

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations	DOCKET NO. 09-035-23 TEST PERIOD STIPULATION
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1. This Test Period Stipulation in Docket 09-035-23 (“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 Public Service Commission of Utah (the “Commission”) approve the Stipulation and all of its terms and conditions.

II. BACKGROUND

3. On April 16, 2009, the Company filed with the Commission its Intent to File a General Rate Case and Request for Approval of the Company’s Test Year. Specifically, the Company requested that the Commission approve a twelve month ending December 31, 2010 forecast test period. Certain other parties stated an intent to file testimony supporting a forecast test period ending June 30, 2010.

4. On April 23, 2009, a scheduling conference was held to set a schedule to resolve disputes regarding the appropriate test period to be used in the Company’s 2009

general rate case, Docket No. 09-35-23 (2009 General Rate Case). At the scheduling conference, participating parties agreed to the following schedule: April 30, 2009 – Company’s Direct Testimony due; May 14, 2009 – Non-Company Rebuttal Testimony due; and May 21, 2009 – Hearing.

5. On April 30, 2009, the Company filed with the Commission its Direct Testimony on test period issues.

6. On May 7, 2009, the Company contacted all intervenors and parties that either petitioned to intervene or that expressed an intent to file a petition to intervene in the proceeding to invite them to a settlement conference.

7. On May 12, 2009, the Company met with the Division of Public Utilities to engage in settlement discussions.

8. On May 13, 2009, the Parties engaged in settlement discussions and an agreement in principle was reached. A copy of the draft stipulation was prepared and circulated to intervenors and parties that either petitioned to intervene or that expressed an intent to file a petition to intervene. As a result of the settlement negotiations, the Parties to this Stipulation have agreed to the test period to be used in the 2009 General Rate Case, as more specifically set forth below.

III. TERMS OF STIPULATION.

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

9. Test Period. The Parties agree that they will use a twelve month ending June 30, 2010 forecast test period, utilizing average (13 month) rate base, in the 2009 General Rate Case.

10. Single Item Rate Cases.

a. Ben Lomond to Terminal Transmission Line Segment and Dave Johnston Scrubber Projects. The Company anticipates that (i) the capital additions of scrubbers to the Dave Johnston Power Station will be completed by May 2010 and (ii) the Ben Lomond to Terminal Transmission Line Segment will be completed by June 2010. No projected costs or revenues associated with the foregoing projects will be included in the Company's 2009 General Rate Case. The Company intends to file an application on or after February 1, 2010 for single item rate recovery of the foregoing capital projects pursuant to Utah Code Anno. § 54-7-13.4 (the "Act"). The Parties agree not to oppose the Company's right to file or time of filing (assuming consistency with the 90 and/or 150 days stated in the Act) of the Company's application for approval of rate recovery for the foregoing projects. All Parties reserve and retain the right to take or make any and all substantive positions, claims or objections going to the merits, prudence (if a prudence review has not already been made under the Energy Resource Procurement Act) or amount of recovery in connection with such filings.

b. Ben Lomond to Populus Transmission Line Segment and 2009R RFP Resource Selection Process. The Company anticipates that (i) the Ben Lomond to Populus Transmission Line Segment will be completed by December 2010, and (ii) a resource selection will have been made and implemented in the 2009R RFP resource selection process by November 2010. The Company intends to file an application on or

after August 3, 2010 for single item rate recovery of the foregoing capital projects pursuant to the Act assuming, with respect to the later project, that the 2009R RFP resource selection process results in a capital project to be included in rate base. The Parties agree not to oppose the Company's right to file or time of filing (assuming consistency with the 90 and/or 150 days stated in the Act) of the Company's application for approval of rate recovery for the foregoing projects. All Parties reserve and retain the right to take or make any and all substantive positions, claims or objections going to the merits, prudence (if a prudence review has not already been made under the Energy Resource Procurement Act) or amount of recovery in connection with such filings.

c. Time Limited Commercial Opportunity. Nothing in this Stipulation is intended to prevent the Company from filing for any waiver or approval under the Energy Resource Procurement Act or an application for rate recovery pursuant to the Act. In the event the Company files such an application under the Act, the Parties agree not to oppose the Company's right to file or time of filing (assuming consistency with the 90 and 150 days stated in the Act) of the Company's application for approval of rate recovery for such project pursuant to the Act.

11. Senate Bill 75 Rule Making. The Parties acknowledge that rules pertaining to the use of single item rate filings have not yet been issued by the Commission. The Parties agree that, notwithstanding any outcome from the rulemaking process currently in place in Docket 09-999-08 to implement Senate Bill 75 that may conflict with any provision of this Stipulation, they will not oppose the timing or filings of any of the applications as specified herein. The Company agrees to file with each such

application testimony and exhibits that will support the Company's application under the Act.

12. Timing of Next General Rate Case. The Company agrees that it will not file another general rate case prior to January 1, 2011.

13. Suspension of Rebuttal Testimony. The Parties have previously requested a continuance of the non-Company test period testimony due date from May 14, 2009 until 12 pm (MT) to May 19, 2009. By signing this Stipulation, the Parties agree that such testimony filing requirement should be suspended, in favor of testimony in support of the Stipulation, which will be presented live at the hearing.

14. Stipulation Hearing Schedule. The Parties agree to request that the hearing for approval of this Stipulation be held May 21, 2009, with the public witness portion to be held subsequently thereto on May 21, 2009.

IV. GENERAL TERMS AND CONDITIONS

15. 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.

16. The Parties respectfully request of the Commission that all of the pre-filed testimony in this Docket be admitted into the record without witnesses being called or sworn at the proceeding. The Company, the Division and the Office of Consumer Services (the “Office”) each agree to make one or more witnesses available to explain and support this Stipulation to the Commission. Such witnesses will be available for examination. So that the record in this Docket is complete, the Parties may move for admission of evidence, comments, position statements or exhibits that have been filed on the issues resolved by this Stipulation; however, notwithstanding the admission of such documents, the Parties shall support the Commission’s approval of the Stipulation and the Commission order approving the Stipulation. As applied to the Division and the Office, the explanation and support shall be consistent with their statutory authority and responsibility.

17. 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 its best efforts to support the terms and conditions of the Stipulation. As applied to the Division and the Office, 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 Stipulation, no Party shall take a position in that judicial review opposed to the Stipulation.

18. Except with regard to the obligations of the Parties under the two 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. 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 cross-examination of witnesses, with respect to issues addressed by the Stipulation and no Party shall be bound or prejudiced by the terms and conditions of the Stipulation.

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

BASED ON THE FOREGOING, the Parties request that the Commission issue an order approving this Stipulation and adopting the terms and conditions of this Stipulation.

Respectfully submitted this 14th day of May, 2009.

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