

BACKGROUND

3. On June 17, 2016, Rocky Mountain Power (“Company” or “Rocky Mountain Power”) filed Advice No. 16-08 for approval of a new tariff, Schedule 34, Renewable Energy Tariff.

4. Generally, Schedule 34 provides qualifying customers an option to contract with the Company to have renewable energy purchased on their behalf. Implementation of Schedule 34 is authorized pursuant to Utah Code Ann. § 54-17-806 (“RET Law”) consistent with the recently enacted Sustainable Transportation and Energy Plan legislation, if the Commission determines it is reasonable and in the public interest. The proposed Schedule 34, as reflected in this Stipulation, is consistent with the RET Law.

5. On June 17, 2016, the Commission issued its action request to the Division of Public Utilities (“DPU”), and on June 20, 2016, the Commission issued the Notice of Scheduling Conference.

6. On June 27, 2016, the Commission issued its Scheduling Order, Notice of Hearing, and Notice of Public Witness Hearing.

7. On July 22, 2016, a Technical Conference was held, at which the Company presented information related to the Program, and responded to questions from interested parties.

8. In addition to the DPU and the Office of Consumer Services (“OCS”), Utah Clean Energy, Wal-Mart Stores, Inc., Enyo Renewable Energy, LLC, and Park City Municipal filed direct testimony on July 28, 2016.

9. The Parties have now reached agreement as specified herein on the proposed Schedule 34 and respectfully request approval of the terms and conditions in this Stipulation.

10. The Stipulation is intended to resolve all of the issues in this case, in accordance with its respective terms and conditions.

11. On August 8, 2016, at the request of the Parties, the Commission issued a Second Amended Scheduling Order, Notice of hearing, and Notice of Public Witness Hearing, suspending rebuttal testimony and reserving August 17, 2016 as the hearing and public witness date for consideration of the Stipulation.

SETTLEMENT TERMS

For purposes of this Stipulation, the Parties agree and recommend the Commission approve the following:

12. Attachment 1, attached hereto, contains the Schedule 34 tariff sheets that the Parties support and ask the Commission to approve. Attached hereto as Attachment 2 is a compared version of the new Schedule 34 tariff sheets showing changes from the initial proposed tariff sheets filed by the Company with its Application in this docket.

13. Without changing or affecting any of the language in Attachment 1, the attached Schedule 34 tariff sheets include the following concepts,

- a. Any customer whose total aggregated electric load is at least 5,000 kW, based on annual peak load, may take service under Schedule 34, which allows the Company to acquire renewable energy on a customer's behalf under a contract approved by the Commission. A customer may aggregate multiple

metered delivery points under a single corporate entity to satisfy the 5,000 kW threshold, based on annual peak load at all delivery points.

b. Rates under a contract for service under Schedule 34 will be based upon the Customer's normal tariff rate as specified in the applicable Electric Service Schedule (which may include a special contract as described in Electric Service Regulation 3(3)), administrative fees, and either (1) an incremental charge equal to the difference between the cost to the Company to supply renewable generation to the customer and the Company's avoided costs, or (2) an amount based on a different method set forth in the customer contract and approved by the Commission.

c. Commission approval of a customer contract that utilizes a different pricing method as referenced in Section 13.b.(2), above, shall be based on a finding that the contract is just and reasonable and in the public interest. Evaluation of the "public interest" shall include consideration of any issues the Commission determines to be relevant, which may include, but not be limited to, contributions to system fixed costs and, for a customer other than a new customer or an existing customer expanding its load, will include consideration of the costs of existing Company facilities.

d. A customer contract for service under Schedule 34 must include service termination provisions obligating the Customer to continue to pay all of the costs of the renewable energy resource(s) acquired by the Company on the Customer's behalf if the customer contract is terminated early and a cost

obligation related to the renewable energy resource(s) continues beyond the termination.

e. A non-refundable application fee of \$5,000.00 from each customer requesting service under Schedule 34 will be charged as a partial offset to the costs related to the preparation of the contract.

