

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the
Application of Rocky Mountain
Power for Authority to Revise
Rates in Tariff Schedule 98,
Renewable Energy Credits
Balancing Account

Docket No. 14-035-30

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HEARING PROCEEDINGS  
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TAKEN AT: Public Service Commission
Hearing Room 403
160 East 300 South
Salt Lake City, Utah

DATE: Thursday, May 22, 2014

TIME: 9:04 a.m.

REPORTED BY: Nancy A. Fullmer, RMR

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APPEARANCES

COMMISSIONER DAVID R. CLARK

CHAIRMAN RON ALLEN

COMMISSIONER THAD LeVAR

FOR DIVISION OF PUBLIC UTILITIES:

JUSTIN C. JETTER

ASSISTANT ATTORNEY GENERAL

160 East 300 South, Fifth Floor

Salt Lake City, Utah 84114

FOR OFFICE OF CONSUMER SERVICES:

BRENT COLEMAN

ASSISTANT ATTORNEY GENERAL

160 East 300 South, Fifth Floor

Salt Lake City, Utah 84114

FOR ROCKY MOUNTAIN POWER:

YVONNE RODRIGUEZ HOGLE

Senior Counsel

201 South Main Street, Suite 2300

Salt Lake City, Utah 84111

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Hearing Proceedings

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May 22, 2014

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PROCEEDINGS

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COMMISSIONER CLARK: Good morning, ladies

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and gentlemen. This is the time and place duly noticed for a

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hearing in Docket No. 14-035-30 In the Matter of the Application

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of Rocky Mountain Power for Authority to Revise Rates in Tariff

8

Schedule 98, Renewable Energy Credits Balancing Account.

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I'm Commissioner David Clark. Seated next to me

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is Chairman Ron Allen. And seated next to him is Commissioner

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Thad LeVar. And we would like to begin this morning by taking

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appearances of counsel. And, then, I'll discuss with counsel

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how we will proceed. But first appearances. And if you would

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introduce any witnesses who you intend to present today, that

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would be appreciated.

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MS. HOGLE: Good morning, Commissioners, staff,

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and parties. I'm Yvonne Hogle, representing Rocky Mountain

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Power. With me here today in person is Jana Saba who will be

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presenting a summary--short summary in support of the

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Company's application and supporting testimony. On the phone

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are Bruce Griswold and Joelle Steward, who are also witnesses

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in the case and filed witness testimony in the case. And they

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will be available for questions. Thank you.

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MR. JETTER: I'm Justin Jetter, representing the

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Utah Division of Public Utilities. And with me is Brenda Salter,

1 technical consultant for the Division of Public Utilities. And she
2 will be the Division of Public Utilities' single witness today.

3 COMMISSIONER CLARK: Thank you, Mr. Jetter.

4 MR. COLEMAN: Brent Coleman with the Utah
5 Attorney General's Office representing the Office of Consumer
6 Services. And with me is Cheryl Murray from the Office. And
7 she will be presenting the Office's position on the issue today.

8 COMMISSIONER CLARK: Thank you. Is there
9 anyone else physically present who intends to participate? Is
10 there anyone on the phone, beyond those who have been
11 introduced, who intends to participate in the hearing today?
12 Thank you very much.

13 The schedule in this matter called for the filing of
14 comments by the Division and then by all parties. And we've
15 received comments from the Division, as well as from the Office.
16 And those are the only filed comments of which we're aware. If
17 there are any others that we need to consider, now would be the
18 time to speak up. So, hearing of none, my understanding of
19 those comments is that they support the approval of the
20 application on an interim basis, or the approval of the rates
21 presented in the application on an interim basis, pending the
22 audit of the Division and then the review of that audit by the
23 Office. Do I have the procedural setting correct? Is there any
24 additions or corrections that counsel would make?

25 So, we propose, then, to have each party present

1 today present a witness to briefly summarize their position, as
2 you've indicated. And we'll begin with the applicant. So, Ms.
3 Hogle, please introduce your witness. And I'll administer the
4 oath.

5 MS. HOGLE: Thank you, Your Honor. With me
6 here today is Jana Saba, who needs to be sworn in, as well as
7 Bruce Griswold and Joelle Steward, who also needs to be sworn
8 in, as I will be moving for the admission of their respective
9 testimonies. Thank you.

10 COMMISSIONER CLARK: Would you raise your
11 right hand, please? Do you solemnly swear that the testimony
12 you're about to give should be the truth, the whole truth, and
13 nothing but the truth?

