BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR AN ACCOUNTING ORDER REGARDING POST-RETIREMENT PRESCRIPTION DRUG COVERAGE TAX BENEFITS	DOCKET NO. 10-035-38

TRANSCRIPT OF HEARING PROCEEDINGS

HELD AT: Public Service Commission
160 East 300 South, Room 403
Salt Lake City, Utah

DATE: September 1, 2010

TIME: 9:16 a.m.

REPORTED BY: RENEE L. STACY, CSR, RPR

A P P E A R A N C E S

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E X H I B I T S

Exhibit No.	Received
OSC-1	7
DPU-1	7
DPU-2	7
RMP-1	7
RMP-2	7

September 1, 2010
9:16 a.m.

P R O C E E D I N G S

CHAIRMAN BOYER: This is the time and place duly noticed for the hearing of the application of Rocky Mountain Power for an accounting order regarding post-retirement prescription drug coverage tax benefits in Docket 10-035-38.

And we have discussed before going on the record that we will proceed today in panel fashion. We'll hear -- the commissioners will be able to ask questions of witnesses for the company, for the Office, and for the Division of Public Utilities.

So let's, first of all, take appearances of counsel first. Let's begin with the Company, the moving party.

MR. SOLANDER: Thank you, Chairman Boyer, commissioners. My name is Daniel Solander on behalf of Rocky Mountain Power. I have with me at the counsel table and who will be appearing as witnesses, Ryan Fuller, assistant tax director for PacifiCorp, and David Taylor, ratepayers manager for the state of Utah.

CHAIRMAN BOYER: Thank you. Mr. Ginsberg?

MR. GINSBERG: Michael Ginsberg for the Division of Public Utilities, and Matt Croft prepared the Division's memorandum and will appear as the witness.

CHAIRMAN BOYER: Now, will this be your swan song, Counselor?

MR. GINSBERG: It will. Well, unless there's something else that happens.

CHAIRMAN BOYER: We'll have to conjure something up between now and your retirement date.

Mr. Proctor?

MR. PROCTOR: Thank you, Commissioner Boyer. I'm Paul Proctor for the Utah Office of Consumer Services, and I'm accompanied by Donna Ramas, who will be providing the information to the Commission today. Thank you.

CHAIRMAN BOYER: Great. Thank you, Mr. Proctor.

Why don't we swear the four witnesses just en masse right now, so will all of you gentlemen and lady stand and raise your right hands?

RYAN FULLER, ***DAVID TAYLOR***

MATT CROFT, ***DONNA RAMAS***

called as witnesses and sworn, were examined and testified as follows:

CHAIRMAN BOYER: Thank you. Please be seated.

We have read all of the documents filed in this case and so I guess we'll turn now to Commissioner Allen to see if he has questions of the witnesses.

COMMISSIONER ALLEN: Well, yes, I do. Thank you, Mr. Chairman, and thanks to the parties for the informative memo filings here. Informative, but not enjoyable.

CHAIRMAN BOYER: Well, you know, before we start with your questions, Commissioner, maybe we should admit these memoranda into evidence. Would that be a good approach to do that?

MR. PROCTOR: Yes.

CHAIRMAN BOYER: Shall we do that en masse as well? Are there any objections to the admission of the memoranda filed by the Company, the Office, and the Division of Public Utilities?

MR. SOLANDER: And the application?

CHAIRMAN BOYER: And the original application as well.

MR. PROCTOR: I have no objection to it. We had marked ours as OCS-1. I don't -- I'm hoping that that's acceptable to you, but that way the record could reflect the identity of the exhibit that we've entered.

CHAIRMAN BOYER: It is.

MR. GINSBERG: And we marked our July 29th memorandum as DPU-1. That was the first one. And then there's a second one that we marked as DPU-2, which is dated August 19th.

CHAIRMAN BOYER: Okay.

MR. SOLANDER: And for the Company the application is Exhibit 1, and the reply comments are Exhibit 2.

CHAIRMAN BOYER: We'll call that RMP-2 and RMP-1?

MR. SOLANDER: Yes.

CHAIRMAN BOYER: Okay. Did you get that, Reporter?

THE REPORTER: Yes, I did. Thank you.

CHAIRMAN BOYER: All right, then. And there are no objections to the admission of these memoranda into evidence? Very well. They are admitted.

