

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Pending Application of Rocky Mountain Power for a Certificate of Public Convenience and Necessity Authorizing Construction of the Sigurd – Red Butte No. 2 345 kV Transmission Line	Docket No. 12-035-97 SETTLEMENT STIPULATION
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This Settlement Stipulation (“Stipulation”) is entered into in Docket No. 12-035-97 by and among the parties whose signatures appear on the signature pages hereof (collectively referred to herein as the “Parties” and individually as a “Party”).

BACKGROUND

1. On September 17, 2012, Rocky Mountain Power filed an application in accordance with Utah Code Ann, § 54-4-25 with the Public Service Commission of Utah (“Commission”) seeking a certificate of public convenience and necessity (“CPCN”) for the construction of a new 345 kV transmission line (the “Project”) to be built between the existing Sigurd substation located in Sevier County approximately 6 miles northeast of the town of Richfield, Utah, the existing Red Butte substation located west of State Route 18 and the town of Central in Washington County, Utah. The application was followed by an errata filing on October 22, 2012.

2. On October 18, 2012, the Commission issued a Scheduling Order setting a procedural schedule. A technical conference was held October 25, 2012. A hearing on this matter is scheduled for March 5 and 6, 2013.

3. Five Parties participated in this matter – The Division of Public Utilities (the “Division”), the Office of Consumer Services (“OCS”), Utah Industrial Energy Consumers (“UIEC”), Utah Association of Energy Users (“UAE”) and Utah Associated Municipal Power Systems (“UAMPS”). The Division and UAMPS each filed testimony in support of and the OCS

did not oppose the issuance of a CPCN for the Project. The Division testified that the Project will serve the present and future public convenience and necessity and recommended that the Commission approve the Application. UAMPS testified that the planning group consisting of PacifiCorp, UAMPS and Deseret concluded that construction of the Project was needed to reliably serve the loads in the area. UAMPS further stated that cost allocation and cost recovery are not at issue in this proceeding. The OCS did not oppose the issuance of a CPCN but expressed concern regarding the timing for the Project based on projected load growth in southwest Utah. The OCS did not challenge the need for the Project based on the need for redundancy for Sigurd to Red Butte Line No. 1. The OCS also emphasized that cost allocation and cost recovery would be addressed in future proceedings.

SETTLEMENT TERMS

4. The Parties now recommend that the Public Service Commission of Utah (“Commission”) approve the Stipulation and all of its terms and conditions as set forth herein and as agreed upon by the Parties.

3. The Company has obtained all of the required conditional use permits, franchises, and authorizations from each of the local governmental entities having jurisdiction over the Project. Any other required consents, authorizations and permits from other public authorities required for the construction of the Project have been obtained or will be obtained during the ordinary course of construction of the Project.

4. The Company has sufficient capital to finance the Project and a capital structure that renders the Company financially stable.

5. The Parties agree that the approval of the CPCN is limited to a determination of the public convenience and necessity of the Project and that cost allocation and rate recovery are

not within the scope of the application. Cost allocation and rate recovery will be addressed through a future regulatory process at the appropriate time.

6. The Parties agree that the present or future public convenience or necessity does or will require construction of the Project and accordingly request the Commission issue an order approving the application for the certificate of public convenience and necessity.

7. If a hearing is necessary to approve this stipulation the Parties ask that it is considered at the hearing scheduled in this docket for March 5, 2013. If a hearing is held, the Division, OCS, and the Company each will make one or more witnesses available to explain and offer further support for this Stipulation. The other Parties may also make witnesses available to explain their respective positions in this matter. As applied to the Division and OCS, the explanation and support shall be consistent with their statutory authority and responsibility.

GENERAL TERMS AND CONDITIONS

8. All negotiations related to this Stipulation are confidential, and no Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, and in accordance with Utah Administrative Code R746-100-10.F.5, neither the execution of this Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgement by any Party of the validity or invalidity of any principle or practice of regulatory accounting or ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Stipulation.

9. 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 this

Stipulation. As applied to the Division and the OCS, 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 proceeding in opposition to the Stipulation.

10. This Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission.

11. 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 presentation of testimony and cross-examination of witnesses, with respect to issues resolved by the Stipulation, and no party shall be bound or prejudiced by the terms and conditions of the Stipulation.

12. This Stipulation may be executed by individual Parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

DATED this 14th day of February 2013.

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