

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

\* \* \*

In the Matter of the Review  
of Electric Service Schedule      Docket No. 14-035-140  
No. 38, Qualifying Facilities  
Procedures, and Other Related  
Procedural Issues

~~~~~  
HEARING PROCEEDINGS  
~~~~~

TAKEN AT:            Public Service Commission  
                          Hearing Room 403  
                          160 East 300 South  
                          Salt Lake City, Utah

DATE:                Tuesday, May 26, 2015

TIME:                9:01 a.m.

REPORTED BY:       Scott M. Knight, RPR

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

A P P E A R A N C E S  
THE HEARING OFFICER: DAVID R. CLARK  
COMMISSIONER: THAD LeVAR

FOR DIVISION OF PUBLIC UTILITIES:

JUSTIN C. JETTER, ESQ.,  
ASSISTANT ATTORNEY GENERAL  
160 East 300 South, Fifth Floor  
Salt Lake City, Utah 84114

FOR OFFICE OF CONSUMER SERVICES:  
REX W. OLSEN, ESQ.,  
ASSISTANT ATTORNEY GENERAL  
160 East 300 South, Second Floor  
Salt Lake City, Utah 84114

FOR UTAH CLEAN ENERGY:

SOPHIE HAYES, ESQ.,  
UTAH CLEAN ENERGY  
1014 2nd Avenue  
Salt Lake City, Utah 84103

FOR ROCKY MOUNTAIN POWER:  
YVONNE R. HOGLE, ESQ.,  
ROCKY MOUNTAIN POWER  
201 South Main Street, Suite 2300  
Salt Lake City, Utah 84111

FOR SUNEDISON:

GARY A. DODGE, ESQ.,  
HATCH, JAMES & DODGE  
10 West Broadway, Suite 400  
Salt Lake City, Utah 84101

\* \* \*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I N D E X

WITNESS	Page
PAUL HARRISON CLEMENTS	
DIRECT EXAMINATION BY MS. HOGLE	7
CHARLES E. PETERSON	
DIRECT EXAMINATION BY MR. JETTER	23
BILA VASTAG	
DIRECT EXAMINATION BY MR. OLSEN	28

\* \* \*

1 PROCEEDINGS

2 THE HEARING OFFICER: On the record.

3 Good morning, ladies and gentlemen. I'm  
4 Commissioner Clark. Seated to my left is Commissioner  
5 LeVar. And this is the time and place which we've noticed  
6 for a hearing in Docket No. 14-035-140, which addresses  
7 Electric Service Schedule No. 38, qualifying facilities  
8 procedures, and other related issues, including the capacity  
9 contribution study for wind and solar resources that  
10 originated from requirements expressed in Docket No.  
11 12-035-100 and our orders associated with that docket.

12 As I understand it, today we're going to address a  
13 settlement agreement that's been filed by the parties in  
14 this docket, or at least a number of the parties, and that  
15 the settlement agreement addresses the issues regarding  
16 Schedule 38 and the avoided cost input changes report of the  
17 Company, but not the capacity contribution study for wind  
18 and solar resources. And the issues related to the latter  
19 will be addressed in accordance with our scheduling order  
20 that was issued in January of this year, which calls for  
21 hearings on--I believe it's June 18th--June 18th and 19th,  
22 beginning at 9:00 a.m. on June 18th.

23 Does everyone agree with our purpose for this  
24 morning as I've described it?

25 MS. HOGLE: Yes.

1 MR. OLSEN: Yes.

2 MR. JETTER: Yes.

3 THE HEARING OFFICER: Any questions about that?

4 Then let's begin with appearances of counsel. And  
5 if you have a witness to support the settlement agreement,  
6 please introduce your witness as well.

7 And we'll begin with the Company. Ms. Hogle.

8 MS. HOGLE: Good morning, Commissioners. Good  
9 morning, parties. Yvonne Hogle here on behalf of Rocky  
10 Mountain Power. With me is Mr. Paul Clements, senior  
11 marketer for Rocky Mountain Power, and he is here to support  
12 the settlement stipulation. With me also is Mr. Bob Lively,  
13 who is the state manager for Utah State Regulatory Affairs.

14 Thank you.

15 THE HEARING OFFICER: Thank you.

16 MR. JETTER: And I am Justin Jetter, representing  
17 the Utah Division of Public Utilities. And with me is  
18 Division witness Charles Peterson, who will speak in favor  
19 of the settlement stipulation.

20 THE HEARING OFFICER: Thank you.

21 MR. OLSEN: Rex Olsen on behalf of the Office of  
22 Consumer Services. And with me is Bila Vastag, who will be  
23 speaking as witness for the Office in favor of the  
24 stipulation.

25 THE HEARING OFFICER: Thank you.

1 MS. HAYES: Good morning. Sophie Hayes on behalf  
2 of Utah Clean Energy. Utah Clean Energy has no witness  
3 today but supports the stipulation.

4 THE HEARING OFFICER: Thank you, Ms. Hayes.

5 MR. DODGE: Gary Dodge on behalf of SunEdison,  
6 LLC. Dan Patry could be available by phone if needed, but  
7 we had anticipated he would not be, so we haven't arranged  
8 for him to testify unless the Commission has questions for  
9 him.

10 THE HEARING OFFICER: Thank you.

11 Our thought today was--or is to swear all of the  
12 witnesses and allow them to address serially their--their  
13 positions on the settlement and then take questions as a--as  
14 a panel. Is there any objection to that process?

15 MR. OLSEN: No objection.

16 THE HEARING OFFICER: Okay. And is there any  
17 anticipation of the need to refer to confidential material?  
18 Is there any confidential material that parties are  
19 concerned about at this time?

20 MS. HOGLE: Not that the Company is aware of.

21 MR. OLSEN: The Office has none, your Honor.

22 MR. JETTER: None from the Division, that I'm  
23 aware of.

24 THE HEARING OFFICER: Thank you. And let me just  
25 mention that--or ask: Do we have anyone on the phone?

1 MS. BINTZ: No callers.

2 THE HEARING OFFICER: No callers. Then the three  
3 witnesses, if you'd please remain seated but raise your  
4 right hands. Do you solemnly swear to tell the truth, the  
5 whole truth, and nothing but the truth?

6 (Witnesses answer in the affirmative.)

7 THE HEARING OFFICER: Thank you. So the witnesses  
8 have been sworn.

9 And Ms. Hogle . . .

10 MS. HOGLE: Thank you.

11 PAUL HARRISON CLEMENTS,  
12 being first duly sworn, was examined and testified as  
13 follows:

14 DIRECT EXAMINATION

15 BY MS. HOGLE:

16 Q Good morning. Can you please state your name,  
17 address, and position for the record?

18 A Yes. My name is Paul Harrison Clements. I'm  
19 employed by Rocky Mountain Power as a senior power marketer.  
20 My business address is 201 South Main Street, Suite 2300,  
21 Salt Lake City, Utah 84111.