(Whereupon OCS-1, DPU-1, DPU-2, RMP-1, and RMP-2 were received in evidence.)

CHAIRMAN BOYER: And apart from the interruption, Commissioner Allen, the floor is yours.

COMMISSIONER ALLEN: Thank you, once again. This is a very interesting issue, and it's very specific. I'm curious about the Office's position. Now we have an alternative proposal, I believe, from the Division and the Company that seem to be on the same sheet of music. Does the Office have any comments about that? Are you still maintaining your existing recommended adjustment or accounting entry, or have you altered that at all?

MS. RAMAS: We're still holding with the original position which was in OCS-1. I don't agree that the position that's been agreed to by the DPU and the Company reflects the impact on ratepayers in the past. I believe it's a compromised position between those two parties, but I don't agree that it's in the ratepayer interest nor fair.

COMMISSIONER ALLEN: Okay. Well, that's good to have that clarity there, then. What I'm looking at, Ms. Ramas, I'm looking at your testimony, I think, on page 6. You talk about the benefit from federal subsidy did not flow to customers in the 04-06 rate case, but how -- if we look at that, how does that fly in the concerns that we might have about retroactive ratemaking or the fact that those were stipulations or the fact -- or the possibility that those lack of benefits also flowed to stockholders? So how does that play out? I mean, is it -- address the retroactive ratemaking question first. If we go back and look at those two years, how do we justify that now, four years, five years later?

MS. RAMAS: Yes. Well, what we're recommending is not retroactive ratemaking. We're not now trying to recover something that would have been set in rates in the past; however, at the same time, you need to look at how the Company had to calculate the amount that -- of deferred tax asset that it's written off on its books, and if you look at -- on page 4 of my report, it shows that the -- in determining the amount the company had to write off, they go back to March 31st, 2005, that year ended that date, so it's these historic amounts that go into determining the amount of deferred tax asset the Company had to write off on its books.

However, in those earlier years, the 2005 year, the 2006, 2007, and well into 2008, ratepayers never got any benefit from that additional tax deduction that resulted from the 2003 Act, so to now allow them to get full recovery from customers of this deferred tax asset that they had to write off for book purposes would be unfair, because ratepayers never got that -- any of those benefits until we got into the 07-035-93 docket that went into effect in rates in August of two thousand -- August 11th, 2008.

So I don't see what we are recommending as being in any way retroactive in nature. What we're saying is the company has calculated, for book purposes, what amount it had to write off, and they had to do that write-off in this year; however, in determining that amount, they went back as far as the tax year ended March 2005, and ratepayers did not get the benefit in that past case.

I acknowledge those cases were settlements, so that doesn't mean you're setting exact amounts. I believe they were even what you call black box settlements. However, no party in those cases, and I was involved in those cases, challenged the tax calculations as they came to the deferred tax in the tax normalization issues in that case, so you would assume that that means they went into effect with the way the Company filed it. And in those past filings, the Company did not in any way flow through the benefit to customers that results from the fact that the portion of those post-retirement prescription drug-related costs that are being subsidized by the -- by the federal government, they could still take a deduction on their tax returns in those years as though -- even though they were subsidized. They could still deduct the full amount. And ratepayers did not in any way in those cases get any of that benefit.

COMMISSIONER ALLEN: Did shareholders receive benefit, or are they both treated the same, shareholders and ratepayers, in this case?

MS. RAMAS: There would have been a benefit to shareholders because of the calculation of the income taxes and the fact that, for tax purposes, the company projected that time those would be deductible, so they would have impacted the expense that was recorded in the financial statements in those periods.

COMMISSIONER ALLEN: And so when the Company goes back to the -- all the way back to the '03, '04 time period, I guess, is that a requirement of accounting for retirement benefits? Is it FASB 160 that controls retirement benefits in accounting? Do you know? And is this something they were required to do by accounting standards?

MS. RAMAS: Uh-huh. As a result of the Patient Protection and Affordable Care Act of 2010, the Company was required, on its books for book purposes, to write off that deferred tax asset. No party is disputing that. And I also don't dispute the way they calculated the amount they had to write off. I don't think anyone in this hearing has disputed their calculation of the amount of write-off they had to make. So I would agree they did have to write off for book purposes, and this is a write-off to acknowledge that after 2013 -- or starting with tax year 2013, they will no longer be able to deduct that portion of the results of that.

