

In the Matter Of:

In Re: RMP - Renewable Energy Credits Balancing Account

HEARING, DOCKET NO. 18-035-06

May 17, 2018

Job Number: 461229

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Application of Rocky Mountain)
Power for Authority to Revise) Docket No. 18-035-06
Rates in Tariff Schedule 98)
Renewable Energy Credits) Hearing
Balancing Account)

May 17, 2018
10:00 a.m.

Location: Heber M. Wells Building
160 East 300 South, Room 403
Salt Lake City, Utah

Hearing Officer: Michael J. Hammer

Job No. 461229
Reporter: Melinda J. Andersen
Certified Shorthand Reporter and Notary Public

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A P P E A R A N C E S

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For the Division: Justin Jetter
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1 P R O C E E D I N G S

2 HEARING OFFICER: On the record. Good morning,
3 everyone. This is the time and place of notice for hearing
4 in the Application of Rocky Mountain Power for Authority to
5 Revise Rates in Tariff Schedule 98, Renewable Energy
6 Credits Balancing Account. This is Commission Docket
7 Number 18-035-06.

8 My name is Michael Hammer. I am the
9 Commission's presiding officer for this docket.

10 Let's go ahead and take appearances.

11 MS. HOGLE: Good Morning. Yvonne Hogle on
12 behalf of Rocky Mountain Power. Here with me today is
13 Mr. Terrell Spackman who will be supporting our
14 application, and on the phone I believe we have Mr. Bruce
15 Griswold and Mr. Robert Meredith. Thank you.

16 MR. JETTER: I am Justin Jetter with the Utah
17 Attorney General's Office representing the Utah Division of
18 Public Utilities. With me at counsel table today is
19 Division witness Brenda Salter.

20 HEARING OFFICER: Aside from Mr. Meredith and
21 Mr. Griswold do we have any other parties on the phone?
22 All right. If there are no other preliminary matters we
23 will go ahead and start with the Company. And I'm happy if
24 the witnesses wish to remain seated this morning that's
25 fine.

1 MS. HOGLE: The Company calls Mr. Terrell
2 Spackman.

3 HEARING OFFICER: Mr. Spackman, do you swear to
4 tell the truth?

5 THE WITNESS: Yes, I do.

6 HEARING OFFICER: Thank you.

7 DIRECT EXAMINATION

8 BY MS. HOGLE:

9 Q. Good morning, Mr. Spackman. Can you please
10 state and spell your name for the record?

11 A. Sure. Terrell H. Spackman, T-E-R-R-E-L-L,
12 initial H, S-P-A-C-K-M-A-N.

13 Q. And in what position are you employed?

14 A. I'm currently the manager of revenue
15 requirements.

16 Q. For what company?

17 A. Rocky Mountain Power.

18 Q. In that capacity did you prepare or cause to be
19 prepared testimony and exhibits in support of the Company's
20 application?

21 A. Yes, I did.

22 Q. Do you have any changes to that testimony or
23 exhibits?

24 A. No, I do not.

25 Q. Okay.

1 MS. HOGLE: At this time I would like to offer
2 Mr. Spackman's direct testimony with exhibits as evidence
3 in the record. Thank you.

4 HEARING OFFICER: They're admitted.

5 MS. HOGLE: Before I hand him over for summary,
6 I wonder if at this time I can also move for entering into
7 the record the testimony and exhibits of Mr. Robert
8 Meredith and Mr. Bruce Griswold.

9 MR. JETTER: No objection from the Division.

10 HEARING OFFICER: They're admitted.

11 MS. HOGLE: Thank you.

12 **Q. Mr. Spackman, do you have a summary that you**
13 **would like to provide to the Commission today?**

14 A. Yes, I do.

15 **Q. Please go ahead.**

16 A. Good morning, Hearing Officer Hammer. On March
17 15, 2018 Rocky Mountain Power filed its annual Renewable
18 Energy Credit Balancing Account, or RBA, seeking to collect
19 a deferral balance from customers through Schedule 98 of
20 approximately \$507,000, to be collected over a period of
21 one year. This amount includes carrying charges during the
22 deferral period of January 1, 2017 through December 31,
23 2017 and the interim period of January 1, 2018 through May
24 31, 2018 of approximately \$9,000. The \$507,000 deferral
25 amount established in this filing will be collected from

1 Utah customers June 1, 2018 through May 31, 2019.

2 Myself, Mr. Bruce Griswold, and Mr. Robert
3 Meredith filed testimony in support of the Company's
4 application describing the calculations. My testimony
5 describes the calculation of the deferral amounts and the
6 amount of REC revenue allocated to Utah rate payers.
7 Mr. Griswold's testimony presents a detailed accounting of
8 total company REC revenue for calendar year 2017. And
9 Mr. Meredith's testimony addresses the allocation of the
10 RBA surcharge among the customer classes and the resulting
11 Tariff Schedule 98 rates in this case. Mr. Griswold and
12 Mr. Meredith are available on the phone today to answer
13 questions if needed.

14 The \$507,000 to be collected from customers in
15 this RBA was calculated in a manner consistent with
16 previous RBA filings. The RBA deferral is calculated as
17 the difference between actual REC revenue realized by the
18 Company and the amount in rates. In this RBA filing, the
19 deferral period was January 1, 2017 through December 31,
20 2017. The impact of this filing for customers is an
21 increase in rates of 0.1 percent.