22 Q And what is the purpose of your testimony today?

23 A Today we'll briefly review the history of events  
24 and the key elements of the stipulation entered into by the  
25 signing parties, which include, by my record, Rocky Mountain

1 Power; the Utah State Division of Public Utilities; Utah  
2 Office of Consumer Services; Utah Clean Energy; SunEdison,  
3 LLC; and Scatech Solar North America. I've also reconfirmed  
4 Rocky Mountain Power supported the stipulation and the  
5 Company's belief that the stipulation is in the public  
6 interest.

7 Q And did you participate in the settlement  
8 stipulation discussions?

9 A Yes, I did.

10 Q Can you please recount the key relevant events  
11 that led to the stipulation?

12 A Certainly. I'll try to be brief in my  
13 recollection of the events. There were quite a few events,  
14 as we have multiple dockets that were involved leading up to  
15 this settlement, so I'll try to touch on the key points.

16 First, on August 22nd, 2014, the Company filed its  
17 quarterly compliance filing for avoided cost input changes.  
18 And that was for Q2 2014. And that was Docket No.  
19 14-035-40.

20 On September 22nd of 2014, the DPU and the Office  
21 of Consumer Services, Utah Clean Energy, and SunEdison all  
22 filed comments and requested that the Commission hold a  
23 scheduling conference to discuss a process and schedule for  
24 Docket No. 14-035-40. The Commission issued a notice of  
25 status and scheduling conference for Thursday, November 6,



1 2014. The comments that were filed by those parties were  
2 wide-ranging and addressed multiple issues related to  
3 Schedule 38, QF contracting procedures, and other QF-related  
4 issues.

5 Furthermore, on October 9th, 2014, Rocky Mountain  
6 Power filed its compliance filing, along with prefiled  
7 testimony related to the Company's capacity contribution  
8 study for wind and solar resources. That filing was made in  
9 compliance with the Commission's Phase II order in Docket  
10 No. 12-035-100. In that docket, the Commission directed the  
11 Company to complete a capacity contribution study, which it  
12 did.

13 Generally, the Company requested in that filing  
14 that the Commission adopt the capacity contribution values  
15 derived from its study and requested that the Company  
16 replace those value--the interim values with the Company's  
17 proposed values.

18 On October 14, 2015, the DPU filed a memorandum  
19 responding to the Company's compliance filing and  
20 recommended that the Commission open a new docket that  
21 combines the review of a capacity contribution study I  
22 mentioned with the issues raised by the parties in  
23 14-035-40. The DPU stated that combining those would allow  
24 for comprehensive review of all issues related to  
25 Schedule 38. And, in response to that request, the

1 Commission opened Docket No. 14035-140.

2 On November 7, 2014, the Commission issued a  
3 scheduling order setting the schedule for several technical  
4 conferences and discovery guidelines. The parties indicated  
5 to the Commission that having several technical conferences  
6 at the beginning may narrow the scope of issues that were  
7 raised by the various parties.

8 Various technical conferences were held. Two were  
9 held on December 2nd. One related to the capacity  
10 contribution study. Another related to the QF pricing queue  
11 management and power purchase agreement milestones. A third  
12 technical conference was held on avoided cost modeling  
13 assumptions on January 6, 2015. And the Commission issued  
14 an amended scheduling order--a first amended scheduling  
15 order on January 12th, 2015.

16 A second status and scheduling conference was held  
17 January 21st, 2015, and a scheduling order and notice of  
18 technical conference on January 23rd, 2015. The parties  
19 have held a series of settlement discussions since that  
20 time, beginning on February 23rd of 2015 and continuing  
21 through April 14th of 2015, and all intervenors in the  
22 docket were invited to participate to the extent they had  
23 intervened on a date which settlement discussions were held.

24 The parties have reached agreement on most of the  
25 issues raised by the parties, with the exception of the

1 capacity contribution study and the capacity contribution  
2 percentages that resulted from that study.

3 The settlement--as the commissioner mentioned, the  
4 settlement and resolution of those issues will continue on  
5 the schedule that's set forth in that docket. However, this  
6 settlement resolves all issues related to QF pricing queue  
7 management, QF power purchase agreement milestone, and the  
8 QF avoided cost modeling updates.

9 Q Can you please describe specifically the terms in  
10 the settlement stipulation?

11 A Yes. I assume the Commission and other interested  
12 parties have read the stipulation, so I will briefly address  
13 key elements without reading it verbatim. In doing so, I  
14 don't intend to modify the terms of the stipulation in any  
15 way, so if anything I say contradicts the stipulation, it's  
16 the stipulation, not my words that would be binding.

17 From a general standpoint, as we--as set forth in  
18 paragraph 24 of the stipulation, this stipulation  
19 incorporates into Schedule 38 new terms and conditions  
20 related to the management of the QF indicative pricing queue  
21 and the QF indicative pricing and contract negotiation  
22 process, including the incorporation into the tariff of  
23 certain contract terms that are to be included in all QF  
24 PPAs.

25 This settlement includes clarified procedures for

1 updates to the avoided cost modeling assumptions used to  
2 calculate QF pricing. Those procedures are included in  
3 paragraphs 18 through 23 of the stipulation but are not part  
4 of the Schedule 38 tariff.

5 All of these changes to Schedule 38 are intended  
6 to improve the efficiency and the transparency of the  
7 process through which QFs receive indicative pricing and  
8 negotiate power purchase agreements with the Company. And  
9 the Company believes that these changes are beneficial to  
10 the QF and beneficial to the Company as well and overall  
11 increase the efficiency of the process.

12 I'll first address briefly the timelines, as  
13 primary rate changes to Schedule 38 involved adding specific  
14 timelines for various stages of the process. If the QF does  
15 not abide by the timelines, the QF project is removed from  
16 the pricing queue. These timelines were included in order  
17 to provide an avenue for QFs to conclude PPA negotiations  
18 and enter into an agreement with the Company. However, if  
19 they are unable to do so and meet specific timelines, they  
20 are dropped from the pricing queue, thus making way for  
21 other projects whomay desire to enter into an agreement.

22 Certain timelines also apply to the Company,  
23 although there are no specific recourses against the Company  
24 if it does not meet its timelines, other than the timelines  
25 for the QF are extended if they're waiting for the Company

1 to meet its timelines.

2 The tariff also contemplates that the timelines  
3 for the Company may be modified by this Commission upon  
4 request by the Company and by order of the Commission under  
5 extenuating circumstances, such as if the Company receives  
6 an extraordinarily large amount of QF requests, it may be  
7 unable to meet some of the timelines in a timely manner.  
8 The Company would advise the Commission and request release  
9 from its obligations if that were to occur.

10 I won't provide the timelines in detail, but they  
11 are well summarized in paragraph 5 of the preface of  
12 Schedule 38. They set forth the key dates and timelines.

13 These timelines are generally in line with those  
14 that were either previously in Schedule 38 or those that  
15 have been historically used by the Company, even though they  
16 were not specifically set forth in the tariff.

17 The primary change is that a QF project must now  
18 explicitly progress in the contracting process or the QF  
19 project will be removed from the pricing queue. And again,  
20 as I mentioned, the timelines also include additional  
21 requirements on the Company throughout the PPA negotiation  
22 process.