COMMISSIONER ALLEN: This is a complicated issue. I did a little research with the Internal Revenue Service and found out that this issue is mentioned in '86 tax bulletins and notices, so this is interesting. Did anybody want to weigh in on the questions I asked, shed any light on the questions? The Company, it looks like, does.

MR. FULLER: Yeah. Thank you. I appreciate that, Commissioner.

I just wanted to clarify that the Company, in calculating the amount of the deferred tax asset to adjust, the Company did not go back to 2005. The Company looked at the books as of March 31st, 2010, and it evaluated how much of the retiree drug subsidy receivable was on the books at that time and how much of that retiree drug subsidy would be received after 2012, and that's how the company adjusted the deferred tax asset. There was no valuation of events that occurred in the past.

COMMISSIONER ALLEN: So you pulled the number right out of your accounting system as of the specific date?

MR. FULLER: Yes.

COMMISSIONER ALLEN: Division? Let's see. I think I have a couple other questions, too. I was curious about the finality of where we're at on this. Has the Company received a request that any private letter rulings or other directives on this issue from the IRS? Do you have anything in progress? Is this a final state of affairs as far as --

MR. FULLER: Yes, this is a final state of affairs.

COMMISSIONER ALLEN: Okay. Great. For the Division, you mentioned on page 5 that there's an adjustment that's implicitly accepted by the IRS but may not be -- may not be appropriate for ratepayers. How have we handled these kind of issues in the past? What do we do when we get a change in the law, a change in the tax code that's pretty much mandating how the company responds? Have we rectified these differences in the past?

MR. CROFT: I'm not -- I mean, I think there's two issues here. One, there's the change in the tax law, and then the second thing is -- is a -- perhaps an oversight of accounting for a tax issue, and so I'm not sure. Is your question, has there been a change in tax law, and then, combined with that, is there a possible misstep in something or --

COMMISSIONER ALLEN: Let's just go right to, what's our obligation to ratepayers when we have sort of a paradox between change in the law and practice and what the books have been -- how they've been keeping the books and the anticipated deduction that they had? If the new change in the law creates a paradox, how do we usually adjust for that, or do we just do what the Company did and just pull the number out of the books and say, "This is the number that's sitting there and we have to" -- "we have to defer this. We have to create an account"?

MR. CROFT: Uh-huh. I'm not really sure how -- if a situation like that has arisen in the past or how it was handled in the past. As far as I'm concerned, it's just an issue of a certain accounting treatment that, had it been done a certain way or -- I think the company would have considered to do it a different way, had they known about it or realized that ratepayers would be paying something different right now because of that, so ultimately it's a question of, you know, should ratepayers bear the burden of a possible oversight from the Company?

COMMISSIONER ALLEN: And I guess we're just dealing with this in this specificity for the first time, is what you're saying, as far as you know?

MR. CROFT: As far as I know. I mean, there could be a past issue, but I'm not aware of those two combinations.

COMMISSIONER ALLEN: All right. That's helpful. Thank you.

MR. PROCTOR: Commissioner Allen, if I might.

COMMISSIONER ALLEN: Yes.

MR. PROCTOR: Would you provide Ms. Ramas an opportunity to respond to the Company with respect to how they calculated that particular number?

COMMISSIONER ALLEN: I think that's fair. Sure.

MR. PROCTOR: Thank you.

MS. RAMAS: Yes. I just want to clarify it some. It's not a number the company just quickly pulled off their books and it was right there black and white on their books. They actually obtained the assistance from their actuarial firm, Hewitt & Company, and they provided part of that information in response to OCS Data Request 1.7, and in determining the amount that they had to write off of their books, they had to look at the amount of past subsidies they had projected and the amount of subsidies they'd actually received to date, so they provided, in response to discovery, the information provided from Hewitt, and that information shows that, in determining the amount they had to write off their books, you've got to look all the way back to when the Act -- 2003 Act was first put into place, which was effective for Rocky Mountain Power beginning their fiscal year that would end March 31st, 2005, and the information provided by their actuarial firm shows that these calculations, in deriving the amount that had to be written off, go back starting with the amount of subsidy they -- or projected subsidy that they had booked during 2005. And, again, that break-out that was provided by the company's actuarial firm is presented in my report, and that's that table I referred you to earlier.

