In the Matter Of:

In Re: Rocky Mountain Power EBA

HEARING, DOCKET NO. 19-035-11

May 16, 2019

Job Number: 538774

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1
        BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH
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 3
     Application of Rocky
     Mountain Power of ) Docket No. 19-035-11
 4
 5
     Authority to revise rates )
     In Tariff Schedule 98, ) HEARING
 6
     Renewable Energy Credits )
     Balancing Account, )
9
10
                       May 16, 2019
11
12
                          10:00 a.m.
13
14
15
        Location: Heber M. Wells Building, Room 403
                     160 East 300 South
16
17
                     Salt Lake City, Utah
18
19
             Hearing Officer: Michael J. Hammer
20
21
22
23
                 Reporter: Melinda J. Andersen
24
25
         Certified Shorthand Reporter and Notary Public
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HEARING, DOCKET NO. 19-035-11 - 05/16/2019

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1	APPEARANCES
2	For Rocky Mountain: Yvonne R. Hogle 1407 West North Temple
3	Suite 320 Salt Lake City, UT 84116
4	(801)220-4050 yvonne.hogle@pacificorp.com
5	For the Division: Patricia E. Schmid
6	160 East 300 South Fifth Floor
7	Salt Lake City, UT 84114 (801)366-0353 pschmid@agutah.gov
9	-000-
10	I N D E X
11	Witness
12	TERRELL H. SPACKMAN
13	Direct Examination by Ms. Hogle 4
14	BRENDA SALTER Direct Examination by Ms. Schmid 8
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1	Page 3 PROCEEDINGS
2	HEARING OFFICER: Good morning. This is the
3	time and place and notice for the hearing in the
4	application of Rocky Mountain Power for authority to revise
5	rates in Tariff Schedule 98, renewable energy credits
6	balancing account. This is Commission Docket Number
7	19-035-11. My name is Michael Hammer. I am the
8	Commission's designated presiding officer.
9	Let's go ahead and take appearances please,
10	beginning with Rocky Mountain Power.
11	MS. HOGLE: Good morning. Yvonne Hogle on
12	behalf of Rocky Mountain Power. With me here today are
13	Terrell Spackman, who will be giving a summary of the
14	Company's application. On the phone, I believe, we have
15	Ms. Mary Winkie and Mr. Robert Meredith, also supporting
16	the Company's application. Thank you. And behind me is
17	Ms. Jana Saba. Thank you.
18	HEARING OFFICER: Thank you.
19	MS. SCHMID: Good morning. Patricia E. Schmid
20	with the Utah Attorney General's office for the Division of
21	Public Utilities. With me as the Division's witness
22	Ms. Brenda Salter.
23	HEARING OFFICER: All right. Is there anything
24	before we have the Company call its first witness?
25	MS. HOGLE: Yes. Mr. Hearing Officer, at this

Page 4 time I would like to move for the admission of the 1 2 testimony of Ms. Mary Winkie and her exhibits, as well 3 Mr. Robert Meredith and his exhibits into the record. MS. SCHMID: No objection. 4 HEARING OFFICER: They're admitted. 5 6 MS. HOGLE: Thank you. The Company calls Mr. Terrell Spackman. I'm wondering if he can remain at 7 his seat. 8 9 HEARING OFFICER: I expect there is no 10 objection today. Yes, that's fine. Mr. Spackman, do you 11 swear to tell the truth? 12 THE WITNESS: Yes, I do. 13 DIRECT EXAMINATION BY MS. HOGLE: 14 15 Good morning, Mr. Spackman. Can you please Q. state and spell your name and your position for the record? 16 17 Sure. Terrell H. Spackman, T-E-R-R-E-L-L, Α. initial H, S-P-A-C-K-M-A-N. I am the manager of revenue 18 19 requirements for Rocky Mountain Power. 20 Thank you. In that capacity did you prepare or Q. 21 cause to be prepared direct testimony and exhibits in 22 support of the Company's application in this case? 23 Α. Yes, I did. 24 Do you have any changes that you would like to 25 make to that testimony?

