rocky Mountain Power, in his rebuttal testimony, says there isn't enough -- is enough evidence for the PSC to make a determination and it's fulfilled the SB 208 requirement. I am, of course,

paraphrasing his -- what his testimony is. And he talked about the avoided cost, an avoided cost docket, that says that puts the value of solar power at three cents where they are going to be compensated for the retail price, etc., etc.

I don't think that that is a very good, probably a very good substitute to find out what the benefits are. But in looking through the electric dockets, I believe I found a better way to value the net metering power. For example -- well, what I found was Rocky Mountain Power has made application in Docket No. 14-035-85, and this is an application for approval of the Power Purchase Agreement between PacifiCorp and Enterprise Solar. This is an 80 megawatt capacity solar provider and the prices that they are willing to pay are in Exhibit 5.1.

Now most of the testimony -- well, much of the application and this exhibit are redacted. So I don't know what those numbers are, a member of the public doesn't, but that could be made available through confidentiality agreement, and so everyone could have -- so people could have -- parties could have access to that information. That, to me, would be a much better way to see what the value -- what the Company on the market determines that the value of solar is.

If you have this docket open and you look at different ways of valuing the benefits provided, that would be an excellent source. None of that has ever been done. But there are tools available to do that but it hadn't been done yet.

The Office, again, asked some really pertinent questions. The Office requested detailed data on the energy and capacity avoided by residential net metering output on an annual total dollar and kilowatt hour basis. They asked for this information. How much was being done. The Company was unable to provide any analysis of benefits, stating the Company does not measure the output of the customer owned distribution generation facilities.

And then, again, this is quoting from Mr. Gimble's testimony, the Office found the response somewhat perplexing because the Company surely has the capability to at least estimate the aggregate output profile of residential net metering and determining their resources that net metering production would offset over different time periods.

Then Mr. Gimble also states in his rebuttal testimony, on page 4, the Company's inability to timely furnish any information or analysis relating to net metering benefits continues to be a major deficiency in

this proceeding. So it is recognized even by a party who has accepted the amount that the Company proposes that should be charged, saying the analysis is not, is not adequate. That is how I would read that.

The Office has, by a previous witness, has stated that -- the Office basically is saying, look, we need to get this put in place, too much uncertainty and let's get it put in place. I don't see -- well, I contend that the amount of missing analysis argues that a docket should be open to analyze both the cost and benefits to satisfy their requirement in SB 208 before any net metering customer charge is considered.

It is not possible with the analysis provided in the current docket to establish whether there should be a net metering customer charge, let alone the exact number that the charge should be. Waiting until adequate analysis is available, as required under SB 208, will cause much less uncertainty than if the charge is established now and has to be rolled back, or if it impedes the progress of this important resource to Utah ratepayers; that, to me, causes more uncertainty than it will cause if you wait for a while until you have better information. And that concludes my testimony.

COMMISSIONER CLARK: Thank you. Are there

questions for Ms. Johnson? Thank you much.

MS. JOHNSON: Thank you.

COMMISSIONER CLARK: Robert Birch, followed by Linda Johnson. And if Ms. Johnson is here, if she would take a seat in this purple chair near the witness stand, that would be helpful.

ROBERT BIRCH

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated. Would you provide your name and spell it for the record, please?

MR. BIRCH: Yes, my name is Robert Birch. I am a physician at the University of Utah, specifically -- my name is Robert Birch, B-I-R-C-H. I am a physician at the University of Utah and I am assistant professor in the school of medicine in psychiatry. I do not wish to speak about pollution. Enough has been said; although, I will mention that I am sure that Rocky Mountain Power's rebuttal would be that most of the pollution in Salt Lake is a function of the exhaust and carbon monoxide of automobiles.

I do own shares of Consolidated Edison, a small number of shares. I am a resident of Salt Lake

County. I do not use net netting. I have no other financial interest. I am not a member of MESA or Sierra Club or any other environmental group, although I probably should be. I would like to speak as a private citizen, though.

First -- and I would also like to offer an alternative to the tax or fee or surcharge, or whatever Rocky Mountain Power chooses to call it. I want to thank the Commissioners, first of all, for being here and their ancillary personnel, as well as the others who are here officially and unofficially, as well as emphasize that I appreciate your return of my email encouraging me to speak. Thank you, Mr. LeVar.

Let me say that I am concerned. My information comes from the Salt Lake Tribune. I am concerned about a couple of things; one, I probably will not have solar panels and be a net metering customer because at my age, I will probably never get it repaid. Therefore, if we do not have the surcharge or fee or tax, I am more than happy to pay it. I think the last testimonial that was given about cost averaging is significantly important. I have always been in favor of that and I do appreciate it.

I am concerned about a couple of things, particularly; one is the study, the theoretical study,

that was done by Rocky Mountain Power. It was not a factual study in the sense of an empirical study that was done. It was a theoretical study. If we had done that in medicine, many of you are old enough to remember the children, the babies that were born without legs and without arms because of the use of Thalidomide that was not properly tested. If we used that standard in medicine, many of our children, many of you, many of us, would have deformities that we need not have. We have to go through a period of testing.

One of my suggestions will be that we go through a period of testing with selected solar customers, before any fee or tax is assessed, to get the empirical evidence and then allow the Commissioners to make an informed decision.

Just one other point, it seems irrational to me for Rocky Mountain Power to offer a rebate for installing LED lights, any other energy-saving device, or any grants for solar, and then turn around and charge. That doesn't make any sense. That's the equivalent of me of a few years ago of having Questar give me a rebate for insulating my house appropriately, and then coming back later and saying, well, you have an excellently insulated house, we need to charge you for that because we are going to be using less gas. It

didn't make any sense whatsoever to me. It is irrational.

The alternative that I propose, which nobody is going to be in favor of but it seems to be reasonable to me, is to take, over a period of time, not a month, not two months, maybe two or three years, a set of solar customers who utilize solar, and then see what it really costs Rocky Mountain Power, in terms of what their allowed to resale, the avoidance cost that we have talked about. What it really, really costs to them to do it, if it costs them. In fact, it may not cost them at all. It may add to their stockholders' dividends.

I am in favor of leaving the so-called sun tax on the docket, and making suggestions, not at a lower rate as one consumer advocate has suggested, but simply leaving it on the docket and doing an empirical study over the next year or two, and then see where we are. Thank you very much. I am willing to take any questions.

COMMISSIONER CLARK: Questions for Dr. Birch? Thank you, Dr. Birch. You are excused. Linda Johnson, followed by Todd Stevens.

MS. JOHNSON: I am Linda Johnson. I am a resident of Salt Lake County. I am registered to vote in the county. I am a customer but not allowed to have

solar in my house because of our PUD.

COMMISSIONER CLARK: Are you representing any group here tonight?

MS. JOHNSON: I am representing myself. I speak only for myself, but in my work, I serve on many environmentally sensitive groups. I am on the board of Breathe Utah, natural resources director on the Board of Legal Woman Voters of Salt Lake for many years, member of the County Health's Environmental Quality Advisory Council, and appointee by Governor Herbert to his Clean Air Action Team, and other things like that.

Dr. Birch was very convincing and I am simply going to give you more reasons to support his request.

COMMISSIONER CLARK: Ms. Johnson, before you begin, are you intending this to be sworn testimony?

MS. JOHNSON: Yes, please.

COMMISSIONER CLARK: All right. Would you mind --

MS. JOHNSON: Yes, sir.

LINDA JOHNSON

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please continue.

MS. JOHNSON: The Electric Power Research Institute and Rocky Mountain Power state that net metering net is very expensive to electric utilities. That analysis is entirely limited to industry concerns. Use of renewable energy sources has a benefit in dollars to the utility and to the State if broadly analyzed.

Consider these: No. 1, Rocky Mountain Power, as an industry, has the ability to provide storage for excess electricity produced by renewables, for the brief time between peak production and peak demand, if such a time exists. Individuals can't do that as easily. As the power is practically free to Rocky Mountain Power, the cost can be easily justified and would help prevent the need to construct more fossil fuel facilities. This is covered by the expression avoided costs that others have used.

No. 2; we all know the air in the Wasatch Valley is bad. There are many actual costs and harmful physical effect from breathing the pollution. The details would fill a library. Clean, renewable energy replacing fossil fuel is also good for health. I can supply you the library of information if you actually wanted. I am sure you really don't.

No. 3, renewable energy machinery is a major growth industry. We are near their markets and the

State has a good atmosphere, attractive to new companies. Passing this kind of fee, in restraint of their business, we keep any sensible company or industry from coming here. Don't make the State uncompetitive in an actively growing field. Good jobs are great for Utah.

No. 4; the proposed fee would apply statewide and include ranchers and farmers, places with hundreds of sunny days and high temperatures all year round, and people miles from power sources, whose service can be easily interrupted. The more renewables, the bigger the safety margins for the State as a whole in case of some kind of transmission problem or disaster. That's good for Utah.

Last week, I don't know if any of you are aware of it, we had a near-miss by a huge solar flare that could fry transmission lines and most electronic controlled devices, including those in satellites in their path. Alternative power, first aid kits, and stored water and food are all good for Utahans, and the power ability is certainly not least among those.

In sum, living in earthquake country, in a valley with serious air quality issues, where demands for electricity is rapidly climbing and where drought may not allow much more water power to electricity, use

of renewable energy should not be discouraged with burdensome fees. Renewables are cost effective for the utility and citizens in the State as a whole, and I urge you to do a long-term, thorough study of the importance of this. Thank you.

COMMISSIONER CLARK: Before you leave the stand --

MS. JOHNSON: I am sorry. Any questions?

COMMISSIONER CLARK: Any questions? All right, thank you. Todd Stevens, followed by Mr. Beglarian; am I saying that right?

MR. BEGLARIAN: Yes.

MR. STEVENS: I would like to give sworn testimony.

TODD STEVENS

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please be seated and please provide your name and --

MR. STEVENS: Sure. I am Todd Stevens and I live in Salt Lake City. I am a Rocky Mountain Power customer but not a net metering customer.

COMMISSIONER CLARK: Is it S-T-E-V-E-N?

MR. STEVENS: With a V, yes.

COMMISSIONER CLARK: Are you representing any group here tonight?

MR. STEVENS: Just myself and my business.

COMMISSIONER CLARK: Thank you.

MR. STEVENS: Thank you for the opportunity to talk with the Commissioners tonight and we appreciate the opportunity to give public input to your dockets that you are considering. We appreciate that.

On July 17th, I delivered, to the Commissioners and to the staff, a letter that was written and signed by 40 companies representing companies and municipalities in the State, asking the Public Service Commission to decline the proposal for a net metering -- a net meter fee, and requesting the PSC to undertake a cost benefit analysis of this before a decision being made, a decision to be made.

Of those 40 companies, they included Ebay, Intermountain Healthcare, USANA, Overstock, my company, which is Renewable Tech Ventures. Renewable Tech Ventures is a clean tech, renewable venture fund, the only one located here in Utah, and we've invested about $10 million in clean technology companies that are trying to solve environment and vexing problems that we are all facing.

These companies that sign on the letter

asking that this be declined and that a cost benefit analysis be undertaken are concerned because we think that by approving such a fee increase, we are really sending a mixed signal, and a negative signal, to not only residential solar users but also commercial and company users as well. It's basically saying that clean energy is going to be penalized in Utah.

Residential customers put solar panels on their houses, as well as companies and nonprofits cities that put in solar projects, expend a great deal of capital in putting those projects in place. And they, companies in particular like Ebay, they -- before determining to expand their data center, they did an analysis, and they wanted solar because they want to be good citizens here in Salt Lake and in Utah. They do analysis for cost benefits themselves to determine the value of putting in large commercial installations, and having a regulatory body decide and determine, without doing any analytical study or any cost benefit analysis, really is discouraging them from considering these large commercial installations and large capital investments.

It also, I think, hurts Utah from an economic development standpoint and this was mentioned earlier. Think about Vivaan Solar, who is another signer on this letter. Vivaan Solar is the second

largest residential solar developer in the country but does no work here in Utah, partly because of the policy issue related to being a public utility, if they own the solar panels, but also because -- but I think that this type of a fee would be very negative towards their rolling out projects and being able to develop projects here in Utah.

Also, consider that many companies that the State spends millions of dollars to attract to come to Utah, to relocate and to move here, many of these companies come looking at Utah as a location, and if they have an understanding that the State has a negative position towards renewable energy -- and I heard an anecdotal story from economic development officer here in the State, that a company that was coming to visit to consider relocating their business here to Utah, stepped off an airplane in an inversion day this last winter and went right back on that plane, the next one out, because they decided they weren't interested.

I think we need to be sending a signal, in every way we can, that we are trying to have a great environment for business here in Utah. I think this is a negative -- would be a negative step in trying to attract companies to Utah and help grow our economic base here.

I think that for those residents or those companies that are willing to make the investment to put solar, or any other renewable energy, to help offset their power consumption, they should be encouraged in every way. That is exactly what we should be hoping for in our policy, and our rate should all encourage that type of activity. Thank you.

COMMISSIONER CLARK: Thank you. Questions for Mr. Stevens? Thank you, Mr. Stevens. Mr. Beglarian, followed by Mary Ann Wright.

Mr. Beglarian, do you desire to give sworn testimony or unsworn?

MR. BEGLARIAN: I don't know what the difference is. You are going to have to enlighten me.

COMMISSIONER CLARK: I will be happy to do that. If you offer sworn testimony, you are subject to questions by the Counsel who are here representing the seven parties that have been participating in the proceeding, and if you offer an unsworn statement, than you are not subject to it.

MR. BEGLARIAN: I don't mind questions. I don't think I will have any but --

COMMISSIONER CLARK: No one else has, but we never know. Would you please stand and raise your right hand?

MR. BEGLARIAN: Sure.

NISHAN BEGLARIAN

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated. Would you give us your name for the record, please, and your residence?

MR. BEGLARIAN: My name is Nishan Beglarian. I live here in Salt Lake City, Salt Lake County.

COMMISSIONER CLARK: Would you spell your name for the reporter's benefit?

MR. BEGLARIAN: Yes, B-E-G-L-A-R-I-A-N, and my first name is N-I-S-H-A-N.

COMMISSIONER CLARK: Thank you. And are you a Rocky Mountain Power customer?

MR. BEGLARIAN: Unfortunately, yes.

COMMISSIONER CLARK: Okay. Are you an net metering customer?

MR. BEGLARIAN: No, no.

COMMISSIONER CLARK: Are you hear representing any group or as --

MR. BEGLARIAN: No, no. No group, just me and my elderly mom. You will have to forgive me if my comments are kind of choppy. I am a little nervous.

But on my way in here, I saw all those people out in front of the building and I happened to stop one of the guys and ask them what was going on. And he said it had something to do with the solar power, you know, the solar panel issue. And I kind of just, you know, asked him, well, isn't this basically about, you know, profit and Rocky Mountain Power wanting to maintain the monopoly that they have; isn't that really what this is all about?

Putting that aside, this -- we got these little newsletters from Rocky Mountain Power, and this particular one, it says that Rocky Mountain Power donated more than $253,300 to nonprofit organizations, in Utah, during the first quarter of 2011. In total, the foundation donated more than $443,700 to groups in Utah, Wyoming, and Idaho, and that was for 2011. I can only imagine what it was, or what it could be, for 2014.

But I was asking my mom. It's like if they are giving money away and then run into the PSC crying poverty, asking for rate increase, that doesn't seem right. And I am hoping, from my conversations with Gary Whittaberg, he has been very thoughtful, I was, I was hoping that -- because I sent each of you guys a letter. I hope you guys actually read my letter. I am not sure if you did but --

COMMISSIONER CLARK: We read everything people send us.

MR. BEGLARIAN: Do you? Okay. That makes me feel good. But I was just -- my mom's living on Social Security. You know, she gets a $600 check a month. That is before she pays out for all the bills and stuff, and I am sure that -- I don't know if you guys live on $600 a month, but it's frustrating because part of me kind of thinks, wouldn't it be refreshing if none of us had to be here. I don't want to be here. But wouldn't it be refreshing if we could count on you guys to do the right thing and we didn't have to be here, because you are what, you are what stands between, you know, the people and the corporations.

And, you know, I am here because I have little, or no, confidence in you guys. You know, I wish it wasn't that way, you know, and -- but I am hoping that you guys actually read my letter, and that's it.

COMMISSIONER CLARK: Thank you.

MR. BEGLARIAN: It's not much but --

COMMISSIONER CLARK: Questions for Mr. Beglarian? No questions? Thank you.

MR. BEGLARIAN: Thank you.

COMMISSIONER CLARK: You are excused. Mary Ann Wright, followed by Brent Donohue.

MARY ANN WRIGHT

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MS. WRIGHT: Thank you for the opportunity to speak.

COMMISSIONER CLARK: Would you give us your name and spell it for the record, please?