23 Another significant change to Schedule 38 includes  
24 requiring that indicative prices be updated unless a PPA is  
25 executed within six months after indicative pricing was

1 first provided by the Company. The previous tariff did not  
2 specifically address a timeline between providing of  
3 indicative pricing and execution of a PPA.

4 Parties have agreed that inclusion of this  
5 timeline in the new tariff provides clarity and certainty to  
6 all parties on this issue and will facilitate negotiation  
7 and review of future QF PPAs.

8 In general terms, the previous tariff allowed the  
9 Company to update pricing at any time, and there was at  
10 times ambiguity between QFs and the Company related to how  
11 long an indicative price was valid. The changes that we  
12 have proposed to Schedule 38 make it clear that a PPA must  
13 be executed within six months of the date the indicative  
14 pricing was provided. If the PPA is not executed within  
15 that time frame, then the indicative pricing is no longer  
16 valid and will be updated.

17 Other material changes of note in the revised  
18 Schedule 38 include the following: (1) a QF must provide an  
19 interconnection queue number in order to obtain indicative  
20 price. Previously, no queue number was required.

21 The PPA must include the following standard terms:  
22 (1) the scheduled commercial operation date must not be  
23 greater than 30 months after the execution of the power--  
24 execution date of the power purchase agreement. So once you  
25 sign the power purchase agreement, you must have a scheduled

1 online date that does not exceed 30 months from the date of  
2 execution. Previously, there was no such requirement and  
3 you could sign a power purchase agreement with an online  
4 date that extended well into the future.

5 The second PPA term is that the QF project must  
6 sign a system impact study agreement with PacifiCorp  
7 Transmission within 120 days of the date of a Commission  
8 order approving the agreement or the date that an order  
9 becomes final and not appealable. This requirement ensures  
10 that the qualifying facility project is progressing  
11 adequately in the transmission interconnection process.

12 One issue that we have had in the past is that QF  
13 projects execute power purchase agreement with a certain  
14 online date, and then as they progress in the  
15 interconnection process, it becomes clear that they will be  
16 unable to achieve that online date due to their  
17 interconnection timeline. This ensures that the project  
18 will be able to be interconnected and energized in a  
19 manner--in a timely manner and in a time that meets the  
20 contract obligations.

21 The third requirement is that the QF project must  
22 provide 100 percent of the project development security  
23 within 30 days of the date of a Commission order approving  
24 the PPA and 30 days of the date that that order is final and  
25 not appealable. This ensures that the QF project provides

1 adequate security close to the execution of the power  
2 purchase agreement.

3 While these terms or similar terms have  
4 historically been included in QF PPAs, they had to be  
5 negotiated in each individual contract and are slightly  
6 different from--from QF to QF. Including them in the tariff  
7 provides greater clarity and certainty for both proposed QFs  
8 and the Company.

9 I'd also like to take a moment to address the  
10 avoided cost modeling assumptions. This was a separate  
11 track in the docket. And paragraphs 18 through 23 of the  
12 stipulation address these items. These items relate to  
13 avoided cost modeling assumptions and how those assumptions  
14 are updated and changed over time. As I mentioned earlier,  
15 these items are included in the stipulation but are not in  
16 Schedule 38 itself. I'll briefly address those.

17 First, the Company believes that these settlement  
18 terms related to the avoided cost modeling updates will  
19 enhance clarity of the Company's quarterly compliance  
20 filings by clearly identifying modeling assumptions and  
21 changes made each quarter. The modeling updates will be  
22 differentiated by routine and non-routine updates. Routine  
23 updates are essentially the maintenance of basic modeling  
24 inputs in data. They include items such as the forward  
25 price curve, any new signed contracts or contracts that have



1       been terminated, and updating the load forecast--so basic  
2       routine maintenance of assumptions.

3               And then when an IRP is filed by the Company, the  
4       preferred portfolio of resources will be updated as well as  
5       part of a routine update. Routine updates will be  
6       incorporated into avoided cost pricing as needed and used  
7       immediately to calculate pricing for potential QFs.

8               Non-routine updates are items such as changes in  
9       the avoided cost calculation methods or departures from  
10      Commission-approved modeling techniques. Non-routine  
11      updates will not be incorporated into avoided cost prices  
12      until they have been either identified in quarterly  
13      compliance filings or the update was unchallenged for a  
14      period of three weeks after filing a compliance report or a  
15      challenged update has been resolved by Commission action.

16              So, in short, routine updates such as forward  
17      price curve, signed contracts, load forecasts will be made  
18      immediately. Anything that's non-routine will either have  
19      to be unchallenged for a period of three weeks, or if it's  
20      challenged, it'll have to be resolved by the Commission.

21              And the parties agree that these modeling  
22      assumption parameters provide a fair balance between  
23      incorporating most up-to-date information at the time prices  
24      are calculated and transparency into the modeling inputs.

25              Moving on to transitional procedures, as we are

1 making significant changes to the tariff in terms of what is  
2 required of a QF before it's dropped from the queue,  
3 paragraph 25 addresses the steps the Company will undertake  
4 to notify QFs of this revised Schedule 38 if approved by the  
5 Commission.

6           Upon Commission approval of the stipulation and  
7 the revised Schedule 38, the Company will notify each QF  
8 project currently in the pricing queue for which a PPA has  
9 not been executed. There are new requirements based on the  
10 stipulation and new tariff provisions, and we will advise  
11 each QF where they are in the process and the timeline that  
12 they have to meet the next step in the process, or they will  
13 be removed from the pricing queue.

14           One other item addressed in the stipulation: In  
15 paragraph 26, the parties make it clear that no agreement  
16 has been reached on the Company capacity contribution study  
17 and that that issue will continue to be resolved pursuant to  
18 the original schedule in this docket.

19           Lastly, paragraphs 27 through 34 of the  
20 stipulation contain the general terms and conditions. These  
21 are associated with most stipulations presented before this  
22 Commission. They represent the obligations of the parties  
23 to the stipulation to each other. As with all stipulations,  
24 it was--the agreement was reached through negotiation and  
25 compromise. Each party became comfortable with the

1 agreement in a different way, and nothing shall be  
2 considered precedential in any future case.

3 With that background, the Company recommends the  
4 Commission approve the stipulation and all its terms and  
5 conditions.

6 Q Mr. Clements, were you aware or did you become  
7 aware of the action request that the Commission issued to  
8 the Division of Public Utilities on May 19th, 2015?

9 A Yes, I am.

10 Q Can you please address the issues in that action  
11 request?

12 A Yes, I will. And I will note that we've had some  
13 discussion with the parties to the stipulation on these  
14 issues, not in sufficient detail that I'm comfortable  
15 representing that our position is consistent with theirs.  
16 What I intend to do today is, I will set forth the Company's  
17 position on each of the issues in that action request and  
18 what the Company would propose occur to resolve those  
19 issues, and then other parties can weigh in accordingly if  
20 they concur or have other ideas.

21 The first issue raised in that action request  
22 relates to language that appears to have been excluded in  
23 the application section of the tariff. The question posed  
24 is why certain language approved in Docket No. 12-035-101 is  
25 absent from both the original and the revised Schedule 38

1 tariff. The excluded language appears to state that  
2 cogeneration facilities greater than 100,000 kilowatts  
3 seeking a term of ten years or more must participate in a  
4 Company competitive bidding process.