14 MS. SABA: Yes, I do.

15 JANA SABA, having been first duly sworn, was
16 examined and testified as follows:

17 COMMISSIONER CLARK: Thank you. Please
18 proceed, Ms. Hogle.

19 MS. HOGLE: Okay. Thank you.

20 EXAMINATION

21 BY-MS.HOGLE:

22 Q. Can you please state your name and your position
23 with Rocky Mountain Power, for the record?

24 A. My name is Jana Lynn Saba. And I am presently
25 the manager of revenue requirement.

1 Q. And in that capacity, did you prepare direct
2 testimony and exhibits in support of the company's application?

3 A. Yes, I did.

4 Q. Do you have any changes to your testimony at this
5 time?

6 A. No, I do not.

7 Q. So, if I were to ask you the questions in your
8 testimony again here today, would your answers be the same?

9 A. Yes. With the exception that I did list in the
10 original testimony my position at the time. And I was a
11 revenue--or a project manager. And I've now, since then, taken
12 on the role of revenue requirement manager. So, that's the only
13 change.

14 Q. Okay. Thank you.

15 MS. HOGLE: Mr. Hearing Officer, I move for the
16 admission of the testimony and exhibits of Ms. Jana Saba into
17 the record.

18 COMMISSIONER CLARK: Any objection? And is
19 there any objection to receiving in evidence the other testimony
20 offered by the applicant in support of the application?

21 MR. JETTER: We have no objection.

22 MR. COLEMAN: Nothing from the Office.

23 MS. HOGLE: And I have not offered them into the
24 record, because there are a couple of corrections that we need
25 to make on the record.

1 COMMISSIONER CLARK: Oh, good. Well, then,
2 we'll swear the witnesses and--

3 MS. HOGLE: Okay.

4 COMMISSIONER CLARK: You knew where you
5 were going, so go ahead. I thought I might have a shortcut for
6 us. That's fine.

7 So, the testimony and exhibit of Ms. Saba are
8 received in evidence.

9 MS. HOGLE: Thank you, Your Honor. Would you
10 like me to wait to introduce the other witnesses' testimony
11 before Ms. Saba proceeds with her summary or how would you
12 like us to handle that?

13 COMMISSIONER CLARK: Let's proceed with those
14 formalities. And, then, we'll hear from the witness. So, we
15 need to swear Ms. Steward and Mr. Griswold. Is that right?

16 MS. HOGLE: That is correct.

17 COMMISSIONER CLARK: Can you both hear me?
18 I'm sorry, but if you can hear me, we can't hear you. We are
19 working on something right now. Got a little technical glitch
20 here. If you can hear me, would you please identify yourselves?

21 MS. STEWARD: This is Joelle Steward.

22 MR. GRISWOLD: This is Bruce Griswold.

23 COMMISSIONER CLARK: Okay. It's very faint for
24 us, so please speak up as loudly as you comfortably can. I
25 think we've got our volume at a maximum level. So, would you

1 both please raise your right hands as I administer the oath? Do
2 you solemnly swear that the testimony you're about to give
3 should be the truth, the whole truth, and nothing but the truth?

4 MR. GRISWOLD: I do.

5 MS. STEWARD: I do.

6 JOELLE STEWARD AND BRUCE GRISWOLD,
7 having been first duly sworn, were examined and testified as
8 follows:

9 COMMISSIONER CLARK: Thank you. Ms. Hogle.

10 EXAMINATION

11 BY-MS.HOGLE:

12 Q. Thank you. Mr. Griswold, can you please state
13 your name and place of employment for the record?

14 A. Yeah. My name is Bruce W. Griswold. I'm
15 employed by PacifiCorp at 825 Northeast Multnomah Street,
16 Portland, Oregon 97232.

17 Q. And in that capacity, did you prepare direct
18 testimony and exhibits in support of the Company's application?

19 A. I did.

20 Q. And do you have any changes to your testimony
21 that you would like to make at this time?

22 A. Yes, I do. On page 2 of my testimony, the word--

23 THE COURT REPORTER: I can't hear this.

24 COMMISSIONER CLARK: Mr. Griswold, we're not
25 able to hear you well enough to make a record of what you're

1 saying. I wonder, if you're on a speaker phone, it would be
2 better, I think, if you spoke directly into a handset, if you can.