MS. WRIGHT: I am Mary Ann Wright, that is with a W-R-I-G-H-T. I am a resident of Salt Lake City, I am a Rocky Mountain Power customer, and I am a net metering. I also have solar thermal on my home.

COMMISSIONER CLARK: Are you representing a group tonight or speaking on your own behalf?

MS. WRIGHT: I am speaking on my own behalf, and I believe my husband, also, but I feel that I must explain that I worked for 30 years regulating the coal mining industry for the State of Utah. I was the chief regulator for 15 of those years. I then spent three year in the Governor's Energy Office, working primarily on Utah's renewable energy zones, and there I became very excited with something that I was very thrilled with as a young person, and that was solar energy.

Therefore, when I finished working at the

Governor's Office, I volunteered for Utah Clean Energy for about a year, working on energy efficiency and Solar Salt Lake, which brought solar to many homes. I also have been, for the last 15 years, teaching at the University of Utah. I teach in the mining engineering program and I teach mining engineers, a required course, in how to permit a mine and how to reclaim it when they are finished. So I am a little bit bipolar here, maybe, on this because I do believe we need resources for the future.

I currently work in the community as chair of the Greater Avenues Community Council, which did not choose to enter into weighing into this issue, even though other neighborhood councils did and they have sent you letters. So I came here on my own to tell you that my husband and I, who have worked in the mining and he in the oil and gas industries, sat down and did all the math to see about putting solar on our home, mostly at my urging.

And so I held my breath as he went through the numbers, because as a son of a CPA, he had to do that, and, you know, after we spent days talking about it, we agreed on these principals that were, basically, in a bridge to the future of using fossil fuels. And it is just that; it is a bridge, and that putting solar on

was, basically, the right thing to do. We are already paying a connection fee to Rocky Mountain Power and I believe that putting, yet, another fee on is legally incorrect, it is morally incorrect, and it is just, it is regressive. And I would like to urge the Commission to be progressive and see where we can go in the future with solar, that this is an exciting issue that we should not be making more difficult for people to do.

And those are my comments. Thank you.

COMMISSIONER CLARK: Thank you. Are there questions for Ms. Wright? Thank you very much. Mr. Brent Donohue, followed by Steven Glines.

MR. DONOHUE: I am not going to give sworn statement. Do you want me to sit, anyway?

COMMISSIONER CLARK: Well, you can sit but you are also welcome to stand at the lectern, however you would like to do.

MR. DONOHUE: I will sit, thank you. My name is Brent Donohue. I reside in the State of Utah. I am a customer of Rocky Mountain Power and I am not a net metering customer. A little background about myself is that I am a business manager of IBW, local Union 57. My organization represents the electric utility bargaining employees at Rocky Mountain Power.

You can not get around the reality that

every user has to pay for the hard costs, and those hard costs are labor, poles, wires, transformers, expenses that go along with making sure that the system gets taken care of. And each user has to pay their own way, and if a user doesn't pay their own way, then somebody else has to compensate and pay more money to make sure that the system is reliable and we can count on it.

And so, you know, to be clear, I think that the State needs to have a balanced policy about development of energy, and that should include solar energy, but I think the piece should be that these folks who install solar systems, they actually -- they are actually causing the system to spread costs over the regular users with greater costs, and this will, ultimately, cost the power rates to spike, primarily harming poor, middle class residents who spend a larger share of their income on energy.

I believe that net metering is already costing the average ratepayer more money than it probably should, and so with the solar system, they should be able to pay for their own use of the system. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Donohue. Steven Glines, followed by Jay Vestal, and let me just mention that we are getting near a break.

MR. GLINES: Do you want to take it now or after?

COMMISSIONER CLARK: I think right after you, Mr. Glines. Do you intend to give sworn testimony?

MR. GLINES: Yes, I am completely fine with that.

STEPHEN GLINES

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MR. GLINES: My name is Steven Glines. I live in Bountiful, Utah. I am also a Rocky Mountain Power customer. I have numerous accounts. I am a net metering customer with Rocky Mountain Power, most of a net metering customer with Bountiful Power, and applying to be a net metering customer with Murray Power.

COMMISSIONER CLARK: Are you representing any group tonight?

MR. GLINES: I have not been authorized to represent anyone, other than myself; although I am a lifetime businessman and I think I represent the business prospective. I have been a corporate businessman at the executive level, including vice president, and I have been an independent businessman

for the rest of my career and entrepreneur and an investor. And during that period of time, I have done extensive cost benefit analyses, as you can imagine, and I have done lot of modeling and trend analysis. And it was not always to maximize the most profit, although it's a very good objective in business but it's to maximize the most value for the dollar.

And I think there been adequate testimony to show that the model you have been given is wholly inadequate. It doesn't really measure the largest costs, doesn't even include that factor of the costs to the environment and our health, and the cost of carbon, it is not added in the model. And it doesn't include the largest benefit to clean energy, which is health and clean stabilization of the planet and a clean air shed. So this model you have been given is wholly inadequate to make a decision with and it's not a fair job to dump this on you and make you vote on false data and an inadequate model.

If it were my name and I were putting it on, I wouldn't put my name on the historical vote for this. It looks bad. It looks hypocritical from the general public, as is pointed out. If you got a vote or if you polled the average citizen, it doesn't line up with common sense; in that, it's missing those major models

and that you are penalizing the solution and not the cause of the problem. It looks as a public relations nightmare, as you've probably noticed over the last week or so. It is because it does look so bad. It looks out of balance, the model does, and I would recommend you build a good model because we need a stewardship to transition us through this energy crisis. We need your stewardship. We need a governing body to evaluate all of this information and make the right decision. That is it.

If you choose what is right and you know what is right, make that decision, the right one; not the one that you may be pressured by either interest to serve me first, but try to rise above that and make the right one that you can live with and you will never be criticized for. And I am telling you that it looks hypocritical to the Blue Sky program.

I've got a neighbor, another friend, Sam Raby, who was just here. He had to leave but he asked me to show you his bill. He's generated, his first year, he's generated in excess of 3,000 kilowatts so far through his July bill. He's got -- and so by the end of the year, he will have 6,000 kilowatts extra. He would love to sell that to his neighbor, Michelle, and she, if standing here with her testimony, she would love to buy

it, but that is not legal right now. You can't do that, other than run an extension cord between each other's houses, which is a little silly.

But what he would like to do is post those credits to the Blue Sky program and let her buy them on the open market of the Blue Sky that represents clean energy. That is what he wants to pose his extra credits to; not to some unnamed donation that he has no control of. And when he posts those, he would like his fair tax deduction for that, and Michelle buys it, and they will both celebrate doing the right thing.

The other thing I would advise you personally against not doing it, as an executive and decision maker, is the liability risk that it poses. The decision is based on a flawed model with obvious data and against all scientific advice, and it is rot with liability risk, not only ethical liability but litigation risk in the future. Because I think at some point, after this all shakes out, the next generation's going to be looking for blame and who ruined their environment, and they are going to be looking for compensation for that destruction. And I wouldn't want Rocky Mountain Power, or your good name, to have a milestone in the public record of throwing in another impediment to the solution. I wouldn't recommend it

personally.

Does it take three votes to make a decision? Are these the three votes that decide it, one way or another? I wouldn't wish that on any of the three of you as your legacy. Just do the right thing and you will be all right. It's a bad milestone and I would hate to see it turn into a mill stone.

Another point that has been well made before my comments, the peak -- the definition of peak is a little silly. There is a little narrow band of peak when everybody get off work. Well, the real peak, and it has been really documented for, the real peak is the daylight business hours, compared to the nighttime, when everybody is sleeping, hours. Those are the two distinct peaks. The peak is while the sun is shining. That is an easy definition. That is a common sense definition. So don't let them trip you into some little narrow early evening definition of a maximum peak. Look at the big picture. Where is the big peak savings coming from. It is it is during daylight hours.

To sum up from the business point of view, I think Mayor Becker's office did that completely inadequately and I don't need to reiterate it. This is bad for business. He sends a bad message. We are one of the highest educated states in the country, some of

the highest longevity in the country. So how did we let ourselves get the worst air in the country? If we fix that and we will elevate, we will live up to our State motto and elevate completely. And with your help, we need your stewardship, we need your guidance, and it is a lot bigger than this picture and I will tell you why. It is just like the business automation picture, when we went from hand ledgers, I made a career of that automating businesses to efficiency. That was a tough, expensive transition. It cost fortunes. And it navigated through the year 2,000 and it was very expensive but necessary.

When we went from party lines to mobile communication and instant data anywhere we wanted it, information highway, that was expensive, that was difficult, and it obsoleted a lot of wires and a lot of buildings. But there were stewards that took us through that transition and we need that energy transition. We need to go from the toxic model to the clean model. We need to go from the past to the future, and we need stewards making -- coordinating us to do it all.

We also need an infrastructure. We need Rocky Mountain Power. They need to provide that infrastructure grid, and you need a model to guide this transition from dirty and unhealthy to clean and

sustainable. And as you do it, you need to have a complete model that has all the costs and all the benefits. And I am okay, believe it or not, with the solar tax that helps support the grid, peculiarly enough, but only if it has a counterbalancing carbon tax to accompany it, to count for the toxicity and damage.

So let's count the benefits, let's count for all the costs, and let's build a perfect model, with both the solar tax and carbon tax, and let's both leave them off the table until we can have an adequate model to do a good job, please. I am open for questions.

COMMISSIONER CLARK: Questions for Mr. Glines? No questions, thank you very much.

MR. GLINES: Thank you.

COMMISSIONER CLARK: We are going to take a ten-minute recess until 20 after the hour. Some of you might be wondering about our progress. We have heard from 14 witnesses. I am aware of 32 more. There may be another list circulating, but just so you know where we stand. Thank you, and we will see you at 20 after the hour.

(Whereupon, a break was taken.)

COMMISSIONER CLARK: Next on our list is Jay Vestal, followed by Dan Cortsen. Mr. Vestal?

MR. VESTAL: Thank you, sirs. I am not

going to make a sworn testimony. I would just like to have a couple minutes to talk to you, if that is all right.

My name is Jay Vestal. I am a citizen of Utah and I live in East Millcreek. I have been in Utah 32 years. I apologize for the accent. I am originally from Texas, moved here from Little Rock, Arkansas. So I was brought to Utah, I was hired by the Osmond family. They started a telethon for children's hospitals and I had a 42-year career in fundraising. They wanted me to be their chief fundraiser for the Children's Miracle Network.

That is what I have done my whole career, and so from time to time, as I have had my professional duties, I have gotten called upon by, for example, my church to do fundraising campaigns. And so I was very pleased and honored that my church leadership asked me to help raise matching money for a Blue Sky grant that we got, in 2009, from Rocky Mountain Power, to install a 23-kilowatt solar system on the roof of the church, and we were successful in doing that.

I was there at the celebration ceremony, the dedication. We had representative of Rocky Mountain Power there and they talked about this wonderful grant that they had given that our church had matched, our

church members had matched. And I had to stop and think for a minute because it made me realize that the church members were actually getting matched money that were given by citizens of Utah, like myself, who had been contributing through Blue Sky all of these years, and so we really were kind of matching ourselves.

At the -- at that ceremony, I'll never forget it, our church leader, Marty Zimmerman, talked about a time serving a mission in Turkey. And they -- the story went, as it was revealed, that from the greatest palace to the smallest huddle, almost everybody in Turkey had a solar panel on their roof, and it was suggested that, perhaps, we could do that here in the US of A, as well. And so the members of the church were encouraged to consider not letting that be the end, not having it be the final statement, in terms of care of creation, but that we as individuals should actually reach out and think about becoming solar renewable energy participants ourselves, and so I did that.

In 2012, I invested $12,000 and put solar panels on my house, which I thought was kind of in the same spirit of the whole Blue Sky thing, as well. So it was, it was really confusing to me when I found out that the same people that promote Blue Sky now want to penalize me for putting solar panels on my house. I was

thinking to myself, well, shucks, I should have taken that money and put more of it in the insulation in my home or, perhaps, invested part of it in LED lighting. If I realized that there was going to be a penalty added, it would have really changed the ball game and made me consider doing something different.

And so I don't know anything about the technical stuff. I did this because I thought it was the right thing to do for the care of creation, and I hope you take that into consideration in what you do, as well. Thank you.

COMMISSIONER CLARK: Thank you very much. Dan Cortsen, followed by Ben Mates.

DAN CORTSEN

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please be seated.

MR. CORTSEN: Thank you. My name the Dan Cortsen, C-O-R-T-S-E-N. I am a Rocky Mountain Power customer in Sandy, Utah. I do net metering and I represent only myself.

COMMISSIONER CLARK: Thank you.

MR. CORTSEN: So I think we have been well

represented in the aspect of the flawed nature of the cost analysis and, in particular, that they use a residential curve as opposed to their actual power curve in looking at the cost effectiveness of the net metering in reducing the peak power demands. So I think we have had a lot to look at the economic side of it, and the short-term economics aside, Rocky Mountain Power is also a public utility that is intended to serve the public good, which means that the utility should meet the needs of public, as well as their stockholders and shareholders of other kinds.

And this requires a long-term view of the grid stability, so we need power sourcing that is going to be a more distributed occurrence in the future because that is the direction that the consumers are driven. That is the direction that they are going to go. The cost is coming down. There is going to be more consumer power generated and it's not effective for the power company to look only at the current kind of grid. They need, in the public interest, to look at a distributed grid that includes the consumer produced power. It has to be adapted more to the consumer generation because there is going to be more feedback to the system from people doing electric cars. There's going to be more storage. All of this has to be taken

into account, and those people will either be part of, or not part, of the grid.

So the Department of Energy's research to the distributed generation and makes the following statement on their site: Distributed energy offers solution to many of the nation's most pressing energy and electric power problems, including blackouts, brownouts, energy security concerns, power quality issues, tighter immission standards, transmission bottlenecks and the desire for greater control over energy costs. That is public benefit that needs to be considered.

So managing the grid for all users for future growth is in the best interest of the public. The consumer producers are already paying the same fixed rate, as many have pointed out, through their connection fee as other users, and they will continue to do so. The grid is a shared public resource that benefits all users and we should be, as they -- as the woman appointed out earlier, using the cost averaging, paying those cost equally.

So is it fair, or good business, or good public practice, to charge a fee on solar producers? As I understand it, RMP estimates that a person consuming and paying for about 700 kilowatt hours per month is

paying their fair share in the rate portion of that calculation. I have solar panels but I still average well over 900 kilowatt hours per month purchased from the utility. So I am paying my fair share in that regard, too, if you want to look at that as the cost analysis, but there is so much more to look at.

RMP has programs and rate structures in place to encourage conservation. The ratepayers pay for this through their conversation fee that is part of their Rocky Mountain Power bill. So their financing this conservation effort and charging a fee to persons who participated in that program is reducing the value and diminishing their return on their investments. All of the ratepayers are investors in this program, and charging this fee would return -- would diminish the return on that investment to all of those participants.

So just like the power company, and any other person considering an investment in energy production, I did a cost analysis before I installed my panels. RMP's commitment to conservation and their contribution to my solar installation was a big factor in that analysis, and this fee undermines the commitment that RMP has and will certainly serve as a disincentive to others going forward.

So what is the result of that? Well, what

if the consumers investing in solar, in the future, choose to do so without the net metering, so they can install smaller systems dedicated to charging their cars or supplementing other uses. For example, before I went into it, I have a home office. I have already got a power conditioner and battery backup for that home office. If I decided to do a smaller system and use it just for charging a car and running the home office, I wouldn't have to be involved with a net metering at all. It is a simple thing to flip a switch and go from the solar power to the grid without having net metering. I am still connected to the grid.

So people in the future could choose to bypass this net metering all together, but they would be installing smaller systems with less benefit to the public, in terms of the energy, you know, clean energy that they would provide, and they wouldn't be sharing and providing that back to the grid. Is that really beneficial or are we in a better future if all of the users, who are producing their own power, are sharing that power with the other grid users going forward.

So if there is truly a commitment to energy conservation, clean energy overcoming global warming and the pollution reduction, we have got to understand that government and industry can't do it alone. We need

public participation and we need to encourage, rather thank actively discourage, that participation. Alternative energy and storage options are expanding. Those who make the investment to conserve and reduce energy shouldn't be penalized over other users, and, certainly, those who would produce and provide distributed power should be encouraged to share and not be driven from the grid.

If we do that, that leaves the remainder of the people to bear the full cost, which would not be in the best interest of the public. Questions?

COMMISSIONER CLARK: Questions for Mr. Cortsen? Thank you.

MR. CORTSEN: Thank you.

COMMISSIONER CLARK: Mr. Ben Mates, followed by Jim French.

MR. CORTSEN: I will swear testimony.

COMMISSIONER CLARK: You would like to?

MR. CORTSEN: Yes.

BEN MATES

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated. Would you give us your name and spell it for the record?

