

# Exhibit B

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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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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	<b>Docket No. 10-035-124</b>
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**STATEMENT OF US MAGNESIUM LLC REGARDING REVENUE REQUIREMENT SETTLEMENT STIPULATION ISSUES AND WITNESS**

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In response to the Commission's Order Vacating Certain Revenue Requirement Hearing Dates and Scheduling Hearings on a Proposed Settlement Stipulation issued on July 26, 2011, US Magnesium, LLC (US Mag) submits this Statement of issues it intends to raise and the witness it intends to call at the hearings.

US Mag has not yet been able to determine whether to oppose the Settlement Stipulation because it is not sufficiently specific and does not adequately address some important questions and issues, including those identified below. US Mag intends to offer testimony at the hearing on the following issues relating to the proposed Settlement Stipulation:

**1. Whether the Settlement Stipulation provides RMP with sufficient incentive to aggressively pursue maximum value for customers through sales of bundled renewable energy products into high-priced markets such as California.** The testimony of Roger J. Swenson filed on behalf of US Mag in this docket identifies tremendous opportunities for sales of bundled renewable energy products, which opportunities will soon be lost unless RMP responds quickly to RFPs and otherwise aggressively markets bundled renewable resources into available high-priced markets. US Mag submits that the Commission should direct RMP to use best efforts to pursue such sales, and also that the Commission should provide RMP with strong financial incentives to do so. The Settlement Stipulation does not appear to provide such incentives.

**2. Whether “REC revenues” to be tracked in the REC Balancing Account to be created under Section F (paragraph 61) of the Settlement Stipulation include not only proceeds from the sale of separated or unbundled renewable energy credits (RECs), but also from bundled renewable energy products.** Section F of the Settlement Stipulation calls for a REC Balancing Account to track “REC revenues,” but is silent on what is meant by that term. US Mag submits that the balancing account must track not only revenues from the sale of unbundled RECs, but also the value of bundled renewable energy products sold by RMP.

**3. Whether the value of bundled renewable energy sales will be properly determined for purpose of the REC Balancing Account.** Section F of the Settlement Stipulation is silent on precisely what values will be booked into the REC Balancing Account. US Mag submits that the value of each bundled renewable energy sale should be based on the total revenue received from such sale less the actual cost of displacement energy for the specified period of the sale.

In order to address the issues listed above, US Mag intends to offer the prefiled testimony of Roger J. Swenson in this docket, as well as live testimony of Mr. Swenson on the Settlement Stipulation, including a discussion of the issues identified above.

DATED this 1<sup>st</sup> day of August, 2011.

/s/ \_\_\_\_\_  
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## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 1<sup>st</sup> day of August, 2011, on the following:

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