Page 5 1 Α. No, I don't. 2 Q. And so if I were to ask you the questions in 3 your testimony again here today, would your answers be the 4 same? 5 Α. Yes. 6 Q. Okay. MS. HOGLE: At this moment I move for the 7 admission of Mr. Spackman's direct testimony and exhibits 8 9 into the record. 10 HEARING OFFICER: They're admitted. 11 Q. (By Ms. Hogle) Mr. Spackman, do you have a 12 summary that you would like to give today? 13 Α. Yes, I do. 14 0. Please proceed. Good morning, Hearing Officer Hammer. On March 15 Α. 15, 2019 Rocky Mountain Power filed its annual renewable 16 energy credit balancing account, or RBA, seeking to collect 17 the deferral balance from customers through Schedule 98 of 18 approximately \$836,000 to be collected over a period of one 19 20 year. 21 This amount includes carrying charges during 2.2 the deferral period of January 1, 2018 through December 31, 2018 and the interim period of January 1, 2019 through May 23 31, 2019 of approximately \$50,000. The \$836,000 deferral 24 25 amount established in this filing will be collected from

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- 1 Utah customers June 1, 2019 through May 31, 2020.
- 2 Myself, Ms. Mary Winkie, and Mr. Robert
- 3 Meredith filed testimony in support of the Company's
- 4 application describing the calculations. My testimony
- 5 describes the calculation of the deferral amounts and the
- 6 amount of the REC revenue allocated to Utah rate payers.
- 7 Ms. Winkie's testimony presents a detailed accounting of
- 8 total Company REC revenue for calendar year 2018. And
- 9 Mr. Meredith's testimony addresses the allocation of the
- 10 RBA surcharge among the customer classes and the resulting
- 11 Tariff Schedule 98 rates in this case.
- 12 Ms. Winkie and Mr. Meredith are available on
- 13 the phone today to answer questions if needed.
- The \$836,000 to be collected from customers in
- 15 this RBA was calculated in a manner consistent with
- 16 previous RBA filings. The RBA deferral was calculated as a
- 17 difference between actual REC revenue realized by the
- 18 Company and the amount and rates. In this RBA filing the
- 19 deferral period was January 1, 2018 through December 31,
- 20 2018. The impact of this filing for customers is an
- 21 increase in rates of 0.02 percent.
- 22 On April 25, 2019 the Division of Utilities
- 23 filed comments in support of the proposed rate change
- 24 becoming effective on an interim basis on June 1, 2019
- 25 pending their final audit of the REC revenues contained in

Page 7 this filing. No other party filed comments in this phase
of the proceeding.
The Company respectfully requests the
Commission approve the Company's request to collect from
customers \$836,000 associated with this RBA filing on an
interim basis beginning June 1, 2019. Thank you.
MS. HOGLE: Mr. Spackman is available for
questions.
HEARING OFFICER: Ms. Schmid?
MS. SCHMID: No questions.
HEARING OFFICER: And I don't have any. Thank
you, Mr. Spackman. Ms. Hogle, you didn't want to call any
additional witnesses at this time then?
MS. HOGLE: I do not. I will offer them,
however, if you have any questions.
HEARING OFFICER: Thank you.
MS. HOGLE: Thank you.
HEARING OFFICER: Ms. Schmid.
MS. SCHMID: Thank you. The Division would
like to call Ms. Brenda Salter as its witness. May she
please be sworn?
HEARING OFFICER: Ms. Salter, do you swear to
tell the truth?
THE WITNESS: I do.
HEARING OFFICER: Thank you.