MR. MATES: Okay. My name is Ben Mates and that is spelled M-A-T-E-S, and I live in Sugarhouse, I am a Rocky Mountain Power customer, and I also have a photovoltaic center that is net metered.

And I would like to tell you a little bit about my story around my system. And so I also drive an all electric car, and I undertook both of these for largely environmental reasons and -- but that is not really the focus of my testimony here, but just to say that I got the car before I got the solar panels. And I saw my electricity bill about double from charging the car, from $30 a month to about $60 a month, and after I got my solar panels, I saw that drop back down to $30. So, basically, the solar panels are charging my car and I am still paying Rocky Mountain Power for the electricity that I use in my home.

But I am charging the car at night when the demand for electricity is very low and I am giving the excess power back to the grid during the daytime, when demand is much higher. And quite often, there is an overlap between the time that I am producing power and giving it to the grid and the peak demand. I won't say that there is an exact correspondence, but for every kilowatt that I generate, there is that much less necessity to dig coal out of the ground and transport it

for hundreds of miles.

I think that the grid benefits by the efficient generation of power that I feed into the grid. When I feed it to the grid, it doesn't have to travel hundreds of miles. It travels to whoever has got their air conditioner on or their television or computer. So there is not a line loss in the power that I generate. Now I don't know what the percentage, the precise percentage of line loss, or the average percentage that Rocky Mountain Power incurs, just in my very superficial research on it, I have heard figures like five to ten percent for line losses in transmission losses.

So in effect, Rocky Mountain Power customers, in my neighborhood or over the whole Rocky Mountain Power system to the degree that I feed power into the grid there, they are realizing, shall we say, a five to ten percent reduction in the cost that they incur for the power that they are using.

So I think we need to encourage this kind of creative solution to our power needs. I think we need to have these kind of win-win situations where it's benefitting Rocky Mountain Power customers economically but -- or I should say and, also, environmentally, socially, health-wise, and this isn't the only kind of creative solution that is out there. I am sure that

there is a lot more innovations, a lot more ways that we can meet our needs in a way, in these win-win kind of scenarios, but I think we need to stimulate that kind of innovation with an economic signal, rather than squashing it, or squelching it down, down with a fee like this. That concludes my testimony.

COMMISSIONER CLARK: Thank you. Questions? Thank you very much, Mr. Mates. Mr. Jim French, followed by Elias Bishop. Would you like to give sworn testimony?

MR. FRENCH: Yes.

COMMISSIONER CLARK: Please raise your right hand.

JIM FRENCH

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MR. FRENCH: Thank you. My name is Jim French, F, like Frank, R-E-N-C-H, a Rocky Mountain Power customer, resident of Salt Lake City, and proud net metering for over five years with solar.

I would like to thank Mr. H. Ball for bringing up the idea that solar wind production, net metering produced electricity, helps out the whole

community, and quite by accident, I was able to kind of see how it how that might be true.

A couple of the reasons that Rocky Mountain Power gives the fee, that I have read about in the paper, anyway, is that net metering customers are not paying their fair share. I hear that a lot. They are not -- we are not paying our fair share, even though we pay the same amount in fixed costs on the bills. And, also, that solar energy does, in no way, help during late afternoon when electricity use is at its highest. So there's -- it doesn't help one bit.

So being a time-of-use customer gives me kind of a unique viewpoint of, especially the second statement, that the solar production does not help during the late afternoon. The on peak hours that Rocky Mountain Power considers are on peak are 1:00 p.m. to 8:00 p.m., and so on my bill, it is broken down to on peak to off peak, so I can see how many kilowatt hours I am net metering during those two times.

So from April 10th to July 10th bills, I powered everything in the house, a small electric vehicle, my electric bike, our heat pump -- well, everything in the house, powered everything for that, plus had 474 kilowatt hours left over in the on peak time, that is 1:00 p.m. to 8:00 p.m., during the time

that supposedly the solar is not helping at all. So I would like -- and I will leave this with you. It has got my bills and everything.

During the off peak time, I did not -- I had an overage. I didn't net metering any time, any -- all of it, but I was about 100 kilowatt hours over during the period. So that kind of gets around to the idea that according to an article here of electric cars will change the way you power your home, gets down to the idea of smoothing out the demand, the power demand, which, according to the article, is akin to the Holy Grail to the power companies, the utilities, which, of course, is Rocky Mountain Power and the parent company, PacifiCorp, are utilities.

So I'm confused that a company that is being given the Holy Grail, smoothing out the electrical demand, would want to charge people extra, over and above. So I will leave that with you, if you like. The article is quite intriguing because the electrical vehicle customers tend to be very frugal with their use of power, and electrical vehicle customers are also 6.6 times more likely to have solar, so that just piles on the frugality. I can tell you from personal experience, and John, who is around here somewhere, has taken it even a lot further than I have.

So solar customers really watch their kilowatt hours and are really proud of it. Thank you for doing this and, also, thank you for the net metering bill, the Public Service Commission ruling about six years ago, because that allowed me to have solar. Thank you.

COMMISSIONER CLARK: Mr. French, before you leave, let's see if there are questions for you. Are there any? I have one. Thank you for this material. We would put it in the public record and I note that it's got your personal information on it; how would you feel if we redacted that before we make it part of the record, or would you prefer that?

MR. FRENCH: I am okay with having my name. You can take away my address and account number. And, also, I would like to commend the PSC for the energy efficiency that you have shown by having the air conditioning turned off.

COMMISSIONER CLARK: Mr. Elias Bishop, followed by Cathy VanDame.

MR. BISHOP: I would like to be sworn in.

COMMISSIONER CLARK: Thank you.

ELIAS BISHOP

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MR. BISHOP: I am Elias Bishop. I am a resident of Utah. I am a customer of Rocky Mountain Power. I am not a net metering customer yet.

So I am here on behalf of the Utah Solar Energy Association, which is the solar energy trade organization of Utah. I will start off by saying that we oppose the net metering facility charge proposed by Rocky Mountain Power in this docket. Rocky Mountain Power is not the only business to take into consideration in regards to this fee. There are many businesses that would be affected by the fee.

The Utah solar industry represents over 50 businesses and nearly 1,000 jobs. Most of these businesses are quite concerned about the fee, and are very concerned of the threat it poses to them in this already challenging industry. As already mentioned in previous testimonies, a new monthly fee will discourage homeowners from installing solar because it would impact their ability to reduce their monthly electricity bills and extend the payback period for their investment.

The approval and implementation of the net metering facility charge would deal a blow to Utah's young solar industry. It will harm our businesses,

jobs, and livelihoods. We ask, we ask you that you do not approve a fee that will harm Utah's growing solar market and unfairly prevent investment in a much needed nonpolluting energy resource.

That is all I have. I thank you for your time and your consideration.

COMMISSIONER CLARK: Thank you. Questions for Mr. Bishop? Ms. VanDame, followed by Nia Sherar.

KATHY VANDAME

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MS. VANDAME: My name is Kathy VanDame, Kathy with a K, V-A-N-D-A-M-E. I live in Salt Lake County. I am a Rocky Mountain Power customer. I am not a net metering customer. I am one of the originally Blue Sky customers. I represent the Wasatch Clean Air Coalition, and one of my predecessors, Ellen Eckels, who some folk here will remember, was a participant in the legislative work group back in the early '90's that made the decision not to deregulate Utah's electricity. And I have been somewhat less closely following recently the activities of the Public Service Commission, but I have been very impressed with the service that we have gotten

out of you guys, and your predecessors, and also the Division of Public Utilities and the Office. I think Utah is well served by our regulation.

I was present in the 2000's when Scottish Power first rolled out the program that eventually became Blue Sky. That was one of the benefits that they gave to Utah customers when they entered into the agreement to purchase Utah Power. They had to give some sort of present, you know, in order to get that and that Blue Sky program was one of the presents that Scottish Power came, as part of their courtship.

I was -- that was at the Coppertop and I was -- as I was talking earlier today with Chris, I realized that one of the things that we could have asked for at that time, and we would be in a very different situation if we had also asked, for incentives for storage. Imagine how different our landscape would be right now if we were talking about solar PV and we had citizens thinking about how to put storage. It would be -- anyway.

This past interim, many of you here were present at the public service -- Public Utilities and Technology Interim Committee, where Representative Barris, very excellently, elicited information about the future of transmission in Utah. And I wasn't there

physically. I listened online. And I was really quite impressed with the thought that transmission is a lot more difficult and uncertain and full of risk than is commonly recognized. And actually, over all of the years that I've been loosely following energy, there's been a lot of changes and a lot of need to develop new skills and new metrics.

Some years ago at one of the Utah Energy's forum, which I think started under Governor Huntsman and Rocky Mountain Power and many people met, Rick Wallgie said one time that it felt like the bedrock had changed to sand, but he was confident that sometime soon, it would change back into bedrock and that we would know how to go forward. Well, I would guess if I asked him right now, he would say it is still sand.

What the thing that I want to say -- oh, one thing that I -- as part of the currently proposed EPA standards for existing coal fire power plants, Utah will have -- has a goal, or will have when it is finalized, a goal of 27 percent reduction in greenhouse emissions in our power generation's fleet. And one of the ramifications of that is that our current natural gas fleet, rather than being operated at about 30 percent capacity, will change over and operate at about 70 percent capacity. Those natural gas generators are in a

restrained air shed. That is West Valley City, Lakeside, Gatsby, you know, all of these, they are in our constrained air shed.

When I first started looking at this, it just was absolutely appalling to me that there was not any conversation between the people that paid attention to air quality and the people that paid attention to utility regulation because, in my mind, those are very intermeshed. So I really do think that among the things that need to be developed, besides metrics that measure the value of reducing and deferring the need for transmission and metrics that value resiliency, a distributed generation grid, a local community that has somebody with solar water, if we have an earthquake, will have power before anybody else. I mean, we don't now have the metrics to value that, but those are important considerations. The outpouring of attention that we have gotten right here says that this is really a ripe issue.

I concur with the folks that have recommended that a docket be open and that we really do a rigorous examination of costs and benefits of the net metering program and a solar, and think about, you know, what are some options that we have for distributed storage. Electric vehicles are really a powerful one.

Thank you. I'm done.

COMMISSIONER CLARK: Questions for Ms. VanDame? Thank you very much. Ms. Sherar, followed by Mr. Bill Delaney.

Do you desire to give sworn testimony?

NIA SHERAR

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MS. SHERAR: So I first want to thank you all for your time and giving us this ability to share our views, and thank Rocky Mountain Power for their administering of the net metering program. I am a Salt Lake City resident.

COMMISSIONER CLARK: Spell your name for us, please.

MS. SHERAR: Nia, N-I-A, Sherar, S-H-E-R-A-R, and I am Salt Lake City resident and Rocky Mountain Power customer and net metering, and I also work for Rocky Mountain Power for 20 years. I started when they were Utah Power. And I represent myself. I am a member of UCARE but it is just a grass roots group of people. I am representing myself and my husband.

So all of us here complains all the time

about Utah air quality, and I choose not to criticize but to live my life such that I make a small impact on the environment as I can, and try to improve the air quality of what I am able to. And for the past 30 years, I have rode my bike to work or taken the bus and, when necessary, to drive my car. I walk, also, a lot. I do drive a Prius.

And so in 2012, my husband and I put $14,000 into a three kilowatt solar system with 12 panels, and in our first year, we generated 90 percent of our electric usage. And I would just like to show you that this is a picture of me in the wintertime on top of my roof taking the snow off my solar panels because I am a competitive person. I want 100 percent.

And I do believe that we all need to pay what is fair, but as many people have said, some people conserve on their bills and they don't install power but their bills do go down, but are they going to be charged the $4.65 a month, which I would like to say, started out at $4.25 and has already gone up to $4.65. And there is also some homes, we have one on our block, where mom died several years ago and for whatever reason, the house, they don't have a for sale. They are keeping it. There are also homes where mom and dad are in an assisted living and, you know, they don't want to

sell the home at this time, and so those homes are sitting there with very low power bills. But are we charging -- is Rocky Mountain Power charging them $4.65 a month also.

We have 12 modules on our house. Some people have more, some people have less, but we are all going to be charged $4.65 a month? And how about people who at the end on March 31st, at the end of the year, they give power, green power, to everybody, which I want to be a 110 percent so I can give you guys 10 percent. I don't care about being paid for it. But I do think that -- so these people who are giving more, my son happens to be one, he is going to have to pay $4.65 a month to Rocky Mountain Power when he is giving everybody his excess power.

So I do think it needs to be fair, but I don't think charging rooftop solar owners $4.65 a month is fair. It's like were having penalized because we've done something wrong, instead of the fact that we all feel that we are doing something right. And so I would also like to say, and this has been brought up, too, is that I have found that when you have solar, when you drive a Prius, you conserve even more. And I have several friends who have solar, and we hang our laundry, we use swamp coolers instead of the A/C, we turn off

lights, we use LED lights, and so if the $4.65 discourages people from producing -- from buying and installing their solar power, that is not what we want to do because when people have solar, they even conserve even more and that is helping our environment.

So I want to thank you for your time, again, to consider this information. And some people have talked about the paybacks, and I have friends that ask me when I am going to get paid back. It is like I don't care and I've never figured it out because I believe it's the right thing to do. And, again, that is why I don't think we should be charged $4.65 a month.

Also, we dumped our Blue Sky. We had been -- we had bought two shares for years of Blue Sky and we dumped it because we are upset with what Rocky Mountain Power wants to do to us and our friends with solar have done the same. Thank you.

COMMISSIONER CLARK: Thank you, Ms. Sherar. Questions? No questions.

Mr. Bill Delaney, followed by Candice Sandness, I hope I'm saying that right.

BILL DELANEY

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Before you begin, is Ms. Sandness here? There you are, okay, thank you.

MR. DELANEY: My name is Bill Delaney and I am resident of Holladay and I am Rocky Mountain Power customer and I am a net metering customer. And my name is spelled Bill, D-E-L-A-N-E-Y.

COMMISSIONER CLARK: Representing any other -- any group here?

MR. DELANEY: No, just myself.

COMMISSIONER CLARK: Thank you.

MR. DELANEY: So, anyway, over the past few years, I have had a project to see if I can get myself off of fossil fuel, and in order to accomplish this, I electrified my energy use, so I bought a ground source heat pump to heat and cool my house and I also bought an electric car. And then I bought a five kilowatt photovoltaic system, which covers about 70 percent of my usage, and I buy Blue Sky power, Blue Sky credits, to cover the over 30 percent. So I'm fairly close to what I consider net zero.

Anyway, the point I wanted to make is that in proposing this fee, I believe that Rocky Mountain Power has flawed reasoning. What they are basically doing is they are saying, let's take this group of

people, the net metering customers, and look at their average bill, and then we are going to say their average bill is lower than the average bill of non-net metering customers; therefore, they are not paying their fair share and should be charged this fee.

Well, if you are going to use that same reasoning, then it should apply to any other group that has lower than average power bills. So, for instance, you could look at neighborhood, you can look at neighborhood A, and you can take their average power bill and see that it is lower than average, you know, take their average and see that it is lower than the average of all customers, and so by the same reasoning, they should be charged the same fee.

Or you can say, say you did a study and you found that on the average, young people had lower average bills than older people. Well, by the same reasoning, you should charge the younger people the same fee. Or you could see, for instance, let's say that you had people who had 1,000 square foot houses, you took them as a group, take their average bill and compared to people with 3,000 square foot average houses, where their bill is smaller, so they should be applied the fee.

So, in other words, Rocky Mountain Power's

reasoning is that they are saying customers who have lower than -- you take a group of customers that has a lower than average fee, a power bill, then they are not paying their fair share and should be charged a fee. And then they say net metering customers have got lower than average power, so net metering customers should pay the fee. That is the basic syllogism that they're reasoning with. But they are only applying that to this one group, just to the net metering group. So it is really arbitrary and unfair fee because there are many other groups that have average power bills that are lower.

So my feeling is that the only way to avoid this fallacy and reasoning is to create policies that treat everybody the same. So what you should do is avoid carving out a class of people and applying a special fee, or special penalty, to them because they have lower bills, because there's many other groups that also have low, lower -- I mean, you can find dozens of different groups that have got, on average, lower bills, but you are only arbitrarily picking out one group and applying it to them.

So, anyway, there are several different ways to cover the cost of maintaining the power grid. You could either say, we are going to have a base rate where

we charge everybody a base rate that covers the cost of maintaining the bill, and then we will have a per kilowatt hour per rate that covers the cost of generating the power. Or you could say we are going to roll the cost of maintaining the grid into the per kilowatt hour fee, and that is how we cover the cost of maintaining the grid.

But in this proposal, what you are saying is we are going to carve out this special group, net metering customers, who have to pay for the grid in their base fee, and everybody else is doing it in their per kilowatt hour fee. So it's just an arbitrary reasoning where they have picked out that one group of people who they don't like and let's charge a special fee to them.