5 The Company was unable to determine why this  
6 language was not included in the original tariff. I recall  
7 our discussion around that topic in that docket. It was an  
8 oversight by the Company to not include that in the original  
9 tariff. And that exclusion was certainly not intentional.

10 The exclusion in the revised tariff was simply due  
11 to the fact that we were working from language in the  
12 original tariff. So again, the parties and the Company, in  
13 particular, did not intend to exclude that in the original  
14 tariff and did not intend to exclude it in the revised  
15 tariff. We're not opposed to including that language in the  
16 revised tariff, and we feel that it is necessary given other  
17 statute in Utah that requires a competitive bid for a  
18 certain-sized project.

19 So the Company would not oppose including in the  
20 application section the statement that cogeneration  
21 facilities greater than 100,000 kilowatts seeking a term of  
22 ten years or more must participate in a Company competitive  
23 bidding process, or RFP.

24 The second issue relates to the fact that the  
25 revised Schedule 38--or the proposed Schedule 38 refers to

1 draft or proposed power purchase agreements somewhat  
2 interchangeably. That was not intentional. The Company  
3 confirms that these words always mean the same thing as used  
4 in the tariff. And the Company's not opposed to using one  
5 term consistently, and the term that it recommends be used  
6 is "proposed." So the Company would not be opposed to  
7 changing any place that it refers to a draft PPA to now read  
8 "a proposed PPA."

9 Issue 3 relates to a reference on Sheet 38.2,  
10 Item 5(I). The reference to Section I.B.10 is correct in  
11 that--in that section. I.B.10.e sets forth the details of  
12 the term that is summarized by Item 5(I). And so the  
13 Company does not believe that the reference is incorrect.  
14 However, a reference to Section I.B.6 may be useful as well.  
15 And the Company is certainly not opposed to changing Item  
16 5(I) to include a reference to both Section I.B.10 and  
17 Section I.B.6. Company believes there may have just been  
18 some confusion as that section was reviewed.

19 Issue 4 relates to the fact that some timelines in  
20 proposed Schedule 38 refer to certain triggering events  
21 happening within a period of months. The Company--and it's  
22 our belief, the parties--intended for months to mean  
23 calendar months, such that two months would mean May 26th,  
24 2015, to July 26, 2015. So any time there's a reference to  
25 a number of months, if it's three months, it's--it would be

1 May 26, 2015, to August 26, 2015. So it would always be the  
2 next calendar month, the same day of that calendar month.

3 And the Company would be open to clarifying the tariff to  
4 explicitly state that in whatever manner is necessary.

5 Issue 5 relates to the fact that several  
6 provisions of the proposed Schedule 38 provide a contact  
7 email address that's currently incomplete. For example, the  
8 email addresses are found in Section 1A--or IA--and on Sheet  
9 38.4. The Company is currently completing its work with its  
10 technical department to establish the email address and the  
11 various approvals that are needed for that and to get it set  
12 up so that I can see that email address, as I'm the one who  
13 processes the QF requests. And the Company will include the  
14 email address in its filing of the final tariff following a  
15 Commission decision on the stipulation.

16 Typical course of action is, once the Company's  
17 tariff is approved, the Company is directed to file a final  
18 version of that tariff. The Company represents that that  
19 final version will include the email address that is to be  
20 used in the tariff.

21 Q And does that address all of the action items and  
22 the action requests, Mr. Clements?

23 A It does. And I'd be happy to, when we move to the  
24 panel discussion, address any of those in more detail as  
25 required.

1 Q Do you have any final comments for the Commission  
2 and the parties today?

3 A Yes. I would like to make sure that the  
4 Commission is aware that this was a cooperative effort. And  
5 I'm--I'm very grateful to the parties for working together  
6 to reach agreement. Any time you work through a tariff that  
7 is largely a process document, it can be a challenge, as it  
8 includes many components. It took a lot of work by all  
9 parties to get here. There was very much a cooperative  
10 effort, and the Company very much supports the stipulation.  
11 I believe it will make the QF contracting procedure and  
12 process much more efficient for both the Company, for which  
13 I personally am grateful, and for QFs as well, and will lead  
14 to a better workflow for both parties. And I recommend that  
15 the Commission approve the stipulation with the  
16 modifications that I mentioned here in response to the DPU  
17 action request.

18 That concludes my comments. Thank you.

19 THE HEARING OFFICER: Thank you, Mr. Clements.  
20 Mr. Jetter.

21 MR. JETTER: Thank you.

22 CHARLES E. PETERSON,  
23 being first duly sworn, was examined and testified as  
24 follows:

25 DIRECT EXAMINATION

1 BY MR. JETTER:

2 Q Mr. Peterson, would you please state your name and  
3 occupation for the record?

4 A Charles E. Peterson. I'm a technical consultant  
5 with the Division of Public Utilities.

6 Q Thank you. And have you had a chance to review  
7 the filing by the Company and filings from other parties as  
8 well, as the stipulation and tariff sheets that have been  
9 filed as exhibits to the stipulation?

10 A Yes, I have.

11 Q And have you prepared a brief statement you'd like  
12 to give today in favor of this stipulation?

13 A Yes.

14 Q Please go ahead.

15 A In the course of reviewing and recommending the  
16 approval of several past QF PPAs, the Division became  
17 particularly concerned about two items in the process.  
18 First, the Division learned that, for a number of reasons,  
19 there was a growing number of projects holding positions in  
20 the QF pricing queue. PacifiCorp operated this queue  
21 essentially on a first-come, first-serve basis. The  
22 projects that entered the queue earlier would receive higher  
23 prices than those entering later.

24 An earlier project could remain in the queue for  
25 months, holding on to its position and the higher price even



1 if that project was ultimately determined to not be viable.

2 At the same time, it was possible that a project  
3 that could be viable and could be built quickly with a  
4 somewhat higher price would be effectively blocked by  
5 unviable and speculative projects that happen to have  
6 entered the queue earlier. The Company appeared to have no  
7 clear procedure for removing projects from the queue in a  
8 reasonable time.

9 The Division believed that this situation was not  
10 in the public interest. The Division wanted a clear  
11 procedure for keeping the queue cleaned up so that projects  
12 that would be actually built were given a better chance to  
13 move forward.

14 Second, the Division became concerned that even if  
15 a project were moved forward to the point of having the  
16 Commission approve a PPA, ratepayers were sometimes possibly  
17 not being well protected, either through terms of the  
18 contract allowing for what the Division considered an  
19 excessively long time frame for project development and  
20 construction.

21 There were two reasons one or both could apply  
22 that the Division felt increased risk to ratepayers: (1)  
23 the PPA prices could be significantly different from avoided  
24 cost pricing by the time the project came online, let alone  
25 at the end of the typical 20-year contract; and (2)

1 sometimes long time frames between the signing and approval  
2 of a PPA and the online date raised questions about whether  
3 the project could actually be built, all the while keeping  
4 its place--all the while the project keeping its place in  
5 the price queue and potentially blocking other prices.

