

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of ROCKY MOUNTAIN POWER for an Accounting Order Regarding Pension Curtailment and Pension Measurement Date Change	UTAH PUBLIC SERVICE COMMISSION DOCKET NO. 08-035-93 2009 JAN -5 P 1:47 STIPULATION RECEIVED
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1. This Stipulation in Docket 08-035-93 (“Stipulation”) is entered into by and among the parties whose signatures appear on the signature pages hereof (collectively referred to herein as the “Parties”).

I. INTRODUCTION

2. The terms and conditions of this Stipulation are set forth herein. The Parties represent that this Stipulation is in the public interest and recommend that the Utah Public Service Commission (the “Commission”) approve the Stipulation and all of its terms and conditions.

II. BACKGROUND

3. Rocky Mountain Power (RMP) filed an application with the Commission on November 4, 2008 seeking an accounting order authorizing RMP to record a net reduction to the regulatory asset associated with the existing pension and other post-retirement welfare assets for a pension curtailment gain and a measurement date change transitional adjustment.

4. The Division of Public Utilities (Division) and the Committee of Consumer Services (Committee) participated as parties in Docket No. 08-035-93. After discovery, the Division and the Committee took issue with RMP’s requested relief. The Division’s and the Committee’s issues are represented in their direct testimonies filed in this Docket.

5. The Parties desire to resolve all outstanding issues and to enter into this Agreement to memorialize the requirements necessary for the Commission to approve the application.

III. TERMS OF STIPULATION.

Subject to Commission approval and for purposes of this Stipulation only, unless otherwise noted, the Parties agree as follows:

6. RMP agrees to reduce the amortization period of the \$40.519 million pension benefit from ten years, as proposed in the application, to three years.
7. The Parties agree that the amortization of pension benefits shall begin January 1, 2009 and such amortization shall be included in the revenue requirement of the Company's current general rate case, Docket No. 08-035-38.
8. The Parties agree to the amortization of the \$13.773 million measurement date change transitional adjustment over ten years, as proposed by RMP in the application.
9. The Parties agree that the amortization of the measurement date change transitional adjustment shall begin January 1, 2008, and that the second year of the ten year amortization occurring in 2009 will be reflected in the Company's revenue requirement in its current general rate case, Docket No. 08-035-38.
10. The Parties agree that the unamortized balances of the pension measurement date change and pension curtailment benefit will not be included in rate base during the amortization periods.
11. RMP acknowledges that RMP should have included in its 2007 general rate case filing (Docket 07-035-93) information on this known and required future change in treatment to the pension measurement date.

IV. GENERAL TERMS AND CONDITIONS

12. All negotiations related to this Stipulation are privileged and confidential and no party shall be bound by any position asserted in negotiations. Neither the execution of this Stipulation nor the order adopting this Stipulation shall be deemed to constitute an admission or acknowledgment by any Party of any liability, the validity or invalidity of any claim or defense, the validity or invalidity

of any principle or practice, or the basis of an estoppel or waiver by any Party other than with respect to issues resolved by this Stipulation; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except a proceeding to enforce the approval or terms of this Stipulation.

13. The Company, the Division and the Committee each agree to, and other Parties may, make one or more witnesses available to explain and support this Settlement Stipulation to the Commission. Such witnesses will be available for examination. So that the record in this docket is complete, the Stipulating Parties may move for admission of comments, position statements or exhibits that have been filed on the issues resolved by this Settlement Stipulation; however, notwithstanding the admission of such documents, the Stipulating Parties shall support the Commission's approval of the Settlement Stipulation. As applied to the Division and the Committee, the explanation and support shall be consistent with their statutory authority and responsibility.

14. The Stipulating Parties agree that if any person challenges the approval of this Settlement Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Settlement Stipulation, each Party will use its best efforts to support the terms and conditions of the Settlement Stipulation. As applied to the Division and Committee, the phrase "use its best 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 Settlement Stipulation, no Stipulating Party shall take a position in that judicial review opposed to the Settlement Stipulation.

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

Commission. This Settlement Stipulation is an integrated whole, and any Stipulating 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 Settlement Stipulation or imposes any material change or condition on approval of this Settlement Stipulation or if the Commission's approval of this Settlement Stipulation is rejected or materially conditioned by a reviewing court, the Stipulating 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 Settlement Stipulation consistent with the order. No Stipulating Party shall withdraw from the Settlement Stipulation prior to complying with the foregoing sentence. If any Stipulating Party withdraws from the Settlement Stipulation, any Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to issues resolved by the Settlement Stipulation and no party shall be bound or prejudiced by the terms and conditions of the Settlement Stipulation.

The Parties may execute this Stipulation in counterparts each of which is deemed an original and all of which only constitute one original.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first herein written.

ROCKY MOUNTAIN POWER:

By: Jeff Karam by [Signature]

Date: 1/5/2009

DIVISION OF PUBLIC UTILITIES:

By: mel Giesley

Date: 1/5/09

COMMITTEE OF CONSUMER SERVICES:

By: Paul H. Porter

Date: 1.5.09