22 On April 27, 2018 the Division of Public
23 Utilities filed comments in support of the proposed rate
24 change becoming effective on an interim basis on June 1,
25 2018 pending their final audit of the REC revenues

1 contained in this filing. No other party filed comments in
2 this phase of the proceeding.

3 The Company respectfully requests the
4 Commission approve the Company's request to collect from
5 customers \$507,000 associated with this RBA filing on an
6 interim basis beginning June 1, 2018. Thank you.

7 MS. HOGLE: Mr. Spackman is available for
8 questions.

9 MR. JETTER: We have no questions.

10 HEARING OFFICER: All right. Neither do I.
11 Ms. Hogle, are there any other witnesses that you would
12 like to call?

13 MS. HOGLE: No.

14 HEARING OFFICER: All right. Mr. Jetter.

15 MR. JETTER: The Division would like to call
16 and have sworn in Ms. Brenda Salter.

17 HEARING OFFICER: Ms. Salter, do you swear to
18 tell the truth?

19 THE WITNESS: I do.

20 HEARING OFFICER: Thank you.

21 DIRECT EXAMINATION

22 BY MR. JETTER:

23 Q. Would you please state your name and occupation
24 for the record?

25 A. My name is Brenda Salter. I'm a utility

1 technical consultant with the Division.

2 Q. Thank you. In the course of your employment
3 with the Division have you had the opportunity to review
4 the application and materials submitted by the Company in
5 this docket?

6 A. I have.

7 Q. Did you create and cause to be filed with the
8 Commission a recommendation from the Division dated April
9 26, 2018?

10 A. Yes, I did.

11 Q. Do you have any edits or changes that you would
12 like to make to that?

13 A. No, I do not.

14 Q. Does that still reflect your opinion on the
15 application in this docket?

16 A. Yes, it does.

17 MR. JETTER: I would like to move at this time
18 to enter the Division's initial comments from April 26,
19 2018 into the record.

20 HEARING OFFICER: They're admitted.

21 Q. Have you prepared a brief statement summarizing
22 the Division's position?

23 A. Yes, I have.

24 Q. Please go ahead.

25 A. Good morning. As the Company previously

1 stated, Tariff Schedule 98 tracks the difference between
2 Renewable Energy Credit (REC) revenues included in rates
3 and actual REC revenues collected from the sale of RECs by
4 the Company. The variances between REC revenues included
5 in rates and actual REC revenues collected are identified
6 and deferred each month for one full calendar year.
7 Annually on March 15, and RBA application is filed to
8 present the variances, including applicable carrying
9 charges, with a 100 percent true-up for the difference
10 between the amounts in rates and actual sales occurring
11 through Tariff Schedule 98. The collection or credit under
12 Tariff Schedule 98 is to be made annually, effective June
13 1. The application under this docket is the seventh
14 deferred RBA rate adjustment under the RBA.

15 This application requests collecting from
16 customers, over a one year period, the 2018 RBA deferral
17 balance of \$0.5 million. The Company proposes allocation
18 of the outstanding deferral balance across customer classes
19 in a manner consistent with the approved rate spread found
20 in Step 2 of the 2014 general rate case stipulation with
21 two modifications for metered outdoor nighttime lighting
22 and special contract 1.

23 The Division has performed a preliminary review
24 of the filing and the corresponding Commission orders and
25 has found that, in general, the Company has complied with

1 the Commission's orders and recommends the change in
2 Schedule 98 be approved on an interim basis. As outlined
3 in the Commission's order dated March 29, 2018 the Division
4 will file its RBA audit report on July 10, 2018. That
5 concludes my comments.

6 **Q. Thank you.**

7 MR. JETTER: I have no further questions.
8 Ms. Salter is available for questions from Rocky Mountain
9 Power and the Commission.

10 HEARING OFFICER: Ms. Hogle?

11 MS. HOGLE: No questions.

12 HEARING OFFICER: All right. I have none. Is
13 there anything else before we adjourn? All right. Thank
14 you, everyone.

15 (The hearing adjourned at 10:15 a.m.)

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C E R T I F I C A T E

STATE OF UTAH)

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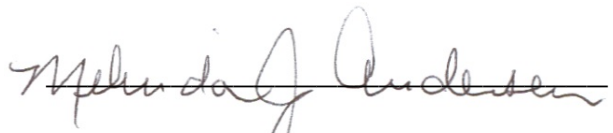
COUNTY OF SALT LAKE)

I, Melinda J. Andersen, Certified Shorthand Reporter and Notary Public in and for the County of Salt Lake and State of Utah, do hereby certify:

That the foregoing proceedings were taken before me at the time and place herein set forth, and were taken down by me in shorthand and thereafter transcribed into typewritten under my direction and supervision:

That the foregoing 11 pages contain a true and correct transcription of my shorthand notes so taken.

WITNESS MY HAND and official seal at Salt Lake City, Utah this 18th day of May, 2018.



My Commission Expires:

Melinda J. Andersen, C.S.R.

February 10, 2022

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