6 The Division believes that the proposed  
7 Schedule 38 and stipulation mitigates the concerns that the  
8 Division has had in that it puts specific structure around  
9 the amount of time a project can remain in the queue without  
10 certain milestones. Failure to reach those milestones, not  
11 due to PacifiCorp delays, would automatically remove the  
12 project from the queue. For example, with this proposal,  
13 under most circumstances, a project would be removed from  
14 the pricing queue if the PPA were not executed within five  
15 months of the project receiving indicative pricing.

16 Furthermore, a project has to come online within  
17 30 months of signing a PPA. And there are other milestones  
18 contemplated within the QF PPA, as Paul--as Mr. Clements has  
19 elaborated on to some extent.

20 The Division believes and hopes that these and  
21 other terms in the proposed Schedule 38 will significantly  
22 reduce speculative projects holding positions in the pricing  
23 queue for lengthy time periods and generally move the  
24 projects along at a reasonable pace to completion.

25 As Mr. Clements also pointed out, the proposed

1 Schedule 38 does not necessarily contain everything the  
2 Division believes it should have contained. However, as a  
3 whole, the Division believes that it is--it improves  
4 significantly on the current process and is just and  
5 reasonable in--and in the public interest.

6 Therefore, the Division recommends that the  
7 Commission approve the stipulation and the proposed  
8 Schedule 38 tariff, as perhaps modified by the comments that  
9 Mr. Clements made related to the action request the  
10 Commission recently issued to the Division.

11 I'll briefly review the action request points.  
12 For the most part, the Division is--supports what  
13 Mr. Clements said is the Company position. The Division has  
14 no problem with including in the application the wording  
15 related to large QFs having in excess of 100 megawatt--or  
16 kilowatts--said it right the first time--in excess of 100  
17 megawatts being required to enter into a Company RFP  
18 process, for example. So this language can and should be  
19 restored to the Schedule 38.

20 Division supports amending the proposed  
21 Schedule 38 to include "proposed" instead of "draft PPA"  
22 consistently throughout the Schedule 38 document.

23 The Division does not--with respect to Item 3, the  
24 Division does not see a need to change the language on  
25 Item 5.(I) on Sheet 38.2. However, if the Commission

1 believes that it would be clarifying to include a reference  
2 to Schedule I.B--or Section I.B.6, the Division would have  
3 no objection to that.

4 The Division understands and understood months to  
5 mean calendar months, as Mr. Clements clarified, and--so we  
6 would--we would also not oppose clarifying language  
7 consistent with that interpretation of the meaning of months  
8 if the Commission believes that such language would be  
9 appropriate.

10 And finally, the issue of the email contract [sic]  
11 address, that's been an ongoing question that the Company  
12 has to deal with, and we hope that it will deal with it  
13 timely, as Mr. Clements suggested it would.

14 That concludes my comments.

15 MR. JETTER: I have no further questions.

16 THE HEARING OFFICER: Thank you, Mr. Peterson.  
17 Mr. Olsen.

18 MR. OLSEN: Thank you, Commissioner.

19 BILA VASTAG,  
20 being first duly sworn, was examined and testified as  
21 follows:

22 DIRECT EXAMINATION

23 BY MR. OLSEN:

24 Q Mr. Vastag, would you state your name and your  
25 position for the record, please?

1           A    My name is Bila Vastag. I am a utility analyst  
2 employed by the Office of Consumer Services.

3           Q    And did you have an opportunity to review the  
4 filings the stipulation and the other related materials in  
5 this docket for the purposes of the stipulation?

6           A    Yes.

7           Q    Have you prepared a statement?

8           A    Yes.

9           Q    Would you please put that in now?

10          A    I'll read my brief statement. The settlement  
11 stipulation before the Commission today addresses two  
12 categories of issues regarding how Rocky Mountain Power  
13 develops power purchase agreements with qualifying  
14 facilities, or QFs.

15                First category are issues related to the  
16 management of PPA milestones and the QF pricing queue. And  
17 the second category addresses issues related to the review  
18 and implementation of changes to avoided cost modeling  
19 assumptions which are used to develop PPA prices.

20                The need to address these issues became apparent  
21 to the Office over a period of time as the Company was  
22 bringing increasing numbers of QF PPA contracts before the  
23 Commission for approval. In particular, four wind QF PPAs  
24 came before the Commission in 2013, and then six solar QF  
25 PPAs in 2014.

1           Before 2013, there was very little activity from  
2 the Company with respect to 20-year PPA--PPAs with QFs. And  
3 in addition, parties have raised concerns when the Company  
4 has implemented changes to the modeling of avoided costs in  
5 some of its regular Schedule 37 and Schedule 38 pricing  
6 updates. Parties have questioned whether some of these  
7 modeling changes should have been vetted before the  
8 Commission before they were implemented.

9           I won't go into the details, but the Office raised  
10 its concerns related to these issues in a series of comments  
11 on QF PPAs and the Company's avoided cost update filings.  
12 We summarized our concerns from these cases in our October  
13 31st, 2014, issues list which was submitted in this current  
14 docket.

15           As stated in that issues list, the Office's goal  
16 at the beginning of this process was to work with parties to  
17 resolve these issues in a way that maintains ratepayer  
18 indifference towards QF PPAs, provides a comparable  
19 treatment to QF projects, and also does not result in undue  
20 barriers to QF development.

21           The Office believes that this stipulation resolves  
22 our issues while appropriately balancing these competing  
23 goals. I will just briefly state how the stipulation  
24 resolves our issues.

25           On the issues related to the management of PPA

1 milestones in QF pricing queue, (A), PPA deadlines, the  
2 proposed tariff for Schedule 38 now contains several  
3 explicit deadlines which, if not met, results in a QF  
4 project being removed from the pricing queue. For example,  
5 one such deadline is that if a PPA is not executed within  
6 five months after a QF receives a draft PPA, then the QF is  
7 removed from the queue and the indicative pricing it has  
8 received is no longer valid.

9 Such deadlines protect ratepayers, as well as  
10 other QFs. For example, some QF projects which are not as  
11 viable and may be gaming the system will clog up the queue,  
12 resulting in lower pricing for potentially more viable  
13 projects that are lower in the queue.

14 The category--(B), the category of pricing  
15 updates: The stipulation includes a requirement that  
16 prices, which are often referred to as indicative prices,  
17 that are used in the PPA must be updated if more than six  
18 months old at the time the PPA is executed.

19 (C), under operation date, the stipulation  
20 includes a requirement that a QF scheduled commercial  
21 operation date cannot be more than 30 months after the day  
22 of the PPA execution.

23 Under (D), transmission interconnection, the  
24 stipulation includes a requirement that a QF must sign a  
25 transmission system impact study agreement within 120 days

1 of receiving the Commission--receiving Commission approval  
2 of its PPA.

3 These were the four major areas that the Office  
4 had concerns during--during past proceedings on PPAs.

5 Now, switching over to the--on issues related to  
6 the review and implementation of changes to avoided cost  
7 modeling assumptions, this stipulation identifies routine  
8 and non-routine changes to modeling assumptions, and it  
9 provides a process for having these changes reviewed by  
10 interested parties. Importantly, non-routine changes will  
11 not be automatically implemented by the Company, but will be  
12 open to review and possible challenge by parties before  
13 implementation.

