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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of Rocky Mountain Power for Approval of a Significant Energy Resource Decision and Voluntary Request for Approval of Resource Decision

Docket No. 17-035-40

**DECLARATION OF CHAD A. TEPLY IN SUPPORT OF ROCKY MOUNTAIN POWER'S OPPOSITION TO UTAH ASSOCIATION OF ENERGY USERS' MOTION FOR STAY PENDING APPEAL**

I, Chad A. Teply, declare as follows:

1. I am the Senior Vice President of Business Policy and Development for Rocky Mountain Power ("RMP"), a division of PacifiCorp.
2. I understand that UAE argues that a stay of the Commission's June 22, 2018 and August 8, 2018 Orders until the Utah Court of Appeals rules on the pending appeal of those Orders would not jeopardize the Combined Projects' eligibility for federal productions tax credits ("PTCs").<sup>1</sup> This is not true.
3. To obtain the PTCs under the current "safe harbor" tax law, the Combined Projects must be in service before the end of 2020. To meet this deadline, the Combined

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<sup>1</sup> "Combined Projects" refers to RMP's efforts to construct new wind resources (the "Wind Projects") and to the efforts to construct the Aeolus-to-Bridger/Anticline transmission line and network upgrades (the "Transmission Projects").

Projects are on a tight timeline. If the appellate process takes approximately a year or more, which I understand often happens, a stay of that duration would make it difficult if not impossible to finish the Combined Projects by the deadline, leading to a loss of the PTC benefits and a corresponding loss of the Combined Projects. Even if the appellate process was shorter than that, any indefinite stay would still place the PTCs and Combined Projects in grave danger, presenting enormous difficulties to plan for and work around, especially with a construction schedule that is already on a tight timeline and which requires great leeway for acquisition of rights of way, and design, procurement, staging, and installation of equipment and materials. Thus, while I do not know when the Utah Court of Appeals will rule, a stay of any duration and the associated ramifications on ongoing project implementation activities would significantly jeopardize RMP's ability to complete the projects on time and would make it likely that the PTCs would not be obtained. This would likely result in the termination of the entire Combined Projects, for without the PTCs, the Combined Projects do not provide the economic benefits to customers the projects were premised on.

4. I understand that UAE also argues that, because I previously testified that the construction schedule for the Transmission Projects is the critical path driving the urgency of the request for approval, it means that a stay that only prevented work from proceeding on the Wind Projects would not jeopardize the eligibility for PTCs. This is also incorrect.

5. While it is true that as testified to previously, the timeline for the Transmission Projects was the most critical piece to commence in 2017, the Transmission Projects and the Wind Projects remain economically co-dependent and we are now at the end of 2018. There is no longer flexibility in the Wind Projects' schedule as there was in early 2017. As such, a stay, and the associated uncertainty of outcome for the Wind Projects, inherently and similarly affects

the Combined Projects. A stay that prevents RMP from proceeding with the Wind Projects until the Utah Court of Appeals rules on the pending appeal places the ability of the Combined Projects to deliver PTC benefits to customers at significant risk.

6. The economics of the Transmission Projects are only viable when those projects are combined with the Wind Projects, and vice versa. RMP cannot be expected to proceed with Transmission Projects alone if the viability of the Wind Projects and the schedules required to deliver PTCs are placed in jeopardy by an indefinite stay.

7. In addition to the loss the PTC benefits that a stay may cause, the Company has been and continues to spend millions of dollars per month on average toward these Projects. If a stay causes the Projects to become uneconomical, the millions spent toward the Projects will have been incurred for our customers, but without providing them with the intended benefits.

I declare under penalty of perjury under the laws of the State of Utah that the foregoing is true and correct to the best of my knowledge.

Executed this 29 day of October, 2018

/s/Chad A. Teply  
Chad A. Teply