	Page 8					
1	DIRECT EXAMINATION					
2	BY MS. SCHMID:					
3	Q. Could you please state your full name,					
4	employer, position, and business address for the record?					
5	A. Yes. My name is Brenda Salter. I am employed					
6	with the Division of Public Utilities. My business address					
7	is 160 East 300 South, Salt Lake City, Utah. I am a					
8	utility technical consultant.					
9	Q. In conjunction with your employment by the					
10	Division did you prepare or cause to be prepared the					
11	Division's recommendations in this docket?					
12	A. Yes, I did.					
13	Q. Do you have any changes or additions to those					
14	recommendations?					
15	A. No, I do not.					
16	Q. If asked the same questions as the answers that					
17	are presented in your memorandum, would the memorandum be					
18	the same today?					
19	A. Yes.					
20	Q. Do you adopt those memorandums as your					
21	testimony?					
22	A. I do, yes.					
23	MS. SCHMID: We would like to request the					
24	admission of the memorandum.					
25	HEARING OFFICER: It's admitted.					
I						

1	Page 9 Q. (By Ms. Schmid) Do you have a summary that you
2	would like to give today?
3	A. I do, yes.
4	Q. Please proceed.
5	A. Good morning. As the Company has stated,
6	Tariff Schedule 98 tracks the difference between renewable
7	energy credit revenues included in rates and actual REC
8	revenues collected from the sale of RECs by the Company.
9	The variances between REC revenues included in
10	rates and actual REC revenues collected are identified and
11	deferred each month for one full calendar year. Annually
12	on March 15th an RBA application is filed to present the
13	variances, including applicable carrying charges and with a
14	100 percent true-up for the difference between the amounts
15	and rates and actual sales occurring through Tariff
16	Schedule 98.
17	The collection or credit under Tariff Schedule
18	98 is to be made annually effective June 1st. The
19	application under this docket is the eighth deferral RBA
20	rate adjustment under the RBA.
21	This application requests collecting from Utah
22	customers over a one year period the 2019 RBA deferral
23	balance of \$0.8 million. This is a net increase of .3
24	million or .02 percent over the current collection rate of
25	.5 million.

1	Page 10 The Company proposes allocation of the
2	outstanding deferral balance across customer classes in a
3	manner consistent with the approved rate found in Step 2 of
4	the 2014 general rate case stipulation with modifications
5	for metered outdoor nighttime lighting and special
6	contracts.
7	The Division has performed a preliminary review
8	of the filing and the corresponding Commission orders and
9	has found that in general the Company has complied with the
10	Commission orders and recommends the change in Schedule 98
11	be approved on an interim basis. As outlined in the
12	Commission's scheduling order dated March 29, 2019, the
13	Division will file its RBA audit report on July 11, 2019.
14	And that concludes my testimony.
15	MS. SCHMID: Ms. Salter is now available for
16	cross examination and questions from the hearing officer.
17	HEARING OFFICER: Ms. Hogle?
18	MS. HOGLE: No questions.
19	HEARING OFFICER: And I have none. My
20	understanding is that the Company is looking for an
21	effective date of the interim rates of June 1st?
22	MS. HOGLE: Correct.
23	HEARING OFFICER: Okay. The Commission will
24	certainly take that into consideration in getting an order
25	drafted. Is there anything else before we adjourn?

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Page 11
     MS. HOGLE: No. Thank you.
 1
                        Thank you.
 2
     MS. SCHMID: No.
 3
     HEARING OFFICER: Thank you.
     (The hearing concluded at 10:15 a.m.)
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	Page 12			
1	CERTIFICATE			
2	STATE OF UTAH)			
3	COUNTY OF SALT LAKE)			
4	I, Melinda J. Andersen, Certified Shorthand Reporter			
5	and Notary Public in and for the County of Salt Lake and			
6	State of Utah, do hereby certify:			
7	That the foregoing proceedings were taken before me at			
8	the time and place herein set forth, and were taken down by			
9	me in shorthand and thereafter transcribed into typewritten			
10	under my direction and supervision:			
11	That the foregoing 11 pages contain a true and correct			
12	transcription of my shorthand notes so taken.			
13	WITNESS MY HAND and official seal at Salt Lake City,			
14	Utah this 20th day of May, 2019.			
15	Melu da Chidesen			
16	My Commission Expires: Melinda J. Andersen, C.S.R.			
17	February 10, 2022			
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