14 The Office also notes that the stipulation does  
15 not address one major issue that is part of this proceeding,  
16 and that's the Company's capacity contribution study for  
17 wind and solar. This issue will continue on the Commission  
18 schedule for testimony and hearing.

19 The Office believes that this settlement  
20 stipulation is just and reasonable in result and in the  
21 public interest. The Office recommends that the Commission  
22 approve it.

23 With respect to the action request, the Office  
24 just recently reviewed the Commission's questions and we  
25 agree with the Company's proposal, though we would like an



1 opportunity to review the specific issue on using the term  
2 "proposed PPA" in place of "draft PPA," since we just  
3 learned of this change this morning. So we'd like an  
4 opportunity just to review that before we agree to that  
5 specific item.

6 That concludes my statement.

7 MR. OLSEN: We have nothing further at this time.

8 THE HEARING OFFICER: Thank you, Mr. Vastag,  
9 Mr. Olsen.

10 Are there any questions for the witnesses?

11 MR. OLSEN: Your Honor, just a--I think I may have  
12 misheard this, but in Mr. Clements's recitation of events  
13 leading up to this, I think he meant to make a reference to  
14 October 2014, and made reference to October 2015 and  
15 subsequently went back to 2014. I--it may be--I may have  
16 misheard that, but if so, I--I think maybe the record would  
17 be easily corrected that way.

18 THE HEARING OFFICER: Thank you, Mr. Olsen.  
19 Anything else?

20 Mr. Clements?

21 MR. CLEMENTS: Well, I will confirm that I did  
22 intend to say 2014. I commend him for his diligence in  
23 listening to that exciting part of my testimony.

24 MR. OLSEN: Your every word, sir. On your every  
25 word.

1 THE HEARING OFFICER: Any other questions or  
2 matters that counsel would like to raise at this time?

3 MR. DODGE: Chairman, just briefly--  
4 Mr. Commissioner, I guess--do we have a chairman?

5 THE HEARING OFFICER: Not that we know of.

6 MR. DODGE: So, Mr. Commissioner, just very  
7 briefly, I'd just like to point out that on Friday, on  
8 behalf of SunEdison, I filed some legal comments. And the  
9 comments may explain themselves adequately, but it came as a  
10 surprise to many of us in this group to learn that  
11 PacifiCorp had language in the large generator  
12 interconnection agreements for QFs that said that it was  
13 this Commission and not FERC that had jurisdiction over  
14 those interconnection agreements, assuming all of the power  
15 was sold to PacifiCorp.

16 Initially, I rejected that, and then I researched  
17 it and found out why they included it--because FERC has been  
18 saying that for years; it's just I didn't know it, because I  
19 don't follow them closely enough; and because I, among  
20 others, have made statements before this Commission that  
21 it's an exclusively FERC jurisdictional issue--that is, QF  
22 interconnections at a transmission level--and I learned I  
23 was wrong.

24 I wanted to clarify that and put before the  
25 Commission, your lawyers--and I know you have lawyers who

1 will be interested in understanding why this new Schedule 38  
2 expressly said that this Commission has jurisdiction over  
3 those QF interconnections. And as I explained in the  
4 comments, our view was, because to this point this  
5 Commission, to my knowledge, has never ever been asked to  
6 exercise that jurisdiction, either in rulemaking or in  
7 approving--or in approving an interconnection agreement for  
8 a QF, or in otherwise explaining the procedures that ought  
9 to be followed in obtaining a QF interconnection, the group  
10 decided to suggest to you that you simply adopt and  
11 implement the FERC OATT provisions that we've been following  
12 all along.

13 So it wouldn't be a change; it would be following  
14 the exact same procedures that have been followed, but in  
15 acknowledgment that this Commission has jurisdiction over  
16 those LGIAs to the extent if and when it elects to exercise  
17 that jurisdiction. In my view, that could include  
18 complaints, if there were any, over the interconnection  
19 process for those kinds of QFs, or different procedures, if  
20 you were so inclined to adopt them.

21 But again, the group, I think, felt like the most  
22 prudent thing to do is to recommend to you that you simply  
23 adopt the FERC OATT procedures as your own for right now,  
24 unless and until you decide, or someone asks you to decide,  
25 that something ought to change. So I thought it was

1 important to at least explain that for the benefit of you  
2 and your counsel. Thank you.

3 THE HEARING OFFICER: Thank you, Mr. Dodge. It  
4 was helpful to receive your--your papers, and it helped to  
5 eliminate some of our questions actually coming into the  
6 proceedings. Thank you for that.

7 Do any counsel have any comment on the filing that  
8 Mr. Dodge is describing that was made late last week?

9 MR. OLSEN: I have none, your Honor.

10 THE HEARING OFFICER: I intend to take a recess  
11 until ten o'clock. Are there any other matters--when the  
12 Commission comes back into session, we'll have some--  
13 probably a very few questions for the panel, but before we  
14 do that, we'll recess. But are there any other matters that  
15 the Commission ought to consider while we're in recess?

16 MR. DODGE: Mr. Chairman, maybe I will raise  
17 this--I had intended to off the record--and maybe it's just  
18 because I only saw the action request for the first time  
19 this morning. And I--I'll be honest: It caught me by  
20 surprise the language from--from the 2012 order about the  
21 100-megawatt limit.

22 And I guess my confusion--maybe it's more a  
23 question--given the QFs are limited by law to 80 megawatts,  
24 I'm confused why that language was necessary or if there--  
25 and it's just I don't remember what led to it. But also, it

1 could lead to confusion that 100 megawatt QF for less than  
2 ten years would follow these procedures. And again, my  
3 understanding is, you're not a QF if you're more than 80  
4 megawatts. So I guess I'm a little confused by that  
5 language. I don't know if that's something you need to  
6 discuss or just I need to ask the parties, but if it's in  
7 there, I'd hate to have it confusing. And the way it reads  
8 in the action request confuses maybe because I don't  
9 understand the 100 megawatt reference.

10 MR. CLEMENTS: I can provide some background on  
11 that, if it please the Commission.

12 THE HEARING OFFICER: Thank you.

13 MR. CLEMENTS: So, renewable qualifying facilities  
14 are limited to 80 megawatts; nonrenewable qualifying  
15 facilities are not. So combined heat and power applications  
16 would not be limited to the 80 megawatts under federal  
17 statute.

18 We do have a Utah law that requires any  
19 significant resource acquisition by the Company--and  
20 "significant" is defined, I believe, as 100 megawatts in ten  
21 years--must be acquired through a request for proposal  
22 process. And so it's compliance with the Utah law, which  
23 you're familiar with, that prompted the change in the  
24 language here that would say if you're a combined heat and  
25 power QF and you exceed 100 megawatts, you would have to go

1 through an RFP process instead of coming through the  
2 Schedule 38 process.

3 MR. DODGE: That's helpful. And that's triggered  
4 a memory. I guess the one question is, I thought we amended  
5 that law in Utah to be 300 megawatts.

