

1 **Q. Please state your name, business address, and place of employment.**

2 A. My name is Jeffrey K. Larsen. My business address is 1407 West North Temple,  
3 Suite 310, Salt Lake City, Utah 84116. I am employed by Rocky Mountain Power  
4 (the “Company” or “Rocky Mountain Power”).

5 **Q. What is your current position at Rocky Mountain Power and your history with**  
6 **the Company?**

7 A. I am currently the Vice President of Regulation. I joined the Company in 1985, and  
8 I have held various positions with increasing responsibility through the years in  
9 Accounting, Regulation, Compliance, and Government Affairs.

10 **Q. What is your educational background?**

11 A. I received a Master of Business Administration Degree from Utah State University  
12 in 1994 and a Bachelor of Science Degree in Accounting from Brigham Young  
13 University in 1985. In addition to my formal education, I have also attended various  
14 educational, professional and electric industry related seminars during my career  
15 with the Company.

16 **Q. Have you testified before?**

17 A. Yes, I have testified before various regulating agencies across the Company’s  
18 service territory.

19 **Q. What is the purpose of your supplemental testimony?**

20 A. My testimony responds to the testimony filed by the Division of Public Utilities  
21 (“DPU”), the Office of Consumer Services (“OCS”) and the Utah Association of  
22 Energy Users (“UAE”). The DPU viewed the Company’s actions in proposing and  
23 seeking or supporting passage of Senate Bill 115 (“SB115”) in the recently

24 concluded legislative session as being inconsistent with the Company's agreement  
25 to not seek changes or elimination of the sharing band during the pilot period of the  
26 Energy Balancing Account. The OCS testifies that the Company clearly promoted  
27 and supported the passage of SB115 and, as a result, the Company "violated the  
28 terms outlined in Paragraph 17 of the Settlement Agreement in Docket 14-035-147"  
29 ("Deer Creek Agreement"). UAE agrees with the position of the DPU and the OCS  
30 that the Company failed to adhere to the terms of the Deer Creek Agreement.

31 **Q. How do you respond?**

32 A. I understand how these parties could view the Company's actions at the legislature  
33 as being inconsistent with the Deer Creek Agreement. However, my testimony will  
34 explain the Company's actions at the legislature, and confirms the Company's  
35 commitment to continue to abide by agreements.

36 **Q. Was it the Company's intent to use the legislative process to get around the  
37 Deer Creek Agreement?**

38 A. Certainly not. The Company executes settlement stipulations with the expectation  
39 that the Company and other parties to the agreement will abide by the terms therein.  
40 Likewise, the Company takes its obligations under any settlement stipulation very  
41 seriously. The Company's participation in the legislative session was in no way a  
42 subterfuge to get around the Deer Creek Agreement, in particular its agreement to  
43 not request any change or elimination of the EBA sharing band to be effective prior  
44 to the end of the EBA pilot. When the Company participated in the legislative  
45 session, it supported the entirety of SB115 which included many parts. The sharing  
46 band of the EBA was one component of it.

47           As explained in the Revised Response Testimony of Mr. Michael G.  
48           Wilding, the initial draft of SB115 included a provision that eliminated the sharing  
49           band beginning January 1, 2017. During the legislative process the legislative  
50           sponsors struck a compromise that moved the effective date of elimination of the  
51           sharing band to June 1, 2016, in order to allow for complete periods of data and  
52           time for the Commission to report to the legislature under U.C.A. § 54-7-13.5(6).  
53           The Company continued to support SB115 and unintentionally failed to consider  
54           the Deer Creek Agreement. Had I remembered the Deer Creek Agreement or if  
55           someone had noted the Deer Creek Agreement during the legislative session, we  
56           would have flagged this with the legislative sponsors for consideration in their  
57           development of the final bill and the negotiations that were underway with parties,  
58           but the issue was never identified. However, irrespective of the outcome, the  
59           Company's intent was not to use the legislature to circumvent the Deer Creek  
60           Agreement. There were many moving parts at the time and no one considered the  
61           possibility that one of the provisions in SB115 could be inconsistent with an  
62           existing agreement executed as part of a docket before the Utah Commission.

63   **Q.   Do you have anything else to say about the Company's views on the regulatory**  
64   **process?**

65   A.   Yes. The Company appreciates the effort that is spent to find solutions that make  
66       sense for all us. The Company will make a more concerted effort to review  
67       legislation it supports in the future to make sure it is in harmony with prior  
68       agreements and raise issues with bill sponsors if concerns exist.

69   **Q.   Does this conclude your supplemental testimony?**

70 A. Yes.