

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Voluntary Request of	:	
Rocky Mountain Power for Approval of	:	Docket No. 14-035-147
Resource Decision and Request for	:	DPU Exhibit 1.0 DIR Errata
Accounting Order for Authority Order	:	
	:	

ERRATA DIRECT TESTIMONY

OF

CAROLYN G. ROLL
STATE OF UTAH-
DIVISION OF PUBLIC UTILITIES

MARCH 23, 2015

68 Retiree Medical Obligation is not a part of the transaction contract, the Company
69 has included it in its Application. Therefore, the Company's Application includes
70 the four components listed above, as well as the Retiree Medical Settlement.

71

72 **III. PacifiCorp's Request for Regulatory Treatment**

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74 **Q. What regulatory approvals does the Company request in its Application?**

75 A. First, the Company states that the sale of its Mining Assets and the execution of
76 the long-term Coal Supply Agreements (CSAs) are contractually contingent upon
77 regulatory approval and transaction closure on or before May 31, 2015.¹

78 Therefore, the Company is requesting expedited treatment and requests a
79 Commission order by May 27, 2015, allowing the Company two days to close the
80 transaction.

81

82 Second, the Company requests a Commission determination that the closure of
83 the Mine is in the public interest, the sale of the Mining Assets is appropriate, and
84 that its decision to enter into the transaction (plus the Medical Benefits
85 Settlement) is prudent. Specifically, the Company requests the following
86 regulatory approvals:

87

¹ Id.

- 88 1. Approval to use the EBA mechanism to accrue the stranded investment. This
89 amortization rate is equivalent to the annual depreciation the assets were accruing
90 while still functioning as plant in service. This expense would not be subject to the
91 sharing bands and would be included in the EBA filings until the time of the next rate
92 case and would then be amortized over a period approved by the Commission.
93
- 94 2. An accounting order authorizing the Company to defer all costs associated with
95 closure of the Mine be deferred in a regulatory asset with a carrying charge equal to
96 the Company's authorized rate of return. At the time rates are reset, the Company
97 proposes to include in rate base the unamortized regulatory asset and recover the
98 costs over a period to be approved by the Commission.
99
- 100 3. An accounting order authorizing the establishment of a regulatory asset for the 1974
101 Pension Trust withdrawal liability, an accounting order for the loss associated with
102 the Medical Benefits Settlement, and a determination that these decisions are prudent.

103

104 **Q. Does the Division have concerns related to the Company's requested**
105 **regulatory treatment?**

106 A. Yes. The Division has several concerns that it will raise through the Division's
107 witnesses who will testify on these matters in detail. The overarching concern is
108 that the Division believes it is premature and undesirable to preapprove costs that
109 remain largely speculative, despite the appearance of the overall transaction as