So, anyway, I guess my final point is that this special fee is designed to carve out one special group and provide a disincentive to their behavior, which is to become net metering customers. I mean, who is going to voluntarily want to join a group that has been singled out for special penalty by the utility. People are going to avoid that, and they will, therefore, avoid becoming solar customers. So, anyway, that is my point.

COMMISSIONER CLARK: Questions for Mr.

Delaney? Thank you, Mr. Delaney.

Ms. Sandness, and following your statement, we will take a recess.

MS. SANDNESS: I just have a question about having my comment sworn into oath versus not sworn into oath. So if I swear into oath, will my comment be made public, like people can look at my comment online or with everything that I say tonight is going to be publish online?

COMMISSIONER CLARK: Everything being said is being reported tonight. It will be part of the transcript of this proceeding, whether it is sworn statement or unsworn statement.

MS. SANDNESS: Okay. I know you mentioned earlier that you had asked someone else who was up here if he wanted certain parts redacted and I would just would want my -- well, I am going to talk about my mom. I don't want her name to be in the --

COMMISSIONER CLARK: You don't need to provide us her name.

MS. SANDNESS: Okay, all right.

COMMISSIONER CLARK: So would you like to give sworn testimony or unsworn?

MS. SANDNESS: Yes.

COMMISSIONER CLARK: Would you raise your

right hand, then, please?

CANDICE SANDNESS

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. And would you provide your name for the record, please?

MS. SANDNESS: Yes, my name is Candice Sandness, spelled C-A-N-D-I-C-E, last name, S-A-N-D-N-E-S-S. I am a Rocky Mountain Power customer. I am not a net metering user. Sorry, I am getting my notes here prepared. So I am representing myself and, I guess, my mom, and I came here today to speak up for what I believe in.

So I have a degree in journalism and environmental studies, and so I like to analyze trends. I like to read a lot I like to be a good, a good steward and an advocate for the things I believe in and the things I stand for, and so that's why I am here tonight.

So I just want to let everyone know that this is 2014. So I am 26 years old. I would like to see, I would like to see our lawmakers and policymakers implement progressive laws for the people of Utah. And so this decision to impose a solar or sun tax, I believe, is harmful for the majority of Utahans.

I want to let everyone know that coal plants, the old kind of energy, dirty energy or whatever, however you want to put it, will become the past. We have to move forward. Renewable solar energy, clean energy, will become the future, and it is just a matter of time. So right now I see this as a setback, posing a tax on solar.

So why would we implement a tax on solar. It -- to me, it doesn't make sense. I think it discourages people from using solar and clean energy, and that's the way I don't want to live. I want to have a good healthy future.

In 9th grade, my geometry teacher said life isn't fair, and then in my -- one of my philosophy courses in college, one philosophical principal that I learned and agreed with and lived my life by is, quote, do the greatest number of good for the greatest amount of people for the greatest amount of time. So that is what my philosophy is in life. I would hope that as a Commissioner, as someone who is a state public official, that you keep in mind what is the best good for the State, for the future of Utah.

So I would like everyone to look at what are the economic, social, environmental, and health impacts of making this decision to implement a solar tax.

Please keep this mind: Okay, economic impact, this would deter businesses, as stated earlier in previous testimonies. It would deter businesses from doing business in Utah. Environmental impacts, you can see. So I see that our way of life now, our goal, even our natural goal, even President Obama's goal, is to reduce the carbon emission footprint, and this implementing tax would hinder that goal.

And so keep in mind, we have a growing population, so more people means carbon, more carbon emissions, more carbon footprints, so we are not really helping the future of Utah at all with that goal in mind. And so I would just like to say, please make the right decision, one that serves the people. State and federal government provide tax credits for those who use renewable energy, yet businesses like Rocky Mountain Power want to implement a tax to use it. To me, that doesn't make sense.

And, also, I want everyone to think about what kind of message are we going to be sending our future consumers. Are we sending a message that using renewable energy shouldn't be done, we should just stick with this old way of life, or should we move forward to a better way of life that we have that -- and that is a choice we can make today and right now.

So I know as a Commissioner, you have a lot of power to make decisions, and so I just wanted you to keep in mind what kind of effect and impact you would have on the State of Utah. So in conclusion, please reject this proposal to tax solar, and thank you very much.

COMMISSIONER CLARK: Thank you. Questions for Ms. Sandness? Thank you for your testimony. We will be in recess until 25 after the hour. Janet Muhm will be next, followed by Dan Syroid.

(Whereupon, a break was taken.)

COMMISSIONER CLARK: Before we took our recess, I mentioned that next would be Mr. Dan Syroid. He left a written statement that we will enter into the record, and so we will next hear from John Loveless, after Janet Muhn, if I am saying that right.

I also want to note that Mr. Don Reis left me -- or left the Commissioners a note. I think the best way to get into the record is simply to read it. He said, "I cannot stay. All points I wish to bring up have been stated. I agree with all who oppose the fee for net metering customers. Thank you," and then his name. So we received that statement.

Do you desire to give sworn or unsworn statement?

MS. MUHN: Sworn.

JANET MUHN

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please be seated.

MS. MUHN: My name is Janet Muhn, J-A-N-E-T, M-U-H-N, and I am a Rocky Mountain Power customer and also a net metering user, and I just represent myself and my husband. I wish my husband were here speaking. It would be better representation. But I want to thank the Commission and thank Rocky Mountain Power for your willingness to listen to us for hours. And I ask you to, please, really consider our feelings and I think everybody has expressed them so well this evening.

We also dumped Blue Sky when we heard that Rocky Mountain Power was thinking of just even thinking of charging another fee when we were already paying $7.26, plus tax, for what we considered our usage. And so I think -- and I wrote to Rocky Mountain Power and they said it is not a penalty, but if people look at it as a penalty and it makes people not take -- you know, invest in solar, then it's the same as a penalty, in our eyes.

So my husband cleans off the snow and washes the panels, and we are just like another customer that was saying that we just try to get every little ounce of energy out of our solar panels and we love them, and we track our usage everyday. He is an engineer and he even bought me a clip-on light that was very energy efficient and we had all the other lights off and we just used that one. I mean, we are crazy.

When we first got it, we were just go excited that we were just doing our own power and trying so hard, and when we first -- we just purchased it last October and it took Rocky Mountain Power like two or three weeks to come, and if my husband wouldn't have known that you should not, you should not have your solar turned on during that time or you will get charged both ways, so I was glad he knew that and he turned the solar off so we weren't charged for what we were producing and using. So that was very good.

And then -- so since March, we have produced 1.3 megawatts over our usage, and we get no compensation for that. At first when we bought our solar panels, they said, oh, we know this one guy that he isn't at his house very much and so at the end of the year, he got $100 for his extra power. We thought, whoa, that is awesome and then we found out, no, we have to pay $7.99

a month.

And in March, if we have some left over, it all just gets taken away and Rocky Mountain Power gets it, and so that seems like it would compensate for our -- you know, instead of us paying $4.95 a month extra, when they get -- like right now, it is just 1.3 since March, like so three times that, so like they are getting 4.5, say, megawatts a year, just getting it from us.

So it doesn't seem like there is a lot of consideration that I am supplying power to my neighbors and helping with the distribution of power, and the argument about the peak power time seems to be kind of flawed since that -- like buildings like this one cuts their air conditioning at five o'clock, and so I think that kind of -- if all these huge buildings in Salt Lake City cut their air conditioning at five o'clock, that kind of compensates for us who are cooking our meal at five o'clock or watching TV, so I think it comes out pretty okay for Rocky Mountain Power.

And so I just would encourage the Commission to just listen to us and just to be honest and to stick up for us. And even though it is not a penalty, they say, just realize what, like everybody has said, the detriment that it really puts on people to think that we

are going to get charged another fee, when we already -- we paid $13,000 for our's and I figure it will take -- and we only use like $26 to $60 worth of power a month, and so I figure it will take us like 40 years to pay it back.

But the point is, that we are using solar and I am really excited that we are doing that. And if we just had that $13,000 sitting, I figure I get 2.6 percent and that is better than in my savings account. So I am pleased with my power and I just hope that you will help us out. Thank you.

COMMISSIONER CLARK: Thank you. Questions for Ms. Muhn? Thank you. John Loveless, followed by Myron Willson.

JOHN LOVELESS

Called as a witness and having been duly sworn,
Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please be seated.

MR. LOVELESS: So I am John Loveless. I am a net metering customer but actually part of Kaysville Power. It is a small separate company but I feel kind of like in my garden, I like to get the weeds before they get out of hand, so I don't want to other power

companies to get any ideas, either, so I feel it is important to be here tonight.

And just a little bit, most customers that have solar panels, they aren't generating 100 percent of their power. They're just -- a fraction of their power is being generated and they still pay for the electricity that they do need and they still pay the monthly bill. And many others realize the synergy of solar power and electric cars, and they give up the gasoline costs and they actually, as been a couple of people here and myself included, have electric cars, and the solar panel power that as well.

And others even cancel their natural gas bill entirely and just transfer all that energy to Rocky Mountain Power, and my hope is to be -- one day be net zero in that effort. I am not quite there yet but that is my goal.

But the argument still remains that net metering a burden to the power grid, and I am electrical engineer, and as an engineer, I challenge Rocky Mountain Power to backup that claim with data. As other people have mentioned, you can get their best technicians and engineers and let's take some measurements. I have four years of really accurate data. I keep -- as an engineer, I'm kind of a nerd, too, and I have a lot of

data about all the power consumption in my house, my cars, and I'd gladly share that data with them if they would like to do a comprehensive study. I would be more than happy to help.

But excess energy from solar panels from residential homes, it doesn't magically travel tens or hundreds of miles back through the infrastructure. Per the laws of physics, particularly these laws called Kirchhoff's current laws, they are taught in high school electronic classes, that energy will travel tens or hundreds of feet to the next nearest load, the next customer. And it isn't -- that is just how the electricity works. It doesn't really want to go far, if the next load is right next door.

Nearly all the excess energy generated by my home solar array is consumed next door by my neighbors, and on my same street, who share the same transformer that I do. Almost none of it will make it as far as the substation 300 yards away. It is all consumed immediately. And any electrical fingerprint left behind by my solar ray's power is so small, it's unmeasurable and undistinguishable. It simply does not burden the grid. Per the Kirchhoff's law of current, it can't -- it won't do that.

Residential net metered energy is consumed

locally in the neighborhood like good food at a family barbecue. That is just how it works. Currently, net metering customers of Rocky Mountain Power supply a tiny fraction of one percent of all the energy generated, unlike Germany, last May during a peak period, they generated 74 percent of their power from solar and wind. And to the shock of the detractors, nothing blew up. It all, it all just worked out. And it wasn't a burden to their power grid. They have a very, very smart grid. And 74 percent versus our tiny fraction of one percent, we just really have to get with the times.

So please don't allow Rocky Mountain Power to enact this fee. Thank you.

COMMISSIONER CLARK: Questions for Mr. Loveless?

MR. ROSSETTI: Hello, Mr. Loveless, would you happen to have a website?

MR. LOVELESS: I do, actually. I have a little blog called John Saves Energy. It is kind of my obsession. It is just a thing I do when I don't sleep at night and I make improvements to my house and I document the successes and failures and I publish them there. I have got a stack of cards I just happen to have brought. Johnsavesenergy.com, you can -- my motto is save energy without sacrificing convenience and

luxury. If you're saving energy and someone notices, you are doing it wrong. You have to do it so no one notices. That is my vision, anyway. That is what I try to live by. Thanks.

COMMISSIONER CLARK: Thank you.

MR. COLEMAN: I don't have a question, but, Mr. Loveless, it's not a question, but perhaps for the benefit of the court reporter, can you spell -- you referred to Kirchhoff's law, the current; can you spell Kirchhoff for her?

MR. LOVELESS: Yes, you know, the high school kids have a name that I won't refer to, but it is spelled K-I-R-C-H-H-O-F-F. Wikipedia has a really good article on it, by the way.

COMMISSIONER CLARK: Thank you. Myron Willson, followed by Don -- I mentioned Don Ries already. I read his statement. Stan Holmes would then be next.

MYRON WILLSON

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank. You please be seated.

MR. WILLSON: Thank you. My name is Myron

Willson, M-Y-R-O-N, Willson with two L's. I'm a resident of Salt Lake City, Rocky Mountain Power customer, and a net metering customer.

I am here just representing myself, but I would like to state what I do for a living because I think it has a little bit of relevance. I am the director of sustainability for the University of Utah, kind of the chief sustainability geek. That seems to be a common thread this evening. And so as the director for that large institution, it is part of my responsibility to help analyze, coordinate, implement programs and policies for the institution, including financial stewardship and for the long-term implications. I like to think of it as risk management for future generations, and I think that aspect ought to be incorporated into the decision here.

And one of the things that we say to each other as we are looking at the various problems and trying to help the institution live its values, which is not always an easy thing to do, but one of the things that we say to each other when we are looking at a problem is that multiple antidotes are not data, and it is easy to get caught in a trap of, you know, small bits and pieces of information, but without that full cost benefit analysis, it is difficult to make a decision.

So at some point in the future, we may need a revised rate structure, I will grant that, that something that reflects customers and all the relevant issues that have been talked about tonight, whether it be peak demands, total use, baseline power production, fuel cost, cost of carbon, you know, the list goes on and on, but the current kind of time of use distributed production, we don't have a really good cost benefit analysis to prove that those charges are worthwhile.

With this blanket fee applied to every solar net metering customer, we talked about that, with every producer, is it sort of one-size-fits-all approach, that may not be relevant. Ms. Johnson, the former regulator, talked about that things ought to be based on averages, yet, the technology is moving in a way that in the future, or even to some degree now, it would be very easy to decide and to understand what the consequences are, at least on a, you know, five-minute intervals of usage, etc., and kind of when and where people are using power, so that could come into play.

Like several other people, I monitor, track my personal energy use. I don't have the data with the solar net metering where I can say exactly what is available to my neighbors, but I do know what my home base load is for during those months of high demand,

from May through September. I've calculated that, know all of that information. I have a small system. We deliberately put it at ten degree angle, knowing that we would get more production throughout the year if we tilted it higher, but understanding the community needs and that the big demand here in Utah, and most places, is to have that power be available in the summer. So we deliberately put it at a low angle and that is not reflected in this fee.

We financed it personally. No capital expense to Rocky Mountain Power, not reflected in the fee. We already shift our load, like many other people do. We don't use air conditioner. The timer is such that it from 12:00 to 8:00 at night, it is off. It is floats at 84. It never gets there but we don't use major power sources during that time, not reflected in this fee. We have a net annual surplus back to the grid of 357 kilowatt hours last year. We are expecting more this year; not reflected in the fee.

But most importantly, looking at our actual usage and during that period of demand, we give back to our neighbors around 2,000 kilowatt hours during that period, and that we are happy to do that. And then in the winter when there is more base load, etc., we then pull from that grid. But the higher priced power of

during that demand period, we are giving that to the community. We do these things voluntarily because we care about air quality and the community and the future, but with good metering practices and other mechanisms, we think other people would be willing to do it, too. So it is not just that there is a problem with the pricing structure. We think that technology and other -- and other structures would be better mechanism to tackle this problem. So don't rush into that that fee.

The last thing I will say is the University of Utah is doing a community solar program, much like that was done in Summit County and Salt Lake County, the last two years. We have had tremendous response, really kind of overwhelming response, by people interested in participating. The only thing that the University of Utah gets out of it is renewable energy credits, so we are not taking a cut. We are doing it because we want to reduce our power -- the impact of our power, but the big question that everybody is asking is whether or not this fee, this tax, will be implemented. I think there is a lot of interest and a lot of people that are holding back because of it, so they are anxiously awaiting your decision.

So thank you very much for you time and efforts today.

COMMISSIONER CLARK: Thank you, Mr. Willson. Questions? You are excused.

MR. WILLSON: Thank you. Stan Holmes, followed by Giles Larsen.

STAN HOLMES

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please be seated.

MR. HOLMES: My name is Stan Holmes. I live in Salt Lake City and I put solar panelling on my home last month. I am a net metering customer, Rocky Mountain Power, and also a proud member of UCARE, Utah Citizens Advocating Renewable Energy, a group that Mike Rossetti formed in February, to challenge Rocky Mountain Power's proposed solar surcharge.

Thanks for allowing me this opportunity to share with you some of the reasons I hope you will deny Rocky Mountain Power's request. Several months ago, Rocky Mountain Power argued that its proposed net metering charge was meant to address a fairness issue. Rocky Mountain Power still claims that rooftop solar customers are shifting their grid costs to non-solar customers. One utility spokesman claimed that it is not

fair for customers in Rose Park to be paying for solar panels on Park City homes.