COMMISSIONER ALLEN: All right. And I

appreciate your reminding us of the actuarial component. It reminds me that accounting sometimes is an exact estimate. Yeah. Thanks.

CHAIRMAN BOYER: Commissioner Campbell?

COMMISSIONER CAMPBELL: I just want to clarify a few things first. When you say ratepayers got no benefit, is it your testimony that in those two stipulated rate cases that all the parties had filed direct testimony and that in all that direct testimony no one brought up the issue? Is that how you come to that conclusion?

MS. RAMAS: Yes. And, again, ratepayers did still get a benefit of the subsidy itself, because that did reduce the overhead expense. What they didn't get was the benefit of the fact that, for tax purposes, the company was allowed to deduct the amount that was essentially subsidized. And, unfortunately, no. I participated in those case, and I didn't look in enough detail in the deferred tax work papers and calculations in the Company's filings, so I didn't catch that, unfortunately, so it was not raised as an issue in those past cases.

COMMISSIONER CAMPBELL: Now, I see a difference in the two memos that we have as it relates to this issue. The Company, in your recent memo, claims that -- I'd like to explore the idea of two different tax attributes, because I think the Company's claim, as I read their memo, is that the tax attribute that they're presenting before us was in rate cases but that Ms. Ramas's is dealing with another aspect of this. Could you clarify that for us?

MR. FULLER: Yeah. Thank you. The -- there's two different tax attributes that need to be measured here. One is, is -- well, they do not need to be measured, but they are being measured by the OCS, which is that OCS is measuring how much retiree drug subsidy was -- which is an item of income -- was received and treated as nontaxable.

The advocation that we filed is looking at the amount of post-retirement benefit expense that is deductible, so what we -- it is now nondeductible, and so what we sought the regulatory asset for is a portion of post-retirement benefit expenses will now be nondeductible for income tax purposes, and that is governed under Code Section 265.

The Medicare subsidy or the retiree drug subsidy, which is an item of income, is governed under Code Section 139A, and that's the tax attribute that the OCS has evaluated in their calculations.

There would have been no permanent book tax difference for the tax attribute we're talking about in those prior rate cases, because, prior to this enactment of this law, there was no permanent book tax difference and, notwithstanding that, the retiree drug subsidy was enacted, I think, on December 8, 2003.

The regulations for -- this was a major piece of legislation associated with Medicare, and the regulations for that weren't finalized until January of 2005. The 2004 rate case was -- I think the order was issued in February of 2005, so, in any case, that item probably would have just not made it into that case due to regulatory lag, anyway, the retiree drug subsidy, because the regulations weren't finalized until just shortly before the 2004 case was -- received its final order.

COMMISSIONER CAMPBELL: So you do agree -- you do agree that the Company did not include in its rate case filings -- in those two rate case filings the federal subsidy income component?

MR. FULLER: I do agree with that, although, again, the 2004 case was filed and pretty much resolved before the regulations were finalized, even though the retiree drug subsidy.

COMMISSIONER CAMPBELL: Okay. So Ms. Ramas, I guess my question for you is, is do you see the distinction? First of all, do you agree with the Company's analysis that there's these two pieces? There's the deductibility of the tax benefit on the one hand, and that has been included in all the rate cases, and then that your analysis is dealing just with whether the Company included the income component of the subsidy?

MS. RAMAS: No, I don't agree with that analysis at all. Us and the Company both agree that the income associated with the subsidy was not taxable after the 2003 Act and still is not taxable under the 2010 Act. That subsidy that's going to be received from the federal government under the old Act and the new Act still is not taxed. It's not taxed as taxable income.

The issue is, though, as a result of the 2003 Act, the Company was allowed to deduct the expense as though they didn't receive that subsidy. They could deduct the amount based on the amount of payments they're actually making, despite the fact that part of that is subsidized. Starting with the 2010 Act, that's no longer the case.

So that what's being written off as the

deferred tax asset, is the amount they, in the past, had projected that they would receive as a tax benefit by being able to deduct that full amount, including the amount that's being subsidized and that they have now lost, starting with tax years beginning January 1st, 2013, so I don't agree with how the Company has indicated that.

Our adjustment doesn't pertain to the amount of tax exempt income that was generated because it wasn't taxable, and it still is not taxable. It's the fact that the company received that additional deduction or would have received that additional deduction associated with the amount that's subsidized, and that's what, in calculating my recommended adjustment, I used, is the fact that that additional deduction they would have gotten wasn't reflected in those two prior rate cases.

