

In the Matter Of:

In Re: RMP - Petition for Declaratory Ruling

HEARING, DOCKET NO. 17-035-54

March 14, 2018

Job Number: 453007

1 BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

2
3 Rocky Mountain Power's Petition for Docket No. 17-035-54
4 Declaratory Ruling Re: Kennecott
5 Utah Copper LLC's 2015 Energy
6 Balancing Account Recovery Charges

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HEARING PROCEEDINGS

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9 TAKEN AT: Utah Public Service Commission
10 4th Floor
11 160 East 300 South
12 Salt Lake City, Utah

11

12 DATE: Wednesday, March 14th, 2018

13 TIME: 1:00 p.m.

14 REPORTER: Mary R. Honigman, R.P.R.

15 JOB NO.: 453007

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APPEARANCES

PRESIDING OFFICER:
Michael Hammer

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WITNESS

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JANA SABA

EXAMINATION BY:
MS. HOGLE

5

CHARLES E. PETERSON

EXAMINATION BY:
MS. SCHMID

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1 PROCEEDINGS

2 OFFICER HAMMER: Good afternoon,
3 everyone. This is the time and place noticed for
4 hearing in the Matter of Rocky Mountain Power's
5 Petition for Declaratory Ruling Regarding Kennecott
6 Utah Copper LLC's 2015 Energy Balancing Account
7 Recovery Charges. This is Commission Docket No.
8 17-035-54. My name is Michael Hammer and I'm the
9 Commission's designated presiding officer for this
10 docket.

11 Let's go ahead and take appearances,
12 please.

13 MS. HOGLE: Good afternoon.
14 Yvonne Hogle on behalf of Rocky Mountain Power.
15 With me here today is Jana Saba, who is the manager
16 of the Utah regulatory affairs, and also
17 Mark Tourangeau sitting in the audience, who is our
18 director of commercial services. Thank you.

19 OFFICER HAMMER: Thank you.

20 MS. SCHMID: Patricia E. Schmid for
21 the Division of Public Utilities. I'm with the
22 Attorney General's Office. With me at counsel table
23 is Charles E. Peterson, the Division's witness.

24 OFFICER HAMMER: All right. There
25 will be no other parties present. Let's go ahead

1 and begin with Rocky Mountain Power. Are you
2 prepared to offer testimony as part of this
3 stipulation this afternoon?

4 MS. HOGLE: Yes, we are.

5 OFFICER HAMMER: Okay.

6 MS. HOGLE: Rocky Mountain Power
7 calls Jana Saba.

8 JANA SABA,
9 having been first duly sworn to tell the truth, was
10 examined and testified as follows:

11 BY MS. HOGLE:

12 Q Can you please state your name and
13 position for the record?

14 A My name is Jana Saba, it's J-a-n-a
15 S-a-b-a. I am the manager of Utah regulatory
16 affairs for Rocky Mountain Power.

17 Q And are you familiar with the Company's
18 request for agency action and petition for
19 declaratory ruling filed with this commission
20 October 2017?

21 A Yes, I am.

22 Q And so you're familiar with the dispute
23 that led to the October 2017 filing?

24 A Yes, I am.

25 Q And you have been involved in the

1 **discussions that were held among the parties**
2 **subsequent to the October 2017 filing?**

3 A Yes, I was.

4 Q **So you're familiar with the settlement**
5 **stipulation that culminated from those discussions?**

6 A Yes.

7 Q **And do you have a summary in support of**
8 **that stipulation that you would like to give today?**

9 A Yes, I do.

10 Q **Please proceed.**

11 A Good afternoon. On October 5, 2017, the
12 Company filed a request for agency action and
13 petition for declaratory ruling, seeking a ruling
14 from the Commission for Kennecott Utah Copper to pay
15 certain charges associated with the 2015 deferral of
16 the energy balancing account, or EBA. Over the next
17 several months, the parties held settlement
18 discussions to try to resolve the matter informally.
19 And based on those discussions, the Company,
20 Kennecott, and the Division of Public Utilities,
21 agreed to the terms and conditions set forth in the
22 stipulation that was filed February 6, 2018. I
23 would also like to note that although the Office of
24 Consumer Services did not sign the stipulation, they
25 also indicated that they do not oppose it.

1 The overall terms of this settlement are
2 as follows: Kennecott will pay to the Company
3 \$114,296.36 upon the approval of this stipulation.
4 The remaining balance of \$147,930 will be included
5 as part of the Company's 2018 EBA filing to be
6 collected from Rocky Mountain Power's other EBA
7 customers, which will be filed tomorrow, March 15.
8 The parties agree that the stipulation is in the
9 public interest.

10 I was involved in the settlement
11 discussions and I believe the stipulation is in the
12 public interest for the following reasons: First,
13 it resolves a dispute and allows the parties to use
14 their time and resources for other matters. The
15 resources necessary to continue to litigate this
16 matter may have already surpassed the disputed
17 amounts in this case.

18 Second, it offers a reasonable resolution
19 of the responsibility for prudently incurred costs.
20 The settlement essentially splits the costs between
21 Kennecott and the Company's other EBA customers.

22 And last, it resolves the case through
23 settlement which is consistent with the Commission's
24 laws, which encourage informal resolution of
25 disputes.

1 The Company appreciates and would like to
2 thank the parties for working together to reach this
3 agreement. This stipulation represents good faith
4 efforts in resolving the dispute between the Company
5 and Kennecott that has been going on since January
6 of 2017, and I respectfully recommend that the
7 Commission approve it as filed.