It came across as a class issue, where rich people in Park City reaped the benefits, while poor people in Rose Park paid a cost. I wanted to find out how people in Rose Park feel about this, so I went to the Rose Park neighborhood community council meeting on May 7th. There I had a chance to address the council and later speak with members of the audience. I met a man who has 22 solar panels on his Rose Park home. He wasn't aware that Rocky Mountain Power was planning to charge him for that. Several people expressed concern that a new fee would deter other Rose Park residents in investing in solar. No one in that meeting spoke in favor of a solar surcharge. Everyone seemed to think that more renewable energy is better than what we have got now, which is an electrical grid, based mostly on burning coal and gas.

That Rose Park meeting was the first of many neighborhood community council meeting I attended over two-month period, west side, east side. As of today, council leaders of 12 Salt Lake Valley neighborhood have gone on record as opposed to Rocky Mountain Power's plan to impose a fee on rooftop solar. The councils were Magna, Millcreek, Big Cottonwood Canyon, Liberty Wells,

Fairpark, East Millcreek, Mt. Olympus, Canyon Rim, Poplar Grove, Wasatch Hollow, Sandy Hills and Sugarhouse are all on record against this proposed rate increase solar surcharge. If you were to please open a new docket, specifically addressing residential net metering, there will be time for more councils coming off summer break to take action, urging you to say no to the solar surcharge.

In all of the council meetings, I can remember three people who sided with the utility; two worried what would happen to Rocky Mountain Power's coal miners; one felt that RMP shareholders should be able to maximize profit as they see fit, but overwhelmingly, officers and participants who expressed themselves in the meeting thought it was a bad idea for the utility to remain so committed to fossil fuels, which the majority seemed to recognize as a set of dirty fuels that pollute the air we breathe.

Utahans increasingly understand the connection between bad air and Rocky Mountain Power. Here are some exerts from the community council documents. Wasatch Hollow community council states, quote, we are also concerned that Rocky Mountain Power now generates two-thirds of its electricity from burning fossil fuels, plans to remain heavily invested in fossil

fuel combustion for decades to come, and justified its rate increases, in part, on the cost of expanding and upgrading fossil fuel facilities. Such fossil fuel combustion emissions are known to contain pollutants that negatively impact the health, healthcare costs, social and economic well being and overall quality of life of our neighborhood residents, end quote.

Fairpark community council wants the solar charge denied until, quote, impacts of Rocky Mountain Power's use of fossil fuel combustion to generate electricity have been identified, quantified, and assessed as part of the legislatively mandated cost and benefits analysis of solar net metering, end quote, the last part being referenced to Senate Bill 208. The Fairpark council thinks SB 208 mandates fairness.

Several council expressed concern that Rocky Mountain Power's solar fee will stifle clean energy development, with Sandy Hills council stating, quote, our council feels that Rocky Mountain Power should formulate future energy expansion that should encourages the use of alternative sources of energy and not discourage their use by adding additional charges to these sources, end quote.

The Magna council was more direct; quote, we would like to see Rocky Mountain Power provide

observable evidence that it had become a 21st century corporation by actively investing in and participating in the development of all available forms of renewable energy production and by weaning itself away from reliance of fossil fuel, end quote.

Now with all due respect to the Division of Public Utilities and to the Office of Consumer Services, if the neighborhood councils who seem to understand the way that Rocky Mountain Power operates now and proposes to keep operating with solar hobbled is bad for us, and it will remain bad into the future. Neighborhood leaders have a view of social and environmental realities and concern that the DPU, OCS, and Rocky Mountain Power have, until now, been unwilling to address. I urge the Public Service Commission to expand the parameter of discussion beyond what best suits Rocky Mountain Power's numbers and charts.

Finally, a few words about fairness and cost shifting. In the current rate case, Rocky Mountain Power not only fails to give solar credit where credit is due, it also fails to address cost shifting from the utility to our community. Cost shifting that results from Rocky Mountain Power's preferred operating mode, burning fossil fuels. Does Rocky Mountain Power take responsibility for the healthcare cost that Utahans,

rich and poor, young and old, have to pay for respiratory ailments caused by utility air pollution? Does Rocky Mountain Power take responsibility for economic costs to its customers when businesses take one look at our smog and decide to setup shop elsewhere? Does Rocky Mountain Power even acknowledge the connections between what they are doing for corporate profits and the social and environmental costs we, the monopoly's customer base, are expected to pay. The answer in every case is no.

And in the best interest of all Utahans, the answer should be no to the utility's solar fee request. Please don't allow Rocky Mountain Power to leave rooftop solar crushed under a carbon footprint.

A last point, in my IRP meetings conducted by Rocky Mountain Power's parent company PacifiCorp, it becomes clear to me that what brings about utility change is regulatory pressure. PacifiCorp did not build its first utility scale solar facility until the Oregon legislature applied pressure. Discussions of a new energy plan for Utah swirl in a box circumscribed by threats of tougher EPA regulations. The utility will not do the right thing until regulatory bodies representing the people's best interest apply some pressure.

So now it's your turn. Will Utah's Public Service Commission recognize Rocky Mountain Power's solar fee request for what it is; an attempt to nip solar energy in the bud and to preserve its fossil fuel portfolio for as long as possible. Will you agree that solar energy's costs and benefits deserve a more thorough analysis than the utility has thus far provided; I certainly hope so. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Holmes. Questions? Thank you. You are excused. Mr. Giles Larsen, followed by Stephanie Dolmat-Connell.

GILES LARSEN

Called as a witness and having been duly sworn,
Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MS. WRIGHT: Thank you. My name is Giles Larsen, G-I-L-E-S, Larsen, L-A-R-S-E-N. I live in Salt Lake City. I am a Rocky Mountain Power customer and supplier as a net metering customer. I don't represent installers but I am an installer of solar photovoltaic residential systems and so I wanted to speak to you from that prospective.

So there has been a lot of discussion about this concept of fair share, which I like. It entails a

transaction, so there is a give and there is a take. I think we have heard repeatedly, from Rocky Mountain Power and tonight from the gentleman representing the utility union, about the take, and I think we all -- we are all pretty comfortable with that prospective. And we have also heard a lot about the give, what solar distributed solar owners give back to ratepayers and society at large.

I want to talk about specific case, which is mine. I have a small system on my home. It's 2.3 kilowatts, which is only nine panels. It does cover my production and then some. It's probably about 125 percent of my annual production. And I just want to clarify what that means to install a solar system on your house and for what I do as a solar installer. It means to build the production capacity of the grid. So the grid, before my system, produced 2.3 kilowatts less. Now it doesn't add up to a whole lot, but if you, if you multiply that by thousands of people, it does.

The current state, as far as I am aware in Utah, is residential solar owners produce -- well, the capacity is 2.2 megawatts. It is a number. Well, what does that mean. Well, a useful comparison is Rocky Mountain Power's recently proposed solar farm, which is also two megawatts. So I think it is important for us

to realize as installers and as owners of solar systems, we beat them to it. We've already built a solar farm. It is just in little pieces all over the place. So we increased the grid capacity by that amount.

And who paid for it? As we all know, when Rocky Mountain Power moves forward with its solar farm, ratepayers pay. When we install solar on our homes, it comes out of our pockets. So that's a cost that is avoided by ratepayers and that is part of the give, and I think that is really crucial to understand; that is part of the give of solar owners to ratepayers and to society.

What does that amount to? It is easy to find out. Installation costs for utility scale solar is about $2 per watt. It depends on the type of silicon they use in modules. So if you multiply that out by the 2.2 megawatts, you get about four and a half million dollars that ratepayers contributed nothing to, except, of course, voluntarily through the Blue Sky program, $4.5 million. That is a lot of money and that is only one-tenth of the commercial production capacity. So we are talking about significant numbers here. This is the give. This is real. These are the numbers.

So with my own home, what does that come out to? So $2.10 per watt. That is about $5,000. So me,

personally, contributed $5,000 worth of energy production capacity to the grid that ratepayers did not contribute to; $5,000, that is a give. So what are the others, what are the other gives? Many people have mentioned the surplus energy production, so every March, if you produce more than you consume, it is wiped out. And what that amounts for my situation, this is my bill in March of this year, it is 874 kilowatts. You can round up so it is about a megawatt, which retail value is about $100.

The lifetime of these systems is 30 years, so times that by 30, it's $3,000. So you add $3,000r to the $5,000 capital cost, that is $8,000. So that is what I gave, that is what I gave to ratepayers and to society voluntarily. It didn't 0come out of my rate structure. It wasn't, it wasn't hidden in something that I couldn't see. I just did that, $8,000. So what does that mean per year? It's $270 per year.

So if we move forward and the net metering surcharge is approved, that adds up to $56 a year. So that is the take, that is what I am taking, at least that is the proposal at this moment. So $56 is what I am taking and $270 is what I am giving. Sounds like a pretty good deal to ratepayers.

So I just want to propose if we do move

forward and approve the net metering surcharge, I would really like it if I could get the balance of my give, which would be $214 each year, after I pay the proposed surcharge. Thank you.

COMMISSIONER CLARK: Questions for Mr. Larsen? Thank you, Mr. Larsen. Stephanie Dolmat-Connell? She is not with us, apparently. Then David West, followed by Ben Bell. Mr. West? Mr. Bell? Is there any chance they are in a different room or are they closed down now?

OTHER SPEAKER: They are empty.

COMMISSIONER CLARK: Okay. Michael Budig, followed by James Allred.

MICHAEL BUDIG

Called as a witness and having been duly sworn,
Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please be seated.

MR. BUDIG: My name is Michael Budig and my wife and I are residents of Glendale, and we are customers of Rocky Mountain Power and we do have net metering.

I initially installed my system four years ago and have expanded it twice. So far, we have put

over $25,000 out of pocket into our system, which has 34 panels and produces eight kilowatts, and I figure my payback on that is going to be about 19 to 20 years. I find it perplexing that Rocky Mountain Power continues to advocate its Blue Sky program which seems to be more interested in green washing than anything else. Blue Sky depends on contributions from its customers to promote the green image of Rocky Mountain Power, and in the meantime, the solar tax that they are pushing would reduce new solar output by more kilowatts than Blue Sky has ever produced. I stopped contributing to Blue Sky when I had my first solar panels installed and I will now encourage everyone else to not contribute to Rocky Mountain Power's green image.

We do pay a minimum of $8 a month, even when we consume no net energy. This is our baseline bill and this supports infrastructure costs. Some years ago, I once had a monthly bill of less than $8 when I lived in an energy efficient house in Salt Lake City and which didn't have air conditioning. If the minimum infrastructure fee that is included in our base bill is inadequate, it should be increased for everyone and not just solar producers.

There is an energy revolution going on and Rocky Mountain Power needs to realize this. Utah will

either send a message that it prefers to stay in the old fossil fuel based economy if it approves this tax or it will move forward. It can either embrace the future or it can fight it.

And, in conclusion, I want to mention that my immediate neighbors also have their own solar system, and if the solar based tax at any level is approved, we will start to consider the option of going off the grid entirely. And I am sure we are not alone. Even though this would obviously be quite a bit more expensive, it would be worth it to stick it back to Rocky Mountain Power. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Budig. Questions? Thank you very much. You are excused. James Allred, followed by Damian Mora.

MR. ALLRED: Good evening. My name is Jim Allred, A-L-L-R-E-D.

COMMISSIONER CLARK: Let's get a microphone for you.

MR. ALLRED: I am resident of Utah, and in my neighborhood in San Juan County, we don't have natural gas. We are too far away from natural gas lines. So like many rural communities, small ones, we use a liquid petroleum, LP gas, and electricity, and Utah Power is our provider.

Liquid petroleum, I don't believe, is regulated, and the charge for the liquid petroleum has gone up astronomically. And we have generally, my neighbors and I, have had water heaters and furnaces run by LP, but with the rise in that -- for instance, neighbors were getting $700 monthly gas bills in the winter for their heating and for their hot water and for their cooking, so a number of us are thinking, well, we can't keep up with this, so let's substitute electricity to do our water and space heating, knowing full well that electricity is not as efficient in doing so as the gas.

So I have installed an electric boiler and am heating my home with hot water, and what I intend to do, since that is not cheap, either, is put photovoltaic cells on my roof and net metering, and I would certainly not like to have an disincentive to do that. San Juan County, as long with many other rural counties in Utah, are light on jobs and that's where the poverty rates are often the highest. And to improve our situation with our utility bills and get them into a reasonable level, photovoltaic really offers something for us with the prices going down as fast as they have gone down.

So I appreciate you allowing me to testify today. A couple other points, and that is, I don't know

if you read in Forbes today, but Panasonic and Tesla have signed an agreement to produce the largest battery producing facility in the world. They are investing $5 billion, and by -- I think this is correct -- by 2020, they are will have a production capacity that will make the same number of batteries that currently exist on earth in one year.

They are looking at sites through this and narrowing it down to two. I have heard of Reno and Stockton, Reno, Nevada and Stockton, California. And I bring this up because all of this is about, apart from my particular need in San Juan County, is about disruptive technology. And the batteries will have a potentially profound impact on a number of things; one of which is, A, my ability to actually buy them in stores, my electricity, and not have to net metering; but, also, when I am in Salt Lake and I see the same air pollution we all see and are concerned about, the economies of scale that will occur with this level of production of nickel cadmium batteries could very well drive those battery costs down significantly, and that will make a difference for the sale of the electric cars. And at the moment, I assume our problem in our air here is not solely, but largely, caused by tailpipe emissions, and to the extent that battery allows us

to -- are cheap enough and allows us to store it, we may be able to cut those down by that disruptive technology.

Lastly, I worked as an executive in finance and planning for one of the largest corporations in Utah, and like -- and very heavily regulated corporations, and disruptive change is something we had to deal with, particularly in the last 20 years. I'd say that one of the hardest things for us to deal with is the fact that our corporation is very intense into capitalized infrastructure, and we learned, when we were in grid setting phases, that we were a bit trapped by our fixed costs. And to continue to service the cost on those fixed costs on the capital assets was an influence in our raising rates, and, yet, if we, if we took some of the disruptive technology that was coming into the market, and there was a lot, and if we adopted it, we would have to start writing down assets, and in world finance, that is not a good thing.

And I suspect Utah Power is in a very similar situation, huge capital infrastructure, in the power plants mainly, and that adopting to this disruptive technology is a real conundrum for them. But that it's a way we have to go because in almost every example of this type of destructive technology, disruptive, things eventually do go that way, and the

faster you can adapt to it, the better. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Allred. Mr. Mora, followed by Erick Hoganson.

DAMIAN MORA

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please be seated.

MR. MORA: My name is Damian Mora, D-A-M-I-A-N, Mora, M-O-R-A. I am a Rocky Mountain Power customer, not an net metering customer. I am here representing Garbette Homes. I am the energy coordinator for Garbette Homes, and as many of you might know, Garbette made the transition of energy efficiency in solar and renewable energy homes in 2008. We built several, several energy efficient, larger homes.

Garbette is in an interesting position because we create hundreds of Rocky Mountain Power customers a year, and we also, you know, we do solar standard in a lot of our homes, so we also creating a lot of homeowners that may be subject to a fee. We are obviously opposed to the fee.

What Garbette does, many people want the energy efficiency and renewable energy as part of their

home but many cannot afford the additional cost to add these energy efficient measures or renewable energy features, like solar thermal and geo. It can be very cost prohibitive. It has been our goal that through innovative design, we could offer both energy efficiency and renewable energy as standard, affordable options to the average Utahan. These features improve the quality of air and quality of life for our homeowners while saving them money.

Utah boasts an extraordinary solar resource and we strongly believe that Utahans should be reaping that nonpolluting energy. Our policymakers and rate makers should be encouraging smart, sensible energy decisions that cut down on energy consumption and save Utahans money on their energy bills.

A lower monthly energy bill helps take pressure of the homeowners so they can focus on paying their mortgage and, you know, anything that comes up, medical bills. It definitely helps. It goes a long way. Our homeowners are, you know, average Utahans that want affordable homes and affordable energy. We simply cannot penalize them for choosing solar. To add a fee now will discourage Utahans from investing in solar when we should be doing everything we can to encourage personal investments in nonpolluting energy.

I am very brief. I encourage the PSC to propose the proposed solar fee. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Mora. Questions?

MS. HOGLE: Thank you. I am interested in your arrangement with the eventual home owners and just how it is that you incorporate solar into the package. Can you -- I am just curious --

MR. MORA: We offer as a standard -- I mean, if someone wants -- in a lot of our areas that we develop, if they want Garbette Homes, we build it into the house, you know, we wire it during the construction phase. It cuts down on costs, you know, and they are able to benefit from an energy efficient home with solar. So does that answer your question or --

MS. HOGLE: Just another question; how is the relationship between you and the homeowner with respect to the solar panels? I mean, do the homeowner paying for the solar panels?