COMMISSIONER CAMPBELL: Would you please respond?

MR. FULLER: Yeah. I mean, I think it's clear in the OCS work papers that, even on Exhibit 4, they're measuring the retiree drug subsidy, which is the income, and their discovery was issued on the exhibit to their memorandum which was Exhibit 1, Ramas, is measuring the permanent book tax difference associated with the retiree drug subsidy income, and so what they've done is they have -- on page 4 they have evaluated the retiree drug subsidy income, and again on that exhibit they said, "This is the permanent book tax differences that have been included in the rate case." The permanent book tax difference would take the book income and treat that as nontaxable income, and so they clearly measured, in their evaluation, the retiree drug subsidy, but nothing has changed with the retiree drug subsidy, which Mrs. Ramas properly pointed out. There was absolutely no change as a result of the new tax law to the retiree drug subsidy. The new tax law only is going to impact the future.

COMMISSIONER CAMPBELL: Okay. I saw this difference of viewpoint in the two memos, and I don't see any reconciliation of that, if in this hearing we're giving a reconciliation of what numbers we're actually looking at.

Let me ask a couple other questions. Let me go with the Company's memo on page 4 of your memo. This is just a clarification. I think I understand the answer, but on the last sentence, because the Company is agreeing to start the amortization of the regulatory asset on January 1, 2011, I thought that you, on the very next page, are not on the first attachment, I think there was agreement on October 1st, 2010.

MR. FULLER: Yeah. In the Company's original application they saw amortization beginning January 2011, but the compromised position would have that starting three months earlier.

COMMISSIONER CAMPBELL: Okay. And let me ask this to both the Company and the Division: Why is the company accepting less than the full amount, and why would the Division want the Company to recover something less than the full amount, if it's due the Company?

MR. TAYLOR: Well, let me respond for the Company. I mean, we believe that the position we filed in this case is appropriate and correct and that forward recovery of that amount would be fair; however, working with the Division, obviously the parties have different points of view, and we reached a compromise that both the Company and the Division would be a reasonable and a fair resolution of this issue. Granted, it is a compromise, but we still think our original request is appropriate, but we're willing to settle it in the terms of compromise to get this issue resolved and then put to bed to the position and the alternative proposal that we have come to with the Division.

COMMISSIONER CAMPBELL: So I guess the question of the Division is, why less than the full amount?

MR. CROFT: I think one of the things that we looked at is we looked at the recover- -- the total recoverability of this expense over time, and, you know, although we still believe there should be an adjustment there for the capitalization issue, even when we do that, it results in a very similar number to what the Company has in the alternative proposal, so both sides get to it from a different -- from a different way, but ultimately the total recoverable amount over time dealing with the timing of rate cases and test years and things of that nature and rate effective periods, the recoverable amount over time is nearly the same between the two.

COMMISSIONER CAMPBELL: So you still base your position on your original position, even though there's double dipping in taxes with your capitalization proposal?

MR. CROFT: Are you asking if there was double dipping or --

COMMISSIONER CAMPBELL: Well, yeah. I

guess the Company -- the Company explains that if you were to capitalize that, then you don't get the tax benefit of expensing it.

MR. CROFT: And I think, as far as the double dipping is concerned, if you could show that the GAAP numbers directly transferred over into rates, then you could show that there was a double dipping there, but, as has been discussed in the '04 case and the '06 case, those records aren't there. I mean, you know, we don't have record of those specific, you know, Schedule M items or things like that that get into the post-retirement benefit expense.

In the '07 case, the base year for that case overlapped a GAAP period which did start to capitalize them and a GAAP period that did not, so it would be unclear as to whether that benefit was flowed through to ratepayers then. And then the '08 case and '09 case don't really matter, because, by that time, the Company had started to capitalize.

CHAIRMAN BOYER: Okay. Well, most of my questions have been asked and answered, but I have, I guess, a couple. One for the Division, for example. And I recognize that in your later filing, in your later memorandum, you espoused an alternative approach, but in the original memo, the July 28 memo, on page 5 you make this statement -- the Division makes this statement: "In short, the Division does not believe that an accounting treatment implicitly accepted by the IRS but incorrect from a principle standpoint should be borne by ratepayers." Do you still stand by that, or do you think that, by reaching this same number with a few different approaches, you've mooted that issue?