8 MS. HOGLE: Thank you. The witness
9 is available for questions.

10 OFFICER HAMMER: Ms. Schmid?

11 MS. SCHMID: No questions.

12 OFFICER HAMMER: Thank you.

13 Ms. Hogle, any other witnesses?

14 MS. HOGLE: She's the only witness
15 for now unless there are questions that she cannot
16 answer, thus Mr. Tourangeau's being here. Thank
17 you.

18 OFFICER HAMMER: Thank you.

19 Ms. Schmid.

20 MS. SCHMID: The Division would like
21 to call Mr. Charles E. Peterson as its witness.
22 Could Mr. Peterson please be sworn?

23 CHARLES E. PETERSON,

24 having been first duly sworn to tell the truth, was
25 examined and testified as follows:

1 BY MS. SCHMID:

2 Q Please state your name, title, employer,
3 and business address for the record.

4 A My name is Charles E. Peterson. I'm a
5 utility technical consultant with the Division of
6 Public Utilities, and my address is 160 East 300
7 South, Salt Lake City, Utah, Fourth Floor.

8 Q Thank you. In connection with your
9 employment by the Division, have you participated on
10 behalf of the Division in this docket?

11 A Yes.

12 Q Are you familiar with the terms of the
13 settlement agreement that is presented to the
14 Commission?

15 A Yes.

16 Q Do you have any comments that you would
17 like to make?

18 A Just very briefly, the Division did
19 participate. We think of ourselves in this case as
20 being a facilitator more than a party in this
21 dispute between Kennecott and the Company. We
22 participated -- "we," meaning the Division --
23 participated in the settlement discussion that is
24 referenced in the stipulation. And the Division is
25 familiar with the terms of the settlement, and it

1 agrees that, all things considered, that it is just
2 and reasonable and in the public interest. That
3 concludes my summary.

4 MS. SCHMID: Thank you. Mr. Peterson
5 is now available for questions.

6 OFFICER HAMMER: Ms. Hogle?

7 MS. HOGLE: No questions.

8 OFFICER HAMMER: Mr. Peterson, is it
9 the Division's position that the primary -- strike
10 that. Let me rephrase.

11 From the perspective of customers
12 other than Kennecott, what is the benefit that those
13 customers can expect to derive from this settlement?

14 MR. PETERSON: The primary benefit is
15 the resolution of a dispute that could have had
16 adverse effects on the customers. The primary
17 reason for the customers paying additional funds is
18 that as a result of the settlement, the -- what had
19 occurred originally was the Company had not included
20 Kennecott in the 2016 EBA because of the contract.
21 The settlement includes Kennecott as being -- should
22 have been a participant in the EBA. Consequently,
23 customers were overcompensated in the refund that
24 was made. And given the symmetry that the Division
25 believes is appropriate in this case -- that is, if

1 the company, if Kennecott, were to be charged for
2 EBA amounts in 2015, it should participate in -- it
3 should have participated in the refund up through
4 the end of November 2016, when its new contract went
5 into effect. And that is the -- that resulted in
6 the ratepayers being on the hook, so to speak, in
7 2018 for some additional EBA funding.

8 OFFICER HAMMER: Thank you. That's
9 helpful. Is there anything else?

10 MS. HOGLE: No, that is it, other
11 than given that there are no disputes or challenges
12 to the parties' settlement agreement, perhaps it
13 would be reasonable to request a bench order. Thank
14 you.

15 OFFICER HAMMER: I can see if I can
16 wrangle a quorum of commissioners. I didn't expect
17 a request for a bench ruling, but I'll see what I
18 can do. So we'll stand in recess for ten minutes,
19 and I'll see if I can gather them up. Thank you.

20 (A brief recess was taken.)

21 OFFICER HAMMER: Thank you, everyone,
22 for coming in this afternoon. Based on the
23 Commission's review of the stipulation and the
24 testimony presented at hearing today, the PSC finds
25 the stipulation is just and reasonable in result,

1 and therefore approves it. This bench order has
2 been confirmed by a quorum of commissioners and will
3 be memorialized by written order. Is there anything
4 else?

5 MS. HOGLE: Just one more question,
6 clarification. Does that also mean that the
7 Commission, at the parties' request, will dismiss
8 with prejudice the Company's petition for a
9 declaratory ruling?

10 OFFICER HAMMER: If the Company so
11 moves at this time, it will be granted.

12 MS. HOGLE: Thank you.

13 OFFICER HAMMER: We're adjourned.
14 Thanks, everyone.

15 (The hearing concluded at 1:15 p.m.)
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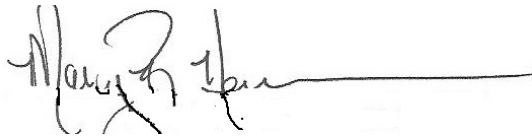
REPORTER'S CERTIFICATE

STATE OF UTAH)
COUNTY OF SUMMIT)

I, Mary R. Honigman, a Registered Professional Reporter, hereby certify:

THAT the foregoing proceedings were taken before me at the time and place set forth in the caption hereof; that the witnesses were placed under oath to tell the truth, the whole truth, and nothing but the truth; that the proceedings were taken down by me in shorthand and thereafter my notes were transcribed through computer-aided transcription; and the foregoing transcript constitutes a full, true, and accurate record of such testimony adduced and oral proceedings had, and of the whole thereof.

I have subscribed my name on this 16th day of March, 2018.



Mary R. Honigman
Registered Professional Reporter #972887

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