MR. MORA: It is included in the cost. So we -- you know, we hire someone to install it and, I mean, we include it in the cost of the house and the homeowner pays for that. So they own that system; is that -- I think that is what you are asking?

MS. HOGLE: Thank you.

COMMISSIONER CLARK: Any other questions? Thank you, Mr. Mora. Erick Hoganson, followed by Kyle Oram.

ERICK HOGANSON

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MR. HOGANSON: My name is Erick Hoganson. I am a Utah resident. I live in West Valley City. I am a Rocky Mountain Power customer and I am not a net metering customer.

My testimony is somewhat biassed. I work for a solar company, SolarTex Solutions. Before working for SolarTex Solutions, I was in the oil and gas industry for eight years, and in the solar industry, I make about one third of what I did in the oil and gas industry, but I can sleep at night.

So I just wanted to address the few points that I think are pertinent to this debate that I rarely hear mentioned. Let's see, for one, President Obama recently issued a statement about how his energy policies would cause rates to skyrocket, is what I believe was the term he used, and that's, in large part, because of tariffs, a renewable energy credit

requirement, which exists in some states but not here in Utah for now. Should Obama be successful, there would be a nationwide need for renewable energy credits, thus providing a value to them in Utah. Currently, as part of a net metering contract, with most utilities, you need to give up some or all of your renewable energy credits that your solar panels, or other renewable energy producer facility, would be generating. And right now, that is an of no value because there is no value attached to them in Utah, but there could be future value, and I believe Rocky Mountain Power sees this because every year, they have a lottery in which they help to fund solar power projects and other renewable energy projects, in general, about a dollar a watt.

My solar company recently did the some solar power parking structures for Ace Recycling and Disposal, which is a very environmentally conscious company; for one, being a recycling company; and, two, having a solar system recently installed and also having a natural gas powered fleet of vehicles. They -- you know, they have to give up some of their renewable energy credits because Rocky Mountain Power helped them pay for it. I believe it was a dollar a watt. It was 280 kilowatt systems that would run around $280,000 that Rocky

Mountain Power invested, and, essentially, purchased renewable credits ahead of time. So it is just a point that I rarely hear mentioned; one more benefit that solar gives that it doesn't get credit for, or could potential give, I should say.

Another point that I -- every once in a while we hear about electric cars and how they are gaining popularity, and without solar, electric cars are not more environmental beneficial than gasoline vehicles. They -- you know, because their powered by coal. So, generally, people who buy electric cars couple them with solar panels in order to have a greater, an actual environmental impact by investing in them.

I think that -- you know, the Blue Sky has been brought up quite a bit in this hearing, but I feel like the lottery is even more contradictory to this request. If they are investing in solar and encouraging solar directly, I mean with money, they are not just getting donations from people passively and then passing them on; they are taking their income and investing it in renewable energy. And in order to encourage people to do that, it's contradictory, which is too light a term, it is schizophrenic to, on one hand, be helping to purchase solar and then engaging in contracts with

people, and then on the -- the next day, come around and say, well, we are going to, you know, ignore that contract we signed with you that said these terms, and we are going to toss on some extra costs onto that contract without providing any real evidence that that is necessary.

People have talked a lot about the $8 fee and I wanted to point out a distinction. Your average customer pays a $5 meter fee from Rocky Mountain Power, and then Rocky Mountain Power has an $8 minimum charge, which means that if you are just a regular customer, you are not experiencing that extra $3 fee. You are paying a $5 meter fee to help maintain the grid, which is the reason for the meter fee, and then an additional $3 to have solar already. They are already paying more to have solar than someone who doesn't.

I also want to point out the argument, I mentioned before how I make less than I did in the oil and gas industry. I consider myself to be a poor person. I also think the argument that rich people benefitting and poor people are being harmed is insulting. I look at power bills all day long as part of, you know, working for a solar company, and I can't help but notice that businesses use a lot more electricity and they pay a lot less for it.

So if we are saying that solar customers have an impact on the grid and should have to pay more, well, then, shouldn't those who have the biggest impact on the grid have to pay more. If your average business pays between 4 and 8 cents a kilowatt hour, whereas the average resident pays 12 cents a kilowatt an hour, they use a lot less power but they pay more for it.

So, again, I feel like there is an extreme contradiction there in the kind of two-faced approach to green energy that Rocky Mountain Power has taken. They have such an opportunity to facilitate the good future for this State and the country. Solar is a good investment. They talk a lot -- people talk a lot about grid parody. When will solar reach grid parody. It is past it. People don't generally buy from us to have a warm and fuzzy feeling. That is kind of a side benefit. But they are doing it to save money because it does save them money, and that is why Rocky Mountain Power is now investing in solar, not just in the lotto but, also, you know, they've entered into power purchase agreements from major solar farms here in Utah. In 2013, all new power production added to the United States' grid was solar because it is cheaper.

I believe that it would still be cheaper, even without this fee, and it probably wouldn't hurt our

business model, but it is just, it is just so insulting and it is such a hypocritical approach to green energy, that I hope that -- I don't know if externalized costs are something that you gentlemen will be considering in your decision, but certainly they exist. I believe at the beginning of the testimony, there was another gentleman who mentioned a study done by the Harvard School of Medicine, which gave a range of externalized costs, in general, in the country and said that if power companies were charged for the damage that they are doing by their business model, that our electricity rate would be somewhere between 17 and 39 cents a kilowatt hour. I think that that's considerable.

I would -- I have one more point, and that is that the solar subsidy is often pointed to, that solar's only reached grid parody because of subsidy. However, I -- whenever that point is made, I notice that it is also -- never also pointed out that Rocky Mountain Power gets a much, much larger subsidy, and so do most power companies, and have been for a hundred years. Subsidies are generally designed to stipulate new growth in business, not to just increase the profit margins of a hundred year old company that are very successful and that and don't really need the subsidy.

And, also, that with a solar subsidy, the

financial benefit goes not to the solar company that sold the system or to the solar manufacturer that built the panel, but to the consumer directly, whereas power company's solar subsidy, many of them, go directly to their profit margin, and who knows where from there.

I think it is just very short-term thinking. There is an old phrase that a true capitalist will sell you the rope piece you are fixing to hang them with and that is what I see here; short-term profits being considered as the greatest factor and the only factor to be considered. So I hope that you will deny this rate request and scoff at the idea of it. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Hoganson. Any questions? You are excused. Let's see how many we still have with us. I have a number of names on the list but I don't think Kyle Oram has come forward. So I have -- if you are here, would you just let us know so I can have a rough estimate of who we are going to hear from. Don Mignola.

MR. MIGNOLA: Yes.

COMMISSIONER CLARK: Thank you. Michelle Doxey. Is Michelle here? No? Okay. Sam Raby? David Hopkins?

MR. HOPKINS: Back here.

COMMISSIONER CLARK: Thank you. Bill

Wheeler?

MR. WHEELER: Ray.

COMMISSIONER CLARK: Oh, Ray Wheeler, thank you. Allen, could be, Numan or something like that, starts with an N. No Allen, anyway? Okay. Jeff Louden? Josh Schemermon?

MR. SCHEMERMON: Yes.

COMMISSIONER CLARK: Amy O'Connor?

MS. O'CONNOR: Yup.

COMMISSIONER CLARK: Thank you. David Nimkin.

MR. NIMKIN: Here.

COMMISSIONER CLARK: Thank you. Eric Johnson?

MR. JOHNSON: Yes.

COMMISSIONER CLARK: And that gives us seven. So we will be in recess until 20 minute to the hour, thank you.

(Whereupon, a break was taken.)

COMMISSIONER CLARK: We will hear first from Mr. Mignola, then David Hopkins.

Do you wish to give sworn testimony?

MR. MIGNOLA: I guess so.

DON MIGNOLA

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Thank you. Please be seated.

MR. MIGNOLA: Okay. My name is Don Mignola, Don, that is easy, D-O-N, Mignola, M-I-G, as in George, N-O-L-A. I live in West Valley. I obviously pay money to the power company but I don't have net metering, okay.

Now I had planned on speaking entirely about the cost of this extra fee and some related costs, but in the last couple of days, I have heard some discussion about electric cars and a few other things, some of them which from the utility company, so I feel compelled to just make a few statements ahead of time, just to clarify a few issues. You won't see any of that in my documentation.

It's true that most of the energy and the pollution that is generated for our electrical use here is generated some other place. It's also true that the vehicles that are tailpipes are producing most of the pollution, okay. Now that happens to be my first effort to clean up the environment. That goes back to about 25 years.

I will make the following statement, which

will alarm some of you: People have been predicting what is going to be happen with electric cars and its always fallen short. I am going to make a statement that between 2015 and 2020, you are going to see an escalation of electric vehicles, and you are going to see it because of two technologies. I won't go into those today, but you will find that that is going to make a major difference. We are going to see a huge change. And that is going to require electrical power at the home, primarily because that is where most of the general -- most of the usage is going to be.

If we want electric vehicles, we have to the have enough electrical power at the home in order to accommodate this. There is a couple of other requirements on the road that is going to be necessary but I just want to put that in, to put that in to prospective for everybody, okay.

Now, one of the big questions has been, will this increase, that we are talking about, discourage homeowners from going for this program. I have some of the answers that I think might feel helpful, but first what I would like to say is that there are some other things that we should look at before jumping ahead. Now I have sent you gentlemen a document. You've got some of it with you, so some of you actually have seen what I

have already sent to them. One thing you don't see is the 44 pages that I sent to these gentlemen that pertains to what EPRI has prepared in February. Now next month, they are scheduled to produce Phase II of this study that they are doing. Now what they are calling it is the Integrated Grid, realizing the full value of central and distributed energy resources. That is really what we are talking about but they are looking at a global way of doing this.

Phase II will go into more details and more stuff that we can get our teeth into, and so I would strongly urge that that be the basis of study to find out really if we can make some differences as to how we look at those costs. Because I think -- most of you know what EPRI is, the right -- do I have to explain that? Okay, so that is what I had to say.

Now if a client came to me and said, "What can we do to be more efficient, where do we start," I would probably say, "Let's go after the low-hanging fruit." There is a lot of reasons for that but that is what I would do. Now if I were asking that same question of our utility companies, I would say that $25 that they say cost them every month for every customer is a low-hanging fruit.

I've also heard the number of $70, and I am

not sure what the differences are there, but that is where we need to -- regardless of whether it makes sense or not, if you are going to -- that is something that should be looked at for lowering the costs. There is no excuse for that being that high, okay. And I've spent most of my adult life consulting for major corporations and making them more efficient and giving them tools, and that is where I would go if that question was to me. So I think that that is what we should look at. And Phase II report is a good place to start.

Okay, now this business of what the homeowner is going to do. Well in 2012, Sarah Wright's group made a major push to put solar cells on the rooftops in Salt Lake City. They had an outreach program that was very effective. We had to select an installer, and so we put out bids. Three of us reviewed those bids and made the selection. What I did was I went back afterwards, talking to them and did some other things, to analyze what worked and what didn't work, and I am not going to go into all the things that I found out but I am going to tell you what I think is the most crucial thing of all.

Now the equipment and installation is guaranteed for 25 years. The payback is about half that time. Okay, so on the surface, it looks like a very

good investment, you know, in that period of time. One of the problems is that the longest loan you can get is short of what the payback period is. As a consequence, the homeowner who takes out the loan is going to be paying more per month than they did before until the loan is paid off. That is bad. That is a disincentive. So what needs to be done is we need to find ways of turning that around.

Now the experience was that the tree-huggers that were presented with this signed up and put on -- put it -- made the installation. The penny-pinchers didn't. The unfortunate part is for every tree-hugger, there was three penny-pushers. That is an untapped source that we missed. If we can get the cost down per month, that will make a big difference. So I have given that a lot of thought and I have a plan. It has three phases to it but I believe within five years, we could have 50 percent of the houses in Utah with solar panels on their roof.

Now I am not planning on going into all those details today. If the Board -- if the Commissioners would be interested at some point in the future, I would be more than happy to go over that with you because, together, we might be able to accomplish something in that area. And I am talking about

something that does not require any more subsidies or anything like that. It is putting them where they belong, okay.

Now what about an incentive or disincentive with this particular surcharge. If we can lower the price so that the homeowner is now paying less than what they did before, you are going to find people signing up. But if they are on the border and this charge puts them in the other direction, they are not going to sign up. That is simple.

And it's -- just look at the experience we have had in Salt Lake City. There is no question about that. If they are on the margin, they are going to think twice, but the biggest deterrent with this, I believe, is that the people that might be prone to sign up, when they see this extra charge, they are going to ask the question, "What is going to happen next year and the year after that? Is this just the getting our foot in the door and then these charges are going to go up and up and up?" That is going to be the deterrent. So there is a psychological factor here that I believe is extremely strong and that we should do everything we can to avoid it, okay.

Now, I'd like to make some comments about the study that the utility company made near the

university. Now the way I understand the purpose of this study was to take one group, one area, and then project to the rest of the State of what might be practical. I am all in favor of that. That makes a lot of sense and I was all excited about that until I read the report. To say I was disappointed is an understatement.

Now I have -- here is my problems with that. First of all, all the stuff that they went through to make their calculations is ridiculous. They are talking about what NASA does to the environment and the atmosphere and measuring that. That has -- that can be entirely avoided. It is not necessary to do that in order to come up with a reasonable conclusion.

The next thing is they missed probably the most important thing to use as a guide and that is the temperature. Now they should also have had cameras up there to see how much cloud is covered and that sort of stuff for this type of study, but the key thing is the temperature. And if they can make a correlation between the production of those cells at various angles and temperature, that can be projected to the rest of the State, because we already know what the temperatures are at various parts of the State. You don't know on a day-to-day basis but we know it year-by-year. So that

was one of my problems.

My other problem was the area they picked around the university. Why in the world did they do that? Now some of you have got this other handout. You can see the top one is a photo that was in their report, and it shows the structures and the trees. There is more trees than structures covering everything. Now, why in the world would you pick some place that is covered with trees? This is an old neighborhood. Old neighborhoods tend to have tall trees. The tall trees cover the roofs, so this is no place -- that is not your first choice. You should be going after areas where there are already not a lot of trees, which is most of Utah, so this is not indicative.

The second thing, and those of you have the handout there, is this was also in their, in their plan. It shows one of the houses. And what can you expect from these olds houses. Peak roofs, real sharp, peak roofs, and also a lot of twists and turns on the thing. And that is no place -- those aren't prime suspects for a photovoltaic cells. You can't do anything with them and there is not enough space, so this was a bad choice of places to look for. What they -- I don't know if they did this or not, but it would have made a lot more sense to get a hold of EPRI and/or the national lab in

Golden, Colorado, and see if they had something that could have been used, which would have been more universal. So that is the point there.

Now the next thing I would like to deal with is this summer hot spikes that do the heavy use of air conditioners. Now our solar cells are at a particular angle, and that causes less sun to hit them and produce electricity than other times, okay. If the cells move so that they are always perpendicular to the sun's ray, you would pick up 30 percent more energy. That is a pretty universal figure that is accepted pretty much in the industry. The problem is that it is expensive to do that. Every one of these cells needs a unit there to twist it with the sun.

Well, there is a new device out, brand new, and what it does is it travels around and tweaks all of the things every few minutes, and then goes around a few months later and does it again. Now I don't know what the break is on how many cells you need in order to do this, but there's -- that is going to make it cost effective. And what does that do, that 30 percent? That 30 percent is not going to necessarily raise the peak. It is going to spread out the peak. And when you do that, you are go going to have higher energy production at the beginning of the day and higher energy

at the end of the day.

And this business of a seven percent, or whether that number means anything or not, goes out the window, because with this, you are going to get something like 30 percent efficiency. So that is going to change all -- this is a game changer and it is good for the utility company because it is going to even out their flow. The peak is not going to be as drastic. Okay, so that is something that I think we should support.

Now there is another thing that goes on. When the temperature goes up, efficiency goes down of the photovoltaic cells. We have known this for years, okay. And it also shortens the life of the cell when it really gets hot. Now they have tried various ways of cooling them down. Unfortunately, these ways are too expensive to make them cost effective. However, there is good news. A Stanford professor has come up with a passive way of doing this so there is no ongoing cost. They intend to commercialize this as soon as they can, and I wouldn't be surprised if they commercialize it sometime next year, if not the year after. That is going to increase the efficiency of the cells. It is going to make them last longer, but it is going to extend the energy produced at the end of the day

disproportionately because as these cells heat up, they lose their efficiency and their efficiency goes down.

Now if all of a sudden, a cloud comes over and stops everything, the cells aren't just going to whoop up and cool down. They are going to gradually cool down. But if we can get -- keep them cool all the time, they are going to produce higher electrical energy at the end of the day than they do now. That is also going to affect that seven percent figure. So that is something that we should look forward to and move to these things.

