BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF ROCKY MOUNTAIN POWER'S SOLAR PHOTOVOLTAIC INCENTIVE PROGRAM (SCHEDULE 107) 2016 ANNUAL REPORT

Docket No. 16-035-21

SETTLEMENT STIPULATION

This Settlement Stipulation ("Stipulation") is entered into in Docket No. 16-035-21 by and among the parties whose signatures appear on the signature pages hereof (collectively referred to herein as the "Parties" and individually as a "Party").

1. The Parties have conducted settlement discussions on October 25, 2016, October 27, 2016 and November 15, 2016.

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

3. On June 1, 2016, Rocky Mountain Power ("RMP" or the "Company") filed its Utah Solar Incentive Program 2016 Annual Report ("Annual Report").

4. On June 2, 2016, the Commission issued a Notice of Filing and Comment Period inviting interested parties to submit comments on the Annual Report July 1, 2016, and reply comments July 15, 2016.

5. On June 29, 2016, the Office of Consumer Services ("Office") filed comments regarding the Annual Report in which the Office concluded that the Annual Report complied with

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current Commission requirements. The Office also expressed its continuing concern, previously raised in its comments to the 2015 USIP Annual Report, that eligible USIP customers were not participating in the Cool Keeper Program as required by the USIP tariff, and noted that it had outstanding data requests related to Cool Keeper participation and generation data for large systems.

6. On July 1, 2016, the Division of Public Utilities ("Division") and Utah Clean Energy ("UCE") also filed comments regarding the Annual Report. The Division concluded that the Annual Report met the Commission's reporting requirements for the data that were available for reporting. UCE commented generally on the benefits of the expiring solar incentive program, and noted the Commission's authority to create a new program in the future.

7. On July 15, 2016, the Office filed reply comments in which it provided additional information obtained through discovery related to generation data for large systems and participation in the Cool Keeper program. The Office concluded that the Annual Report should be acknowledged and recommended that the Commission open an investigation on the Company's enforcement of the Utah Solar Incentive Program Tariff, or schedule an additional round of comments in the docket.

8. On July 19, 2016, the Commission issued a second Notice of Filing and Comment Period in which it set forth additional rounds of comments to address the Office's concerns due September 2, 2016, and reply comments due November 1, 2016.

9. On September 2, 2016, the Office, the Division and RMP filed comments regarding the Company's enforcement of the requirement that all Cool Keeper-eligible Utah Solar Incentive Program participants must participate in the Cool Keeper program.

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10. On October 25, 2016, the Company, the Division and the Office met for settlement discussions.

11. On October 28, 2016, the Company filed a Motion to Amend the Schedule and for Expedited Treatment ("Motion") in which it requested that (1) the November 1, 2016 date for reply comments be vacated, and (2) the Commission set the deadline for reply comments as November 29, 2016, for final comments as December 8, 2016, and for a hearing as December 13, 2016.

12. On October 31, 2016, the Commission issued a Scheduling Order setting forth new dates for reply comments, final comments and hearing, as requested in the Motion.

13. On November 15, 2016, the Office, the Division and the Company agreed to settle the issues in the case.

SETTLEMENT TERMS AND CONDITIONS

14. The Parties agree to revise Electric Service Schedule No. 107, Solar Incentive Program ("USIP Tariff"), by deleting Special Condition 8, stated below, in its entirety:

Demand Side Management: Program participants on Residential Service Schedules 1, 2, 3, and 25, and Non-Residential Service Schedules 6, 6A, 6B, 8, 9, and 23 that are eligible to participate in the Company's Cool Keeper Program are required to participate in the Company's Cool Keeper Program in order to be eligible to receive an incentive under this schedule.

15. The Parties agree that Rocky Mountain Power will refund \$200,000 to the final Utah Solar Incentive Program ("USIP") balance. Rocky Mountain Power agrees that it will not transfer this \$200,000 amount to other programs in the Sustainable Transportation and Energy Plan Act.

16. Rocky Mountain Power acknowledges that it did not advise the Parties, in a timely manner, about the implementation challenges of enforcing participation in the Cool Keeper program as set forth in the USIP Tariff. Rocky Mountain Power commits to work with Parties to

discuss implementation challenges and identify possible solutions related to tariff provisions that may arise in the future.

GENERAL TERMS AND CONDITIONS

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

18. All negotiations related to this Stipulation are confidential, and no Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, and in accordance with Utah Administrative Code R746-100-10.F.5, neither the execution of this Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgement by any Party of the validity or invalidity of any principle or practice of regulatory accounting or ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Stipulation.

19. The Parties agree to make one or more witnesses available to explain and offer further support for this Stipulation at the hearing scheduled in this Docket. As applied to the Division and the Office, the explanation and support shall be consistent with their statutory authority and responsibility.

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

21. The Parties request that the comments filed in this docket be received into evidence in support of this Stipulation.

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DATED this 23rd day of November, 2016.

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R. Jeff Richards ROCKY MOUNTAIN POWER 1407 West North Temple, Suite 320 Salt Lake City, UT 84116

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

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