MR. CROFT: I think we still stand by that, and by standing by that, the ultimate recoverable amount that we come up with is very similar to the alternative proposal.

CHAIRMAN BOYER: Okay. Thank you. And for the Company -- and you may have already answered this question and it just went over my nonaccounting head, but how do you respond to Ms. Ramas' assertion that these benefits did not flow through to ratepayers for the early years?

MR. FULLER: With respect to the 2004 case, as I mentioned, the regulations on -- first of all, we're talking about the retiree drug subsidy as the benefits that Mrs. Ramas has identified in her memorandum, and with respect to that item, the permanent book tax difference would not have been included in the 2004 case just as a result of regulatory lag. The regulations weren't finalized until January of 2005, and so I think that would just be the ordinary course of ratemaking with respect to that item.

In the 2006 case, it looks like the Company did make a misstep. I'll just say that on the Company's internal books and records we also did not reflect a permanent book tax difference with respect to retiree drug subsidy during that base period, so it wasn't as if the Company had an internal deduction for that and then presented a rate case with something different. It just chalked that up to an honest mistake, and it wasn't until later that we started to record a retiree drug subsidy as a permanent book tax difference.

CHAIRMAN BOYER: Okay. So will ratepayers then be paying back something they didn't receive?

MR. FULLER: Well, I don't look at it that way. I mean, in terms of the tax attribute that we are looking at, the post-retirement benefit expense, that was always treated as tax deductible, and that's evidenced by the inclusion of the post-retirement benefit expense in the pretax book income and no permanent book tax difference, which would reduce that level of expense. And so I think that, with respect to the specific tax attribute that we requested in the regulatory asset for in our application, the customers have got that benefit.

And I think it's with respect to these other items that is a different tax attribute. Now, the Company doesn't get recovery for things like IRS adjustments, you know, tax and interest on IRS adjustments, and, again, these were, you know, settled cases in the nature of a black box compromise.

I think the 2008 case included a stay-out period, so I think the Company's position would be, then, that if you did go back and look with respect to the specific tax attribute that we're looking at, that customers did receive that benefit.

CHAIRMAN BOYER: We'll let Ms. Ramas have one last word on this issue, if she wishes.

MS. RAMAS: Yes, I do. I don't see how it's at all possible that ratepayers got the benefit that ties to this deferred tax asset they're having to write off. Again, in calculating the amount of the deferred tax asset that they had to write off that they're seeking recovery of now from customers, that calculation goes back to the tax -- or to their fiscal year-end in March 2005. So you can't separate the two, in my opinion.

I mean, those -- what occurred in those past years goes into calculating the amount of deferred tax asset they're writing off and they're now seeking recovery of from customers. During those early years, the customers did not get that additional tax benefit that they're now having to write off, so I guess I have to respectfully disagree with Mr. Fuller on that point.

CHAIRMAN BOYER: Okay. Very well. I have no further questions.

All right. Well, that will conclude the hearing, then. In due course we'll issue an order after we've had a chance to ruminate about this.

Thank you very much for participating.

Mr. Solander?

MR. SOLANDER: Yes, sir. I don't want to impose on the Commission, but if the order could be issued before the end of this month, that would allow the Company to record this in the third quarter of this year. I don't know if that's possible based on the Commission's time frame, but we would request that it be issued by then, if possible.

CHAIRMAN BOYER: Okay. Thank you for that.

All right. Very well. That will conclude this hearing.

(Whereupon the taking of the hearing was concluded at 9:34 a.m.)

* * * *

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

I, RENEE L. STACY, Certified Shorthand Reporter, Registered Professional Reporter and Notary Public for the State of Utah, certify:

That the foregoing transcript, consisting of Pages 1 to 30, was stenographically reported by me at the time and place hereinbefore set forth; that the same was thereafter reduced to typewritten form, and that the foregoing is a true and correct transcript of those proceedings.

I further certify that I am neither counsel for nor related to any party to said action nor in anywise interested in the outcome thereof.

IN WITNESS WHEREOF, I have subscribed my name and affixed my seal this 8th day of September, 2010.

____
RENEE L. STACY, CSR, RPR
Notary Public in and for the
County of Salt Lake, State of Utah

My Commission Expires:

November 9, 2011