What we should be doing is looking to these technologies. The rate thing you are talking about is not for today and tomorrow. It is for next year and the next year, and the technology is going to be different next year. So this is what we should be looking for is the technology that comes tomorrow and the year after it when you are setting the rate, okay. So much for that lecture.

All right, now we are going to really -- I hope you are all sitting down. There are ways of limiting almost all the electrical energy used by air conditioners. Now think about that; if we can eliminate most of the air conditioning expense, all of this problem of this peak load will be, essentially,

eliminated to the utility company, and that means that they don't have to provide for this excess capacity. That means that it is far more profitable to do it that way.

Now how do you go about that? How is that done and is this some high-tech stuff? No, it is not. It is low tech. It is already being done in Utah, and there is some pictures that will show this. The air a few feet down, in Utah, is 55 degrees. If we pick up that temperature, we don't need air conditioning. You put the -- you pick up the energy with tubes down, several feet down, it cools down the air, or liquid, in those tubes, you pipe that up to either an -- if it is liquid, you are pumping that into a solar heating system, solar in the floor, okay. Now instead of being just solar heating in the floor, you've got solar cooling in the floor. And you don't need a compressor you don't need all the other stuff.

Now what does this cost? Well, it's cost vary all over the ballpark. In general, the cost of installation is somewhere between that of a swamp cooler and an air conditioner. The maintenance of both of these present systems is high. The maintenance of this system is almost nil. The cost for moving this liquid or air through the system is less than moving the air

with a swamp cooler and there is no water involved in the process, and the comfort level is terrific. There is nothing better than that.

Now I ask you, this system is a game changer. It can eliminate all the summer electrical spikes. It can eliminate the need for additional electrical capacity for the years to come. It can eliminate far more than the proposed month's charge. It makes that thing look like chump change, as far as effect on the utility company, and it makes it more sense. Is there any reason why we shouldn't pursue this alternative vigorously. I mean, if we said let's try and talk 20 percent of our users -- our homes every year, we can make a huge difference in a very short period of time. And I believe that is one of the things that we want to do.

Now I've got one other -- oh, my goodness, I screwed up. I turned the page. Okay, there is another technology and it is not new technology. It is called thermal mass. A house using the principal of using thermal mass stays about the same temperature 24 hours a day and 365 days a year. You only need a small amount of energy to tweak it once in a while. That is the way this works. Now the physics in this is a little hard to explain so I won't go into all those details. I will

tell you more about what works and give you some authenticity resolutions. First of all, the temperature in a thermal mass not only remains constant, but people are more comfortable in one of these homes when the temperature is actually lower. This works -- this is radiation and it works very much like the sun.

Now you know that if you are in the shade and then you walk out into the sun, it gets a lot hotter. This works the same way. The big difference is you don't get sunburned. That is the good news. But it works the same way. So people are comfortable, and people that normally -- I am too cold while the other person is too hot, those problems tends to go away with, with this type of system, so you are actually more comfortable, and if we can do the heating and cooling, make sense.

Now the man that wrote the book on this actually built some homes this way, and Utah Power gave him a special accommodation, so I think there is a lot of credibility to it that the utility company can verify because they wouldn't be passing out these types of credentials if they -- I am sure they validated this before. So this system is also a game changer. And now is there any reason why we shouldn't also pursue this. Now this is only practical primarily for a new home,

okay, but we can encourage these things to happen.

So in conclusion, I am saying that this four or five dollars, or whatever it is going to be, is going to discourage some people, not everybody, it is going to discourage some people. It ticks off a lot of people, I can tell you that. If you talk to people, they get mad about it, and that is not good for the utility company and it is not good for any regulatory agency. It discourages that sort of thing.

There are alternatives. There is technology that is going to make a huge difference this year and next year that we need to take advantage of. And let's not be shortsighted. Let's move to these things and then let's do these things that will make a real change, a major change, so that the load that the utility -- the plan for is not having these huge ups and downs. It is going to be steadier and it is better investment in capital, okay. Thank you. Any questions?

COMMISSIONER CLARK: Thank you, Mr. Mignola. Any questions?

MR. MIGNOLA: I thought the Utility would be asking me some questions.

COMMISSIONER CLARK: You are excused. David Hopkins, followed by Ray Wheeler.

Do you intend to offer sworn testimony?

MR. HOPKINS: Yes.

COMMISSIONER CLARK: Okay. Please raise right your hand.

DAVID HOPKINS

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Okay, please be seated.

MR. HOPKINS: My name is David Hopkins, H-O-P-K-I-N-S. I live in Salt Lake County, in the Millcreek area, and I am a customer of Rocky Mountain Power and also a net metering customer. In 2010 and '11, I, two different times, I installed solar on my home with the assistance of Rocky Mountain Power, part of the rebate program. I received rebates from them. And I signed a contract and turned over part of the renewable energy credits to them. From my point of view, it was a positive relationship, or partnership, to help add power and stability to Utah's grid, if you will, okay. I also purchased, the next year, a Chevy Volt, which I operate there and my wife mostly drives it and she plugs it in at work, as well. So it saved quite a bit of money.

Now the sizing of grid that I have, the rate I have on my home, is really set up to take advantage of

the tiered rates that we have. You guys have created really kind of an interesting system, in that what it -- the advantage it gives to a homeowner, if he sets the rate up properly, is that the maximum rate is around 14 cents kilowatt in the summer, and my panels are set fairly shallow to take advantage of that.

I don't net zero. I don't really have an intent to do that because I don't really see an advantage of that because of the sliding scale. From the point -- the way I view the way Rocky Mountain Power, at least what I thought the way they were looking at that, was their demands in the summertime on their infrastructure are high because ambient temperatures and solar absorption in transformers and high loads, which causes transformers to age prematurely, and, in some cases, die because of the increased load and just the temperature during the year.

So one of the things that concerns me is that as PV prices drop, which they have for the last 40 years, basically they started out at, what, $1,000 a watt and now they are down to maybe on the PV, on the cells themselves, down in the range of $1 to maybe 50 cents, and it is going to continue. This is a disruptive technology that is going to change how power is produced and distributed. And what I don't get is

that Rocky Mountain Power isn't taking advantage of that.

Utah is kind of an odd place. We have got all this westerners living on top of each other in this valley, producing pollution and all these other things, then we have this huge grid with all these wires running around Utah, and, especially, in Southern Utah where it gets fairly warm. And I think in a lot of cases, that it is overloaded and it is expensive to operate. Using distributed power in that sort of situation seems like an obvious solution to generating power and reducing maintenance on the grid because some of the most expensive components are thermally and load sensitive. Why don't they take advantage of it?

And really what I am here to do is try to push you three to consider that in the future, what we should be looking at is trying to strategically take advantage of those situations, to reduce, not increase, the rate structure in this state. I think with the falling prices of PV, attaching PV to homes -- like in my case, I am at the end of the line and I have big transformer hanging out on a pole behind my house. It is 50 KV, it serves 16 customers, and I put out power to all those people. Okay, all it really does to Rocky Mountain Power is make that transformer last longer, and

the substation reduces their load, and another dozen people like me in my neighborhood reduces the load in that neighborhood. And on a hot day, Rocky Mountain Power gets to sell it to the Smith's down the road at a high demand charge.

And that sort of opportunity in, you know, places like Moab, where I am from, it gets pretty warm down there, things blow up, so it's creating these blanket categories. And not being smart will make it so we pay a lot more money in the future. And I really would like to see a sort of leadership from the Public Service Commission to try to push Rocky Mountain Power, as I think you have done with the subsidy I received from them, okay, on the rebate, to look at commercial and domestic agriculture.

I am a skier and every time I get on a ski lift, I think substations in the power grid that supports this place gets used five percent of the time. You know, there's mining operations, people are pumping water in Delta in the summer, but the rest of the time what is it doing? The grid is kind of sitting there. So if it put up solar panels next to a pump, and this is something they do in Texas, okay, and they pump water out of the ground or I pump it into my sprinklers, in the summer, there's a pretty high load. And I would

imagine when Rocky Mountain Power laid out their grid, they minimized their investment. Okay, so those transformers and that grid are probably undersized because it only really gets tested part of the year.

So my suggestion is that instead of doing these blanket increases in rates for people, that they invest, and the Public Service Commission pushes Rocky Mountain Power to look at strategies where they can support failing infrastructures, or infrastructures that might be at load or just underutilized -- and that nice thing about solar is it is very entrepreneur thing. It doesn't take huge investments. It doesn't take going to Wall Street and getting a billion dollars, okay. You just go incrementally and look for these opportunities and, you know, low-hanging fruit. There's got to be a lot of that there.

So that is why I am concerned and I oppose this, this kind of blanket increase on solar because what it is going to do is it's going to hold Utah back. And it is going to -- you know, somebody said it is going to make us look schizophrenic and it does. We need to invest smartly. I mean, that is what I thought I was doing with Rocky Mountain Power. But right now, they are going to come back and start charging me, and I am like, you know, I signed a contract, and there's, you

know, renewable energy credit that they are going to sell some day, it is just a strange relationship.

So thank you for your time, especially staying here so late in a hot room with suits on and ties. I appreciate it. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Hopkins. Questions for Mr. Hopkins? Thank you. Ray Wheeler, followed by Josh Schemermon.

MS. ROBERTS: I saw Mr. Schemermon on the elevator. He apologized to me and said he had to leave.

COMMISSIONER CLARK: Okay, thank you.

RAY WHEELER

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

MR. WHEELER: My name is Ray Wheeler. I am a resident of Salt Lake City and a net metering customer of Rocky Mountain Power. I am also a board member of the Association for the Tree of Life, which is deeply involved in trying to facilitate a power transformation to renewable energy nationwide, the Earth Restoration Network, which has published a 500-page master plan for converting our country to full sustainability for food water and carbon-free nuclear-free energy within one

lifetime, and of the Mormon Environmental Stewardship Alliance, on whose board I sit as an advisor. Thank you for all of your time tonight. It was quite heroic of you to sit for so many hours and listen to this testimony. And, also, thank you to all these people who have proceeded to me. I am just fascinated by all the information that's come out of this. It has been a very rich hearing process.

I am here to encourage the Commission, like so many others have tonight, not to apply the proposed new fee for net metering services for solar powered providers. No such fee should be applied until an independent audit is down to determine the true costs and benefits of solar power shows that costs to Rocky Mountain Power ratepayers exceed the benefits.

In our country, public utilities -- public entities frequently and massively subsidize private for-profit entities on the grounds that such subsidies are justified because the subsidized entities are providing an important public service, such as energy, food, national defense, or jobs, and should, therefore, be given an incentive for providing the needed service in the form of subsidies, which sometimes range into the billions of dollars.

I would like to step back and give you a big

picture overview of the primary reasons, or one cluster of primary reasons, to incentivize the growth of solar power production capacity throughout Utah and especially on the Wasatch Front.

When we think about the big picture, we are talking -- not talking only about the immediate effects of slapping a fee onto the cost of providing net metering service for solar providers. Those effects are actually quite large, up to 70 percent reduction and applications for new solar projects, in the case of Arizona. But what is far more important to consider is the consequences of adopting a posture of discouraging, rather than encouraging, the fastest possible build out of alternative clean energy production capacity here in Utah and elsewhere throughout the world.

Last year, my wife and I invested about $17,000 to put a five kilowatt solar system on our roof. This was our net cost after 30 percent tax write off on our federal income taxes. $17,000 was a large piece of our personal savings and a lot of money to invest all at once. We did it. So why did we choose to help finance and build the long-term alternative energy production capacity of Rocky Mountain Power? We did it because we knew enough about the consequences of addictions to facile fuel energy to believe we had a moral obligation

to assist in the transformation of our country to clean and renewable energy.

I want to give you a summary now of what I consider to be the most important logistical and moral problems that we as a species face and that is global warming, something which seems abstract, off in the future, not our problem today here and now, and I want to bring it into your consciousness and try to raise your consciousness as to its immediacies.

According to overwhelming 97 percent consensus of 2,500 of the most distinguished climate scientists in the world, human-caused carbon dioxide pollution has already caused, with a certainly of 90 percent, a one degree Farenheit average earth temperature increase since the beginning of the industrial revolution. That increase has brought us to a level not seen for the past 400 years in the fastest -- and has been the fastest rise in average temperature in the past 1,000 years.

If human activity continues to release greenhouse gases, mainly carbon dioxide and methane, into the earth's atmosphere as extrapolated for ongoing population growth and industrialization, that will cause a four degree to 11 degree Farenheit increase in average global temperature.

Now a few degrees, one way or the other, what difference does it make. It makes a huge difference. An increase of just a few degrees has an immense impacts on weather, water supply, agriculture, wildfires, biodiversity, fisheries, and every other aspect of life on earth. For example, during the last ice age, the average global temperature was just five to nine degrees cooler than it is now, and that resulted in the accumulation of up to 3,000 feet of glacial ice on much of North America, where there is no ice today.

Since the beginning of the industrial revolution in 1750, average global temperatures have been increasing in precise lockstep with atmospheric concentrations of carbon dioxide gas, which traps heat radiating from the earth's surface. CO2 concentration in the atmosphere has increased 34 percent since 1750 and 62 percent of the increase has occurred since 1959. The immediate evidence of global warming is obvious and dramatic.

Glaciers on the Tibet-Quinghai Plateau at the head of China's yellow and Yangtze rivers are melting at seven percent a year. At this rate, two-thirds of that glacial ice will disappear within 50 years. These disappearing glaciers feed all of the major rivers of Asia, including the Indus, Ganges,

Mekong, Yangtze and Yellow rivers.

Over the past three decades, more than a million square miles of perennial sea ice, an area of the size of Norway, Denmark, and Sweden combined, has melted away. In the past decade, we have seen a 40 percent reduction in polar sea ice, a loss of ice area five times the size of Great Britain. Sea ice is shrinking by six percent per year and at increasing rates. Scientists at the US Center for Atmospheric Research predict that if the current rate of global warming continues, the Arctic could be ice free in the summer by 2040.

Meanwhile, gigantic -- whoa, I lost my place, sorry. Gigantic blocks of shelf ice are breaking away in the polar regions. In 2000 and 2002, ice shelves nearly the size of Connecticut and Rhode Island broke off the Ross Ice Shelf and the Thwaites Glacier. The melting of sea and continental shelf ice, together with glacier melt-off, will inexorably drive a rise in sea level.

As the planet warms, various feedback loops kick in to cause accelerating release of greenhouse gasses and a greater absorption of heat into our oceans. Melting of sea ice reduces reflectivity and increases heat absorption in polar regions, melting of permafrost

and warming of oceans could release huge amounts of methane, a greenhouse gas 23 times more potent than carbon dioxide in its capacity to trap heat.

Top US climatologist James Hansen of NASA suggests that our climate is just two 2 degrees centigrade short of a tipping point beyond what we can expect irreversible, runaway global warming. Hansen suggests that we have just eight years now to reverse the flow of carbon into the atmosphere before we cross a tipping point threshold and create what he calls a different planet.

No one know for sure exactly how close the irreversible climate change feedback loop tipping points may be. The processes are complex and their interactions are not fully understood. However, the most recent estimates that I have seen by the world's top climate experts suggest that we are no more than 20 years from the point of no return. They suggest that we must see something like an 85 percent reduction in fossil fuel use by mid-century. And we all know that wholesale conversion from a fossil fuel distribution system to a renewable energy system will take decade to fully accomplish. To get ahead of this problem, we need to start immediately.

Consider the consequences of a hotter planet

for ecosystems and nations that are already strained to the breaking point; the total loss of the world's greatest rainforests due to drought and wildfire on top of massive and accelerating commercial logging worldwide; elimination of all the polar sea ice and within one or two lifetimes, the melting of the Greenland and West Antarctic ice shields, driving up ocean levels world wide by an estimated 39 to 56 feet in elevation; flooding of major coastal cities and farmland worldwide, displacing anywhere from 100 to 600 million people and destroying millions of acres of the world's most fertile cropland; complete melt-off within about 20 years of the mountain glaciers that feed most of the world's major rivers, including those of the Himalayan Highlands that provide irrigation water to one-sixth of the world's population; increase in drought and desertification and crop failures due to rising temperatures; accelerated crashing of ocean fisheries due to the acidification of ocean water. And, incidentally, the loss of the corral reefs of the world within a remarkably short period of time; accelerated -- excuse me, radical transformation of ecosystems worldwide as climate zones literally move northward and upward the elevation; a major surge in already alarming rates of plant and animal species extinctions, now

approaching 1,000 times the background rate, normal background rate, of species extinction.

A recent book by eminent military correspondent Gwyn Dyer concludes, based on interviews with leading military intelligence analysis in most of the major countries of the world, that the consensus of the military intelligence community worldwide is that global warming is not merely a reality and a huge threat to humanity, as well as to plant and animal life, but furthermore, it will be a primary threat to national security worldwide. That is because climate-driven drought and famine, destabilization of governments through civil unrest by hundreds of thousands of starving, disparate people, displacement of hundreds of millions of climate refugees, wars over scarce resources of food and water, such as rivers that are shared by multiple countries, all constitute major threats to national security throughout the world.