3 MR. GRISWOLD: Well, I'm on a handset, but let
4 me try something here.

5 COMMISSIONER CLARK: Well, that helps some for
6 us. We hear you better now.

7 MR. GRISWOLD: I have one correction to make.
8 It's on page 2 of my direct testimony. It's line 28. The word
9 "credit" should be struck and replaced with the word
10 "surcharge."

11 BY MS. HOGLE:

12 Q. And is that your only change, Mr. Griswold?

13 A. Yes, it is.

14 Q. So, if I were to ask you here today the same
15 questions that are in your testimony, subject to that change,
16 would your answers be the same?

17 A. Yes, they would.

18 MS. HOGLE: Mr. Hearing Officer, I move for the
19 admission of Mr. Bruce Griswold's direct testimony with exhibits
20 subject to that change into the record.

21 COMMISSIONER CLARK: Any objection? They're
22 received.

23 EXAMINATION

24 BY-MS.HOGLE:

25 Q. Good morning, Ms. Steward. Can you please state

1 your name and place of employment for the record?

2 A. My name is Joelle Steward. I'm employed by
3 PacifiCorp at 825 Northeast Multnomah, Portland, Oregon
4 97232.

5 Q. And in that capacity, did you prepare direct
6 testimony for the Company--and exhibits--in support of the
7 Company's application in this case?

8 A. Yes, I did.

9 Q. And do you have any changes to your testimony?

10 A. I don't have changes to my testimony. I do have
11 changes to one exhibit.

12 Q. And would that be JS Exhibit 3?

13 A. Correct.

14 Q. Okay. Please proceed.

15 A. JRS-3, the change should read in the monthly bill
16 section that the following percentage increases applied to the
17 monthly power charges and energy charges rather than
18 decreases.

19 Q. And with that change, if I were to ask you here
20 today the same questions in your testimony, would your answers
21 be the same?

22 A. Yes.

23 MS. HOGLE: Mr. Hearing Officer, I move for the
24 admission of the direct testimony and exhibits with the change
25 into the record.

1 COMMISSIONER CLARK: Thank you.

2 (Discussion off the record.)

3 COMMISSIONER CLARK: The exhibits and
4 testimony are received into evidence. We have already covered
5 that.

6 MS. HOGLE: Thank you, Your Honor.

7 Ms. Saba, do you have a summary that you would
8 like to present to the Commission today?

9 MS. SABA: Yes, I do.

10 MS. HOGLE: Please proceed.

11 MS. SABA: Good morning, Chairman Allen,
12 Commissioner Clark, and Commissioner LeVar, Commission
13 staff, and other interested parties.

14 On March 17, 2014, Rocky Mountain Power filed its
15 annual renewable energy credit balancing account, also known
16 as the RBA. Seeking to recover a deferral balance from
17 customers through its Schedule 98, approximately 17 million to
18 be collected over a three-year period equates to approximately
19 \$5.7 million per year with no carrying charges. The deferral
20 amount established in this filing will be collected from Utah
21 customers beginning June 1, 2014, through May 31, 2017.

22 Myself, Mr. Bruce Griswold, and Ms. Joelle Steward
23 filed testimony in support of the Company's application
24 describing the company's calculations in this RBA. My
25 testimony described the calculation of the deferral amount and

1 the details of REC revenue allocated to Utah ratepayers.

2 Mr. Griswold's testimony presents a detailed
3 accounting of the total company REC revenue for calendar year
4 2013.

5 And Ms. Steward's testimony addresses the
6 allocation of the RBA on the customer classes and the resulting
7 schedule 98 rates in this case.

8 The \$17 million requested in this RBA was
9 calculated in a matter consistent with the previous RBA filings
10 and a methodology set forth in the September 13, 2011,
11 stipulation that resolved Docket Nos. 10-035-14 and
12 10-035-124.

13 The RBA deferral is calculated as the difference
14 between actual REC revenue collected over a calendar year
15 period versus what was set in rates over that same time period
16 with carrying charges applied. In this RBA filing, the deferral
17 period was January 1, 2013, through December 31, 2013.

18 At this time, the Company respectfully requests the
19 Commission approve the Company's request to collect \$17
20 million associated with this RBA filing on an interim basis,
21 beginning June 1, 2014. Again, that would be over a three-year
22 period, starting June 1, 2014, pending further review by parties.
23 That concludes my summary. Thank you.