14. Within 12 months after the approval of this stipulation, the DPU shall report to the Commission concerning whether changes to the tariff are advisable. The DPU's report shall be made only after having consulted with the parties to this stipulation and seeking their input. Other parties will be given the opportunity to respond to the DPU's report. Future changes to the tariff may not affect any contract approved under Schedule 34 as it existed at the time of the contract's approval.

GENERAL TERMS AND CONDITIONS

15. Not all Parties agree that each aspect of this Stipulation is warranted or supportable in isolation. Utah Code Ann. §54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. While the Parties are not able to agree that each specific component of this Stipulation is just and reasonable in isolation, all of the Parties agree that this Stipulation as a whole is just and reasonable in result and in the public interest.

16. 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 Admin. Code R746-100-10.F.5, neither the execution of this Stipulation nor any Order adopting it shall be deemed to constitute an admission or acknowledgment 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.

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

18. The Parties request that the Commission hold a hearing on this Stipulation. Rocky Mountain Power, the DPU, and the OCS each will, and other Parties may, make one or more witnesses available to explain and offer further support for this Stipulation.

19. The Parties shall support the Commission's approval of this Stipulation. As applied to the DPU and the OCS, the explanation and support shall be consistent with their statutory authority and responsibility.

20. The Parties agree that if any person challenges the approval of this Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Stipulation, each Party will use reasonable efforts to support the terms and conditions of this Stipulation. As applied to the DPU and the OCS, the phrase "use reasonable efforts" means that they shall do so in a manner consistent

with their statutory authority and responsibility. In the event any person seeks judicial review of a Commission order approving this Stipulation, no Party shall take a position in that judicial review proceeding in opposition to the Stipulation.

21. Except with regard to the obligations of the Parties under the five immediately preceding paragraphs of this Stipulation, this Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission.

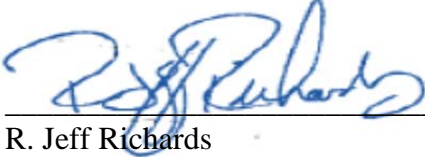
22. This Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Stipulation or imposes any material change or condition on approval of this Stipulation or if the Commission's approval of this Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, any Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses, with respect to issues resolved by the Stipulation, and no party shall be bound or prejudiced by the terms and conditions of the Stipulation.

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

DATED this 11th day of August, 2016.

<p>UTAH OFFICE OF CONSUMER SERVICES</p> <hr/> <p><i>Michele Beck</i></p> <hr/> <p>Michele Beck Director Office of Consumer Services 160 East 300 South, 2nd Floor Salt Lake City, UT 84114</p>	<p>ROCKY MOUNTAIN POWER</p> <hr/> <p>R. Jeff Richards Yvonne R. Hogle VP and General Counsel Rocky Mountain Power 1407 West North Temple, Suite 320 Salt Lake City, UT 84116</p>
<p>UTAH DIVISION OF PUBLIC UTILITIES</p> <hr/> <p>Chris Parker Utah Division of Public Utilities 160 East 300 South, 4th Floor Salt Lake City, UT 84114</p>	<p>UTAH ASSOCIATION OF ENERGY USERS</p> <hr/> <p>Gary Dodge Hatch James & Dodge 10 West Broadway, Suite 400 Salt Lake City, Utah 84101</p>
<p>WALMART STORES, INC.</p> <hr/> <p>Vicki M. Baldwin Parsons, Behle & Latimer 201 South Main Street, Suite 1800 Salt Lake City, Utah 84145-0898</p>	

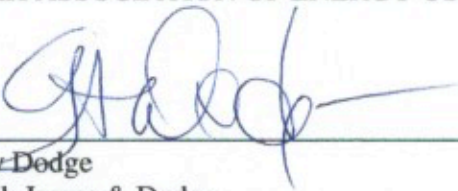
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