
BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF
ROCKY MOUNTAIN POWER TO DECREASE
THE DEFERRED EBA RATE THROUGH THE
ENERGY BALANCING ACCOUNT
MECHANISM

Docket No. 15-035-03

SETTLEMENT STIPULATION

This Settlement Stipulation (“Stipulation”) is entered into in Docket No. 15-035-03 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”).

1. The Parties conducted settlement discussions to which all intervenors were invited on September 10, 2015. While Utah Association of Energy Users (“UAE”) and Nucor Steel-Utah, a division of Nucor Corporation (“Nucor”), are not Parties to the Stipulation, the Parties are authorized to represent that neither UAE nor Nucor opposes the Stipulation.

2. The Parties recommend that the Public Service Commission of Utah (“Commission”) approve the Stipulation and all of its terms and conditions. The Parties request that the Commission make findings of fact and reach conclusions of law based on the evidence filed in this proceeding and on this Stipulation and issue an appropriate order thereon.

3. Pursuant to its application dated March 16, 2015 (“Application”), Rocky Mountain Power (“RMP” or the “Company”) originally requested to recover Energy Balancing Account (“EBA”) costs in this matter of approximately \$30.9 million, comprised of \$30.5 million in deferred EBA Costs for calendar year 2014 including carrying charges, plus approximately \$400,000, representing the Company’s estimate of the residual balances from EBA deferrals

related to prior dockets. The Parties agree that the amount of approximately \$30.5 million requested by the Company related to the calendar year 2014 deferral will be reduced by an unspecified adjustment of \$500,000 resolving all issues raised in this Docket. Subject to Commission approval, the Parties acknowledge that in addition to the amount of approximately \$30.0 million the Company will collect related to the 2014 deferral, the Company will continue to collect approximately \$0.5 million, representing the Company's current estimate of the residual balances from EBA deferral amounts related to prior EBA dockets which were previously approved for recovery by the Commission.¹

4. The Parties agree that the Company will make a compliance filing in the proceeding no later than October 20, 2015. The compliance filing will reflect the unspecified adjustment identified above to the calendar year 2014 deferral as well as updated residual balances from prior EBA dockets for inclusion in the final EBA amount to be collected from customers on Schedule 94 effective November 1, 2015.

5. The Parties agree that, subject to Commission approval of this Stipulation, effective November 1, 2015, the final EBA amount in this Docket, reflecting the deferred EBA costs plus the actual residual balances from prior EBA dockets, will be collected over one year and that it will accrue interest during the collection period, consistent with Schedule 94.

6. The Parties agree to the spread and the rate design described in the direct testimony and exhibits of Joelle R. Steward, filed in support of the Application.

7. The Parties request that the Commission issue its order in this Docket in time for the approved rate change to become effective November 1, 2015.

¹ The \$0.5 million represents an updated estimate of the net under collection for the two prior deferral balances as described in the Company's initial filing in this docket. See the direct testimony of Joelle R. Steward, p. 2, ll. 33-34.

8. The Parties agree that no part of this Stipulation or the formulae and methodologies used in developing the same, or the types of expenses and revenues that should be included in net power costs or in base rates, or a Commission order approving the same in this case shall in any manner be argued or considered as precedential in any future case except with regard to issues expressly called-out and resolved by this Stipulation. This Stipulation does not resolve and does not provide any inferences regarding, and the Parties are free to take any position with respect to any issues not specifically called-out and settled herein.

9. With respect to the Company's participation in the California Independent System Operator energy imbalance market ("EIM"), the Parties agree that this Stipulation does not resolve the types of EIM-related expenses and revenues that should be included as net power costs in base rates or in any future EBA deferral, the prudence of any EIM-related expenses, or the recovery of any EIM-related expenses from ratepayers, either through base rates or through a future EBA deferral (including any adjustment that may arise from re-settling the 2014 EIM transactions).

10. Not all Stipulating Parties agree that each aspect of this Stipulation is supportable in isolation. Utah Code Annotated Section 54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. While the Stipulating Parties are not able to agree that each specific component of this Stipulation is just and reasonable in isolation, all of the Stipulating Parties agree that this Stipulation as a whole is just and reasonable in result and in the public interest.

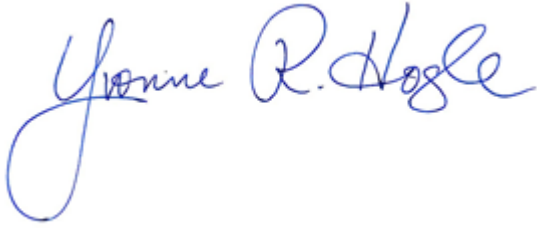
11. All negotiations related to this Stipulation are confidential, and no Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, and in accordance with Utah Administrative Code R746-100-10.F.5, neither the execution of this Stipulation nor the 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.

12. The Parties request that the Commission consider this Stipulation at the hearing scheduled in this docket. The Company, the Division and the Office each will, and any other Party that has intervened in these proceedings may, make one or more witnesses available to explain and offer further support for this Stipulation. As applied to the Division and the Office, the explanation and support shall be consistent with their statutory authority and responsibility.

13. 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 29th day of September, 2015.



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