24 MS. HOGLE: The Company's witnesses are
25 available for questions.

1 COMMISSIONER CLARK: Any questions of the
2 witnesses?

3 MR. JETTER: I have no questions.

4 MR. COLEMAN: No questions from the Office.

5 Thank you.

6 COMMISSIONER CLARK: Thank you.

7 CHAIRMAN ALLEN: Jana, I have a quick question
8 for you. I'm looking at your summary of the accounting and I
9 probably just skipped over it in the text, but when I see the
10 carrying charge, I didn't see the rate. Is it still 6 percent?

11 MS. SABA: It would be the last approved debt rate
12 in the company's currently approved case. It's five point--it's
13 either 5.71 or 5.98. I can't remember. I know it would be
14 consistent with the current case.

15 CHAIRMAN ALLEN: That's what I thought. I just
16 wanted to confirm that, because I didn't see the actual number.
17 Okay. Thank you.

18 MS. SABA: Yes, it is.

19 COMMISSIONER CLARK: Any other questions?
20 Thank you. Then, you're excused. Thank you very much for
21 your testimony.

22 Ms. Hogle, anything further?

23 MS. HOGLE: The Company rests. Thank you, Your
24 Honor.

25 COMMISSIONER CLARK: Mr. Jetter.

1 MR. COLEMAN: I'm sorry, Mr. Commissioner. I
2 apologize and this is probably just me short on the learning
3 curve. But I thought that in the summary there was a statement
4 that there was no carrying charges. Is that--so, now I guess
5 I'm--I just want to make sure if I misunderstood, that I better
6 understand that.

7 MS. SABA: I can clarify.

8 COMMISSIONER CLARK: We want you to
9 understand, Mr. Coleman.

10 Ms. Saba, would you address that, please?

11 MS. SABA: Sure, I can. There are carrying
12 charges applied during the deferral period, but there are not
13 carrying charges applied during the collection period. So,
14 beginning June 1, 2014, there would not be any additional
15 carrying charges collected.

16 MR. COLEMAN: I just wanted to make sure it was
17 clear on the record. Thank you.

18 COMMISSIONER CLARK: Thank you very much.
19 Mr. Jetter.

20 MR. JETTER: Thank you. The Division would like
21 to call our witness, Brenda Salter, and have her sworn in.

22 COMMISSIONER CLARK: Raise your right hand,
23 please. Do you solemnly swear that the testimony you're about
24 to give should be the truth, the whole truth, and nothing but the
25 truth?

1 MS. SALTER: Yes.

2 COMMISSIONER CLARK: Thank you.

3 BRENDA SALTER, having been first duly sworn,
4 was examined and testified as follows:

5 EXAMINATION

6 BY-MR.JETTER:

7 Q. Ms. Salter, would you please state your name and
8 occupation for the record?

9 A. My name is Brenda Salter. I'm a technical
10 consultant with the Division.

11 Q. Thank you. And have you reviewed the application
12 filed by the Company, as well as the testimony that the
13 Company added via the accompanying exhibits that were also
14 filed by the Company?

15 A. I have.

16 Q. And did you create the document that was filed with
17 the Commission labeled "The Division of Public Utilities initial
18 comments," filed on April 28, 2014?

19 A. I did.

20 Q. And do you have any corrections that you would
21 like to make to that?

22 A. I do not.

23 Q. Does the recommendation and the supporting
24 comments within that document remain the Division's position?

25 A. It does, yes.

1 Q. Have you prepared a brief statement of the
2 Division's position?

3 A. I have.

4 Q. Would you please go ahead and read that into the
5 record?

6 A. The Company did a really good job outlining the
7 main points of the filing, so I just have a brief comment. The
8 Division has performed a preliminary review of the filing and the
9 corresponding Commission orders and has found that, in
10 general, the Company has complied with the Commission orders
11 and recommends the change in Schedule 98 be approved on an
12 interim basis, as outlined in the Commission's scheduling order,
13 dated April 1, 2014. The Division will file its RBA audit report
14 on July 11, 2014.

15 Q. And, finally, do you believe that it would be just,
16 reasonable, and in the public interest to add the surcharge
17 requested by the Company in the application to customer rates?

18 A. I do, yes.

19 MR. JETTER: Thank you. At this time, I would like
20 to move that the initial comments filed by the Division be
21 entered into the record.