6 MR. CLEMENTS: I was--I believe it's 300 megawatts  
7 for renewables and 100 megawatts for the nonrenewables.  
8 That's the distinction.

9 MR. DODGE: Thank you. I appreciate you letting  
10 me clarify--

11 MR. CLEMENTS: And again, clarifying, I believe we  
12 resolved that in the 2012 docket, and by oversight, the  
13 language was not included in Schedule 38.

14 THE HEARING OFFICER: Thank you. So the action  
15 request itself presents the language, as the Commission  
16 understands it, to have been approved in our earlier orders.  
17 Were your comments, Mr. Clements, to the effect that this  
18 was the language that would--that would be used in the  
19 promulgated version of Schedule 38?

20 MR. CLEMENTS: It would be the Company's position  
21 that the language that we have in the revised Schedule 38,  
22 of the proposed Schedule 38--we could use that language  
23 because I believe we made some additional changes here and  
24 there that are minor in nature. My proposal would be, we  
25 would simply include the two sentences--and I'll just read

1 them for clarity: Cogeneration facilities greater than  
2 100,000 kW seeking a term of ten years or more must  
3 participate in a Company competitive bidding process, RFP,  
4 and information on Company RFPs can be found at--and then it  
5 provides a web address. And so those two sentences would be  
6 added to the application section of the proposed tariff.

7 THE HEARING OFFICER: Thank you.

8 And before we recess, Commissioner LeVar has a  
9 question.

10 COMMISSIONER LeVAR: I thought it might be good to  
11 ask this before the recess--and I'd be interested in hearing  
12 from all the parties their thoughts--and this question  
13 presumes Commission approval of the stipulation. But on  
14 paragraphs 18 through 23 that describe the process for  
15 routine and non-routine updates to Schedule 38--my question  
16 has two parts. It's whether those are provisions that  
17 should be incorporated into administrative rule by the  
18 Commission if the Commission approves the stip.

19 And my two parts to that question first are  
20 whether--whether these are the type of provisions that  
21 Section 201 of Utah's Administrative Rulemaking Act would  
22 require to be implemented into administrative rule or, aside  
23 from that, whether that would be something that would--the  
24 parties feel would increase transparency on--on the issue.

25 And I'd be glad to hear any party's thoughts on

1 that issue now or after a brief recess. Since we're going  
2 to take one anyway, I thought I'd ask before.

3 MR. JETTER: I think, at least from the Division's  
4 perspective, I'd appreciate a couple of minutes to speak  
5 with my client genally about this question during the  
6 recess, if that's . . .

7 THE HEARING OFFICER: So let's be in recess until  
8 five after the hour. Thank you very much.

9 MR. JETTER: Thank you.

10 (Recess taken, 9:56-10:08 a.m.)

11 THE HEARING OFFICER: We'll be on the record.

12 Anything from the parties before we continue with  
13 questions from the Commission?

14 Okay. Commissioner LeVar, anything further?

15 COMMISSIONER LeVAR: Well, were there any thoughts  
16 on the question I asked before the break?

17 MR. JETTER: Yes. We discussed this while you  
18 were out. And I don't want to speak for all the parties,  
19 but I think our general consensus is that we view these--the  
20 updates to the avoided cost modeling as being a issue  
21 specific to one company and not generally applicable to  
22 electric utilities. And for that reason, we don't think  
23 that the 63G-3-201(2)(c) would likely require this to be a  
24 rule. And we think it would be appropriate to include these  
25 provisions that are in the stipulation and the order to give



1 better public notice and also help remind the parties down  
2 the road that it'll be easier to find--

3 THE REPORTER: I'm sorry. Could you just back up?  
4 "Easier to" . . .

5 MR. JETTER: It will be easier and more readily  
6 available in a Commission order, I think, for parties who  
7 may not be present today to see and understand the updates  
8 and the agreement to the updates in the stipulation. And to  
9 be clear on the record, those are updates to inputs to the  
10 avoided cost model.

11 I think that generally summarizes what we have  
12 discussed while you were out of the room. And that is the  
13 Division's position on that matter.

14 COMMISSIONER LeVAR: Thank you.

15 THE HEARING OFFICER: Yeah. Thank you,  
16 Mr. Jetter.

17 Anything on that specific subject? Anything from  
18 any other counsel before we move--

19 MS. HOGLE: The Company agrees with that  
20 interpretation.

21 THE HEARING OFFICER: Pardon me?

22 MS. HOGLE: The Company agrees with the Division's  
23 interpretation.

24 THE HEARING OFFICER: Thank you.

25 I just have a couple of questions as well. And

1 then--at least questions for the witnesses and then  
2 questions for counsel about a couple of procedural items.

3 First, if we look at page 38.1, at the tariff, and  
4 in particular, paragraph 3, which discusses the  
5 interconnection process, it seemed to me--seemed to the  
6 Commission that would be useful if there was a reference at  
7 that point to Section 2(b), where the interconnection  
8 process is described. So that it's certainly not an  
9 imperative thing, but we provide a lot of internal  
10 references in this section, this preface section, and that  
11 seems to me to be one that would be helpful.

12 Mr. Clements, would you--would you have a comment  
13 about that, or does that--do you have any objection to that?

14 MR. CLEMENTS: No, no objection. I think that  
15 would be helpful as well.

16 THE HEARING OFFICER: And then just a thought  
17 about the links to the Company's interconnection forms and  
18 agreements. As we tried to follow what's described on page  
19 38.10, Item B--I'll give you a second to get there--that is,  
20 original sheet No. 38.10, Item B--at the bottom of the page,  
21 there's a reference to the electronic location of Company's  
22 interconnection forms and agreements. At least to us it  
23 seemed that we needed to go to the Oregon generation  
24 interconnection qualifying facility area of the Company's  
25 information in order to find the forms that would be

1 applicable in Utah. So I just ask that you check that out,  
2 Mr. Clements, and if there's a little bug in the system  
3 there, if you could repair that.

4 MR. CLEMENTS: Okay. We received that directly  
5 from PacifiCorp Transmission, so we will go and confer with  
6 them. We certainly would like to fix that.

7 THE HEARING OFFICER: Might even be as simple as  
8 just deleting the word "Oregon" from the--from the  
9 characterization of what's--what forms are available at that  
10 location so that it would just read "generation  
11 interconnection qualifying facilities."

12 Just some feedback with regard to the concept of  
13 months, as that term is used in Schedule 38: We think it  
14 would be helpful if there was some definition that's  
15 consistent with the one that you, Mr. Clements, described in  
16 your testimony. Would any of the parties object to that  
17 addition?

18 MR. OLSEN: No, your Honor.

19 MR. JETTER: No objection to that from the  
20 Division.

21 MR. OLSEN: Nor from the Office.

22 MR. DODGE: And I don't either. I guess the one  
23 question that arose in my mind is, what if it ended on--it  
24 was a 30th and the two months hence was--31st and two months  
25 hence only had 30 or 28? Do we need to explain all that or

1 should we turn them all into 30-day periods? I--you know, I  
2 don't mind either one. It's easier to think in terms of six  
3 months and 180 days, but it's more precise to talk in 180  
4 days, probably. So I guess I open that for your thought--or  
5 the Commission's thought.