Already as result of the depletion of natural resources in relation to exploding world population, we see about 60 countries identified in the category of failed or failing states. If these scenarios seem hypothetical or abstract, consider the case of the Darfur region of Sudan. Between 1950 and 2007, Sudan's population quadrupled. The stress of

extreme population growth has been intensified by two decades of drought. According to UN Secretary General Ban Ki-Moon, the prolonged drought coincided with a rise in the temperature in the Indian Ocean that disrupted seasonal monsoons, a direct result of global warming.

The consequences of climate change for Sudan were 20 years of warfare, during which four million people died.

MR. COLEMAN: Mr. Commissioner, I apologize, I appreciate the educational opportunity with respect to global warming, and as well as the parade of historicals that were repeated. I have to express concern of how far afield we have now come from the subject matter that is at issue, both in today's hearing, as well as the general rate case as a whole.

MR. WHEELER: Who is this gentleman?

COMMISSIONER CLARK: He is Counsel for the Office of Consumer Services.

MR. WHEELER: Really?

MR. COLEMAN: Yes, sir, I am.

MR. WHEELER: You fail to see any relevance between the warming of the climate --

COMMISSIONER CLARK: If you will allow me to please --

MR. WHEELER: -- of rapid conversion to

renewable, clean carbon-free energy; is that true? Is that the case?

COMMISSIONER CLARK: Mr. Wheeler, just allow me to address his objection, if you wouldn't mind. Would you give us a sense of how much more you have for us this evening for our planning purposes?

MR. WHEELER: Not too much more. How much is too much? This is huge. These are, these are huge issues. You are a consumer advocate, sir?

COMMISSIONER CLARK: Mr. Wheeler, if you are going to be done soon, why don't you just continue.

MR. WHEELER: Thank you.

COMMISSIONER CLARK: But let me ask you to read a little bit slower for the benefit of the reporter. I am sure she is --

MR. WHEELER: I can send you a transcript. I don't have one printed out.

COMMISSIONER CLARK: Thank you. That would be helpful.

MR. WHEELER: How many failed state does it take to make a failed civilization. How many Syrias, how many Iraqs, how many Lybias, how many Pakistans, can the US afford to invade and govern at the expense of the US taxpayer? Why would we subsidize the extremely profitable oil industry with millions in oil depletion

allowance subsidies, when we have the alternative of incentivizing clean energy solutions such as solar power. Why would we pour trillions of dollars of taxpayer subsidy in the US military establishment when we are already spending more than all other countries of the world combined are spending on their national defense systems, in a desperate and impossible attempt to stabilize and control the highly volatile oil-producing countries of the Middle East.

The consequences of fossil fuel addiction are not simply distance in time and space but they are immediate and close at hand. They are highly visible in our air here in the Wasatch Front. At least we can see what we are breathing but this is bad.

The consequences of fossil fuel dependency will soon be visible in our local economy, as ski resorts fail due to lack of snow and the proposed doubling of the population of the Wasatch Front becomes impossible due to lack of water. The global demand for oil and gas increasing with population and the supply of cheap oil now falling, energy price inflation will ripple across the global economy, inexorably driving up, forcing interest rate increases to control inflation, and taking global markets and economies.

In today's highly technological and mobile,

globally linked world, businesses can locate anywhere and business owners will choose cities with clean air over cities with dirty air and high rates of asthma and lung cancer, where gas masks are recommended to keep children safe on red air days. Either we can be a leader in the global alternative energy technology industry or we can watch our economy deteriorate along with the global economy. Either we can be in control of our future with locally produced clean energy or we can remain in thrall to the violent and highly erratic oil producing countries to the Middle East.

Our Mormon cultural heritage shows the way. For the highest good of our society and communities and way of life, we can choose the path of self-reliance, self-sufficiency, good stewardship, respect for the natural world and conservation of natural resources. These were the core values that Brigham Young thundered for again and again from the pulpit. He understood the importance of seeing into the future, seeing the big picture, acting prudently in the short term for long-term societal gain.

Utah net metering incentives program is better than some but far behind those of Vermont, California, Germany or Norway. Not only should there be no punitive fee for those taking capital risk to build

out the solar economy but we should strongly increase incentives for this all important conversion that affects not just us but the entire planet. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Wheeler. Questions for Mr. Wheeler? Thank you, Mr. Wheeler, you are excused. Amy O'Connor?

MS. O'CONNOR: I would like to give sworn testimony.

COMMISSIONER CLARK: Please raise your right hand.

AMY O'CONNOR

Called as a witness and having been duly sworn,

Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MS. O'CONNOR: Thank you. Thanks for staying so late. I appreciate it. My comments are actually brief because I think everybody who has come before me has been eloquent and made most, if not all, the arguments that one could possibly make.

And I oppose the rate increase. I live in Glendale. I am a Rocky Mountain Power client customer and I do have solar, so I am part of the net metering program.

So when I first came to Utah, my family came

to Utah and it turned out that a friend who lived in Utah, a friend of my dad's said, "Hey, Utah is family friendly. Salt Lake is fantastic. Come raise your family here." And I would say that if we are truly family friendly, if we really care about kids, if we really care about future generations, then we must incentivize solar for all the reasons the Ray Wheeler pointed out, for all of the reasons that everybody else pointed bought, because they are the one who are going to pay. I don't even have children. I chose not to have kids, so I think we owe it to them because I care deeply about future generations at it turns out.

So I believe that we have a moral obligation to incentivize solar, not to punish people for investing in it. In fact, if we don't do what some countries in Europe, like Germany are doing, I think we are going to be in trouble. And I would just ask you to go back to the saying, which I think may have started back in the '70's, maybe even on Earth Day, that we have to think globally and think of us as part of the global community. We are not just Salt Lake and we are not just the Wasatch Front. We are connected and we are responsible as global citizens.

So I ask you to act locally. Please do the right thing for your children, future generations, for

the globe, for biodiversity, which I happen to care about deeply, as well, but let's do it for the future. And please don't start down this path of punishing folks, as in Utah. We are only at one percent, in terms of renewable energy. We need to go a long ways and we need to do it very quickly. So I appreciate your time and attention.

COMMISSIONER CLARK: Thank you, Ms. O'Connor. Questions? You are excused. David Nimkin, followed by Eric Johnson, who I believe is our last witness.

DAVID NIMKIN

Called as a witness and having been duly sworn,
Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MR. NIMKIN: My name is Dave Nimkin, N-I-M-K-I-N. I live in Salt Lake County and a customer of Rocky Mountain Power and a net metering user, as well. I will hopefully be mercifully short. I think Amy had said most everything had been indicated.

I want to concur with a lot that had been said. There are actually some points that I would like to make that are unique, so I appreciate everybody's attention and offer this. I very much want to encourage

you all, and the patience that you've endured tonight and the last couple of days on this, to really do the right thing and reject this.

Along with others, I believe, in many ways, that the proposal before you is intentionally incompatible, intentional inconsistent, and intentionally irrational. Those are not good principals to be founded on and I want to provide a few examples of why I think that is the case.

So 35 years ago, I was the executive director of an organization called Salt Lake Neighborhood Housing Services, now called Neighbor Works. We formed a partnership then with a group called Utah Power and Light. They were strong partners with us in promoting a solar neighborhood and investing in passive solar retrofits in that neighborhood, based on the principal that they recognized that investing in new centralized power production and coal production was expensive and they wanted to encourage and promote conversation.

They recognized that an older neighborhood, Liberty Park of Salt Lake City, could benefit from applications of passive solar technology. They financed wraps of water heaters. They helped in providing caulking and weatherizing for over 1,200 homes in that

neighborhood. So successful that two national magazines did stories on America's solar neighborhood. My question is what's changed? What if we had done more of that over the last 35 years and why is Rocky Mountain Power pursuing a strategy that is so profoundly contrary to that position.

In my day job, I work with an organization called the National Parks Conservation Association. We protect America's national parks. I am the regional director in the West. The national parks are, in a large measure, what defines this State. We have talked a lot about the impact on the Wasatch Front.

I notice, for example, the posters of the national parks on the wall in back, out in the corridor. We take great pride in them. They are huge economic drivers for us. The wisdom of the US Congress, at least at that time, in passing the clean air act was to designate our national park as class one air sheds, and that a good deal of our work is involved in trying to restore and maintain class one air sheds in America's national parks, and most specifically, Utah's national parks.

PacifiCorp is involved in some of that and considering fairly substantial capital investments to realize and fulfill the EPA guidelines for regional high

standards. I think it is very important that -- and can't quite understand how the centralized power production that is inherent in the Utah Power or Rocky Mountain Power production is trumping the capability to increase renewable power.

One other point, and I think this is an important part of this, is that one of the things that I have been involved in as well, is cofounder and cochair of organization called Buy Local First. Some of you may have heard about that. There are over 4,000 businesses that are part of that, but they are precept, the goal of that, is to promote public education and to help people recognize that individually, they have the opportunity to make choices that protect their communities, protect the businesses in those communities.

As a net meter customer and someone who is not a geek, as others have been. I don't measure what I do and how I do things. I have found that I am profoundly interested in the energy use that I have and the amount of energy that I contribute back into the grid and the amount that I save. And I believe that it is critically important, as others have indicated, the personal responsibility and accountability that we each have to be responsible. And in the same fashion as Local First, I believe that the ability for Utah

consumers to be able to become active and direct participants in managing and producing energy is critically important.

So for the benefit of all of us and all the things that have been said, I really want you to really act responsibly, act in a way that will, ultimately, do the right thing for all of us. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Nimkin. Questions for Mr. Nimkin? You are excused. Eric Johnson?

MR. JOHNSON: That's me.

ERIC JOHNSON

Called as a witness and having been duly sworn,
Was examined and testified as follows:

SWORN TESTIMONY

COMMISSIONER CLARK: Please be seated.

MR. JOHNSON: So what I would like -- I don't want you to do anything, other than think about a few words.

COMMISSIONER CLARK: Just before you address those words, would you state and spell your name for the record, indicate for us if you are a Rocky Mountain Power customer or not?

MR. JOHNSON: Yes to all the above.

COMMISSIONER CLARK: Net metering customer,

as well?

MR. JOHNSON: I am a net metering customer, current Rocky Mountain Power customer. They did not help put it on my roof. I did that with SolarTek's help. Spelling of my name is average as can be, E-R-I-C, J-O-H-N-S-O-N. That is the only thing average in this whole room.

I have heard average mentioned -- I am not going to stretch it, but a lot of times tonight. That word is subjective, right? A lot, subjective. Average, subjective. What is average about this? If this was average, you guys wouldn't be going home tonight because this room would still be full of people. This has somewhat to do about the squeaky wheel. The squeaky wheel gets the most oil because we want to quiet them down.

Well, if this was average, you would be wanting to quiet us down, but this effects, what? One percent of Utah customers. That is not average. That is far below average. So the world average, as it has been used in this room tonight, is highly subjective and should be dismissed, because it is not average. You are not average. You are not average. You are not average. I at not average. I am not rich and I live in an old house, right, but do I have solar power? Yes. Why did

it get it? It is a slightly different reason; I want my children to have a good life, and if I am removed from the earth for whatever reason, they inherent my home, their power bills are going to be almost gone.

Yes, I do fall into the category where I produce more than what I consume. So at the end of the year, Rocky Mountain Power is going to get my bank. Okay, fine. But they are not giving me anything for that except, oh, you can use our grid when you need power. Well, if I am consuming less than what I produce, maybe I don't need it.

But the fact is, as a whole, society needs a power grid. To give them a power grid is fair. What is not fair is to say, on average, we need to do this to people who have a net metering or who use minimal power or to do this. Because on average, break that down, you have some people who generate more and lose their bank, you have some people who break even, you have some people who generate less and consume. What part of that is average? Pick one, I guess. I don't know. But pick one. I know I am not average. Nobody in this room is average, okay.

So I want to dismiss that term and go to the terms of what is fair. What is fair? Would just -- you don't have to give a show of hands but I am going to

suggest there are people in this room that work off of salary. You signed up for the job because you get so much PTO and so much this and so much that. Oh, but now we have you hooked and you need this job, you need this job, so now we are going to change your benefits. We are going to take away your medical benefits and go this route and say, oh, you have to do a high deductible plan. That is what Rocky Mountain Power is doing to us. We will do this for you, but, oh, wait, now that we have you hooked, we are going to change the rules without changing what we do for you.

Where is the fairness in that? If we want to talk fair, where is the fairness in that. Let's change what we said we would do, all these additional fees, whatever they might be, just like three of them, right, but we are going to now tax you for this because you made a conscious choice to get off the grid, whether it's for warm, fuzzy feelings or whether it's for money or whether it's for whatever, but where is the fairness? I don't see it. I really don't.

So to me, if we want to continue on what is fair, let's revamp the whole contract and say, okay, before we are going to charge these people with net meters, which is we are going to take from them, how can we give back. Rocky Mountain Power, I don't think, are

going to find on the table for that. Why? Because it is going to take a little bit of the money out of their pockets. Fair. Rocky Mountain Power says fair. That is not fair.

So maybe keep this on the docket for eternity until Rocky Mountain Power comes back and says we are willing to change the contract. Not a one-way street but a two-way street. Then you probably wouldn't have me here voicing my opinion. I would except it.

I am here tonight, not to save $5 a month, but I am here so my children can save $5 a month. If it were me, I would just pay it, but I had to come here tonight; one, thank you for allowing me to have my voice because that is the only thing we all have. Nobody can control that unless you decided to close the door and say Eric can't speak tonight. Right? I have any voice and thank you for that, but I came here for my children.

I thought about the whole thing and was like, oh, $5 a month, you know, okay, I won't go out to eat for one day a week, or something, right, but can my children make that choice for themselves? No. Does everybody in here like the way we live today? You can probably find little pieces of stuff that you don't like. And odds are that is because your parents didn't come here, or my father or mother, didn't come to

meetings like this to voice their opinion. So now you are and I am reaping their stuff.

So if I want to help my child, I need to be here to say, hey, this doesn't sound right. Somebody might think it is fair, somebody might not care, somebody might think it is not fair, but where do we go. To me, where we go is you get Rocky Mountain Power to sit down with their customers and say, okay, look, one guy was in here, he said he had a contract with them. Rocky Mountain Power helped put the stuff up on his house but now they want to charge him more money for equipment they helped him put up there. That doesn't make sense. They want to charge me more money for over producing, more money and take my over production, my bank?

Let's say -- here is an example; I know it is current, I lose my bank, but let's say this: Whoever is on PTO, you are now on a use it or lose it scenario, so if you don't use it, you lose it. That wouldn't be fair, would it? Because most PTO banks rollover so much per year. Maybe Rocky Mountain Power could do something like that and say, okay -- because I personally think they are cutoff at April or May, March or April, is a little weird because now I have a bank and I am coming into the months where I have to get hit the hardest? My

bank goes down but I lose all that. So I go into the hardest months of the year starting at zero, when I previously had a bank so that I could, potentially, get through those months easily. Roll it over, have them sit down, say, look, we want to do this, we are willing to do this. Change, change with no change, I think, is bad, and that is what Rocky Mountain Power is offering. They are offering change with no change to their customers, other than more money in their pockets and more money out of our's.

So averages, change without change, subjective. Am I rich? No. But I do want to say, though, is this: Public humiliation comes at a price, and if we all want to sit in this room and let Rocky Mountain Power humiliate us in public, that is our choice. I choose not to let that happen. I choose not to let them affect my children in a way that they believe is fair. They don't know that it is fair. There hasn't been enough research done. There hasn't been enough cutting the pie down and dissecting it and saying, okay, this is where our problems really are. They just said, we are going to attack this one percent because we think they are rich, when they are really not. They won't say anything because it just $5.

I am not rich. I work 40 plus hours,

probably 50 to 60 hours a week. That is why I am here speaking last because I had to work. I came here and put my name on a piece of paper. That is why I am here. Let's figure out something that is fair. The proposal that is on the table is unfair to the consumer or the customer.

So I am going to leave you with that and you can go home and think about it. Thank you.

COMMISSIONER CLARK: Thank you, Mr. Johnson. Questions?

Thank you. You are excused. And were adjourned.

(The public hearing was concluded at 11:00 p.m.)

REPORTER'S CERTIFICATE

State of Utah)
)
County of Salt Lake)

I hereby certify that the witnesses in the foregoing public hearing were duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause;

That said hearing was taken at the time and place herein named;

That the testimonies of said witnesses were reported by me in stenotype and thereafter transcribed into typewritten form.

I further certify that I am not of kin or otherwise associated with any of the parties of said cause of action and that I am not interested in the even thereof.

IN WITNESS WHEREOF, I set my hand this 5th day of August, 2014.

Kellie Peterson, RPR