22 COMMISSIONER CLARK: Thank you. Any
23 objections? They're received.

24 MR. JETTER: Thank you. I have no further
25 questions. She's available for cross-examination.

1 COMMISSIONER CLARK: Any questions for Ms.
2 Salter?

3 MR. COLEMAN: Nothing from the Office. Thank
4 you.

5 COMMISSIONER CLARK: Thank you, Ms. Salter.
6 You're excused.

7 MS. SALTER: Thanks.

8 COMMISSIONER CLARK: Mr. Coleman.

9 MR. COLEMAN: Thank you. The Office would call
10 Ms. Cheryl Murray.

11 COMMISSIONER CLARK: Ms. Murray, would you
12 raise your right hand, please? Do you solemnly swear that the
13 testimony you're about to give should be the truth, the whole
14 truth, and nothing but the truth?

15 MS. MURRAY: Yes.

16 COMMISSIONER CLARK: Thank you.

17 CHERYL MURRAY, having been first duly sworn,
18 was examined and testified as follows:

19 EXAMINATION

20 BY-MR.COLEMAN:

21 Q. Ms. Murray, would you state your name and
22 position for the record.

23 A. Cheryl Murray, utility analyst with the Office of
24 Consumer Services.

25 Q. Now, on behalf of the Office, did you prepare

1 comments that were submitted May 9, 2014, in this docket?

2 A. Yes.

3 Q. Do you have any changes to those comments that
4 were prepared?

5 A. No, I don't.

6 Q. Do you have a brief summary of the Office's
7 two-page comments?

8 A. Yes.

9 Q. Would you please proceed?

10 A. Certainly. The Office of Consumer Services is
11 responsible for assessing the impact of utility rate changes and
12 regulatory actions on small commercial and residential
13 customers. And it's in that capacity that we've analyzed Rocky
14 Mountain Power's request to revise rates in tariff Schedule 98,
15 renewable energy credits balancing accounts.

16 With the assistance of our consultant, we have
17 reviewed the application and testimony of Rocky Mountain
18 Power, discovery responses, and the Division of Public Utilities
19 initial comments that were submitted on April 28, as well as
20 other relevant documents.

21 On May 9, we submitted initial comments on the
22 matter. And in those comments, we noted that it is our intent to
23 conduct a more comprehensive analysis following the issuance
24 of the Division's audit report expected July 11. In the Office's
25 judgment, allowing the proposed Schedule 98 rate adjustment

1 on an interim basis pending the Division's audit and parties'
2 comments and recommendations is just and reasonable in
3 result. And we recommend the Commission approve it. That
4 concludes my statement.

5 MR. COLEMAN: At this time, I move for the
6 admission of the Office's May 9, 2014, comments and make her
7 available for any additional questions from parties.

8 COMMISSIONER CLARK: Any objections? The
9 comments are received. And any questions for Ms. Murray?
10 Anything further, Mr. Coleman?

11 MR. COLEMAN: Nothing further from the Office.
12 Thank you.

13 COMMISSIONER CLARK: Any questions from the
14 Commission? Thank you.

15 Is there anything further to come before the
16 Commission today?

17 MS. HOGLE: One request, Your Honor. Thank you.
18 The Company respectfully requests that the Commission issue a
19 bench order in this case, given that there is no opposition to the
20 interim rate increase request. Thank you.

21 COMMISSIONER CLARK: We'll be in recess until
22 9:30. Thank you very much.

23 (Recess taken.)

24 COMMISSIONER CLARK: The Commission will now
25 respond to Ms. Hogle's request. Based upon the testimony and

1 other evidence received today, the Commission finds that the
2 application and the rate changes proposed on an interim basis
3 are just and reasonable and the Commission concludes that
4 approving the application and the rates, effective June 1, 2014,
5 again on an interim basis, is consistent with the law and
6 Commission's prior orders. And, so, we issue that ruling today.
7 And it will be memorialized in a written order that will be issued
8 subsequently by the Commission. Any questions or--

9 MS. HOGLE: Thank you.

10 COMMISSIONER CLARK: --clarifications that are
11 necessary? Anything further to come before the Commission?

12 We're adjourned. Thank you all very much for your
13 participation today.

14 (Hearing concluded at 9:31 a.m.)

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CERTIFICATE

This is to certify that the foregoing proceedings were taken before me, NANCY A. FULLMER, a Registered Merit Reporter and Notary Public in and for the State of Utah;

That the proceeding was reported by me in stenotype and thereafter caused by me to be transcribed into typewriting, and that a full, true, and correct transcription of said testimony so taken and transcribed is set forth in the foregoing pages;

I further certify that I am not of kin or otherwise associated with any of the parties to said cause of action, and that I am not interested in the event thereof.

Nancy Fullmer, RMR