6 MR. CLEMENTS: I think with that point being  
7 raised by Mr. Dodge, probably would be best to include a  
8 definition that says whenever a month is used in the tariff,  
9 it intends to say 30 days, and then you can do the math from  
10 there. Since we've had issues in the past where a day  
11 matters in terms of timing, in an abundance of caution, I  
12 think it would be worthwhile to have it to the exact day.  
13 So we would not be opposed to defining a month, as used in  
14 this tariff, to mean 30 days.

15 THE HEARING OFFICER: Thank you. I think that  
16 would be helpful.

17 Question for the Office: Mr. Vastag expressed the  
18 Office's desire to examine the terms "draft" and "proposed"  
19 in more detail as they're used--I'm referring to Item 2 of  
20 the action request that's been discussed earlier. We just  
21 are interested in procedurally how we would hear from the  
22 Office on the Office's--the conclusion of the Office's  
23 review of that issue. Would you like to file something in a  
24 few days that--that expresses the Office's position, or how  
25 do you intend to address that?

1 MR. OLSEN: I think probably that would be the  
2 case.

3 Commissioner, I think what we would propose is  
4 that if we had any objections, that we would file some  
5 appropriate document to make you aware of those; but  
6 otherwise, we don't feel a need to comment if there's no  
7 comment necessary.

8 THE HEARING OFFICER: Okay. Thank you. Do we  
9 expect you to do that within the week? Is that adequate?

10 MR. OLSEN: That--that's fair, your Honor.

11 THE HEARING OFFICER: And finally, we've talked  
12 about some minor stylistic adjustments to the schedule  
13 that's incorporated into the settlement agreement. So as a  
14 matter of process, have counsel thought about how the  
15 Commission would receive those and act on the settlement  
16 agreement as it's been proposed but with the adjustments  
17 that have been discussed today?

18 MS. HOGLE: Commissioner, I believe that  
19 Mr. Clements addressed that, or I thought he did, at the  
20 beginning when he gave his summary. And I believe that what  
21 he suggested was that, just like in any other situation  
22 where we have some time for you to write your order and  
23 issue it--that you would write it accordingly with--you  
24 know, approve a stipulation with the edits that were agreed  
25 upon on the day of hearing and provide the Company with 30

1 days--or I don't know if that's--is it--is it 30 days?--

2 MR. CLEMENTS: Yeah.

3 MS. HOGLE: --30 days' time to file the updated  
4 and corrected Schedule 38. I believe that's how you  
5 typically would do that. And the Company's position is that  
6 we would agree to do that as well in this case.

7 MR. CLEMENTS: Yeah, if I may add: What would be  
8 helpful would be to have a list of what those items were,  
9 just in an abundance of caution, so that the Company makes  
10 sure that it addresses all the Commission's desires in terms  
11 of the items that differ, are--are in addition to the  
12 stipulation that were discussed at the hearing today.

13 THE HEARING OFFICER: Would you like that provided  
14 now or--or in a written form? It seems to me maybe what  
15 might be--might be best is if we issue some kind of interim  
16 order, but I don't want to disturb the parties' agreements  
17 regarding the stipulation. And--and so that's--that's our  
18 concern, is that--is that we--I guess what I'm saying is,  
19 we're interested if any party feels like what we've--the  
20 adjustments that we've discussed today in any way alter  
21 their agreement to the--to the settlement agreement and  
22 the--so, Mr. Jetter, any thoughts on that from the  
23 Division's point?

24 MR. JETTER: Speaking for the Division, I think--  
25 we agree with everything that's been discussed today as far

1 edits to those tariff sheets, and we'd be happy to proceed  
2 in however you would like to as far as getting those changed  
3 so that they actually reflect what we've discussed today.

4 THE HEARING OFFICER: Mr. Olsen.

5 MR. OLSEN: On behalf of the Office, I don't think  
6 the changes proposed, as we understand them here, do any  
7 violation to our agreement to the stipulation. So whatever  
8 is most convenient for the Commission, I guess.

9 THE HEARING OFFICER: Okay. Anything from  
10 Ms. Hayes or Mr. Dodge?

11 MR. DODGE: I would say I agree. Paragraph 33  
12 allows a party to withdraw if there's a material change in  
13 the Commission's order from the stipulation. We don't view  
14 any of these as material.

15 MS. HAYES: That is Utah Clean Energy's position  
16 as well.

17 THE HEARING OFFICER: Okay. Perhaps, then, to  
18 move the process along, let me try to summarize what I think  
19 we've--what we've done this morning in relation to  
20 adjustments. And I'm going to use the action request as a  
21 guide. First, we have the changes to the application  
22 paragraph that Mr. Clements described, including--that is,  
23 adding the two sentences that he quoted, to the paragraph  
24 that is in the proposed Schedule 38.

25 Second, we have use of the term "proposed" in all

1 instances where the terms "draft" or "proposed" are used in  
2 Schedule--the Schedule 38 that's attached to the settlement  
3 agreement.

4           Given the explanation of Section I.B.10, and for  
5 the reference to Section I.B.10 on Sheet 38.2, I believe  
6 there won't be any adjustment necessary there.

7           We've discussed conceptually a definition for the  
8 term "months," and I think there's agreement on the  
9 concepts. So we would expect the Company to prepare a  
10 consistent definition and insert it at the appropriate place  
11 in the schedule.

12           And the contact addresses have been--are now  
13 complete, and we'll expect to see them in the schedule; that  
14 is, those email addresses that are listed that are  
15 incomplete in what was in the form of the schedule that was  
16 filed with the settlement agreement.

17           And on page 38.1, Item 3, that that item would be  
18 followed by a reference to Section 2(b), where the  
19 interconnection process is described.

20           Those are the changes as I've noted them.

21           MR. DODGE: Plus, Mr. Commissioner, the link--  
22 making sure the link goes--

23           THE HEARING OFFICER: The link works, right.  
24 Thank you.

25           Any--is there anything else? Let's be off the



1 record for a moment.

2 On the record.

3 Is there any other item that the Commission should  
4 be aware of?

5 MS. HOGLE: Nothing else from the Company.

6 MR. JETTER: Nothing from the Division.

7 MR. OLSEN: The Office has nothing further.

8 MR. DODGE: Nope.

9 MS. HAYES: No, thank you.

10 THE HEARING OFFICER: Thank you all very much for  
11 your participation today. We're adjourned.

12 (Proceedings concluded at 10:27 a.m.)

13

14

15

16

17

18

19

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CERTIFICATE

This is to certify that the foregoing proceedings were taken before me, SCOTT M. KNIGHT, a Registered Professional Reporter and Notary Public in and for the State of Utah, residing at South Jordan, Utah;

That the proceedings were reported by me in stenotype and thereafter caused by me to be transcribed into typewriting, and that a full, true, and correct transcription of said proceedings so taken and transcribed is set forth in the foregoing pages, inclusive.

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



*Scott M. Knight*

-----  
Scott M. Knight, RPR  
Utah License No. 110171-7801