

APPLICATION OF ROCKY MOUNTAIN POWER

Docket No. 19-035-39

HEARING

January 13, 2020

ADVANCED REPORTING SOLUTIONS

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Hearing
January 13, 2020

1 BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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)Docket No. 19-035-39

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In Re: APPLICATION OF ROCKY)Presiding Officer:
MOUNTAIN POWER FOR APPROVAL)Michael Hammer
OF RENEWABLE ENERGY SERVICE.)

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9 HEARING

10 Taken on Monday, January 13, 2020

11 at 10:00 A.M.

12
13 At Public Service Commission of Utah

14 160 East 300 South

15 4th Floor

16 Salt Lake City, Utah 84111

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21 Reported by: Kellie Peterson, RPR, CSR

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1 January 13, 2020 10:00 A.M.

P R O C E E D I N G S

2

3 PRESIDING OFFICER HAMMER: Good morning.

4 Let's go on the record, please.

5 This is the time and place noticed for
6 hearing in the application of Rocky Mountain Power for
7 approval of renewable energy service contract between
8 Rocky Mountain Power and six qualified customers pursuant
9 to Electric Service Schedule No. 34. That's Commission
10 Docket No. 19-035-39.

11 My name is Mike Hammer, and I'm the
12 Commission's designated presiding officer.

13 Let's take appearances, please.

14 MR. MCDERMOTT: Yes. Jacob McDermott on
15 behalf of Rocky Mountain Power, and with me at counsel
16 table is Kyle Moore, an originator of the company, who's
17 the company's witness.

18 MR. JETTER: And good morning. I'm Justin
19 Jetter with the Utah Attorney General's Office. I'm here
20 today representing the Utah Division of Public Utilities,
21 and with me at counsel table is David Williams, witness
22 for the Division.

23 PRESIDING OFFICER HAMMER: All right. Is
24 there anything before we begin with testimony?

25 MR. MCDERMOTT: No, sir.

1 PRESIDING OFFICER HAMMER: Okay. Go ahead,
2 Mr. McDermott.

3 MR. MCDERMOTT: Sure. The company would like
4 to call Kyle Moore.

5 Is it okay if Kyle Moore testifies from
6 counsel table?

7 PRESIDING OFFICER HAMMER: That's fine with
8 me.

9 Mr. Jetter?

10 MR. JETTER: That's fine with me, yes.

11 MR. MCDERMOTT: Okay. And, Mr. Moore --

12 PRESIDING OFFICER HAMMER: I should swear him
13 in.

14 DIRECT EXAMINATION

15 KYLE MOORE,

16 called as a witness, having been first duly sworn,
17 was examined and testified as follows:

18 BY MR. MCDERMOTT:

19 **Q. Mr. Moore, could you state your name,**
20 **business address and position with the company, please?**

21 A. Yes. My name is Kyle Moore, my business
22 address is 1407 West North Temple, Salt Lake City, Utah
23 84116, and my position is as an originator.

24 **Q. And did you prepare a summary of your**
25 **testimony?**

1 A. Yes, I did.

2 **Q. Could you share that with us, please?**

3 A. Yes. On October 16, 2019, Rocky Mountain
4 Power filed an unsigned master version of contract for
5 Schedule 34 renewable energy service contracts, the
6 "Contracts," between Rocky Mountain Power and,
7 respectively, Park City, Salt Lake City, Summit County,
8 Park City Mountain Resort, Deer Valley Resort and Utah
9 Valley University, which I will term as the "Customers."

10 The company filed a master version so the
11 contract terms and conditions could be reviewed by
12 parties while the contracts were in the process of being
13 signed by each of the six customers. The six executed
14 contracts have since been filed in this docket, which
15 follow the same form as the master version and only vary
16 between the customers in two areas; 1, public information
17 law requirements for the public utility -- public
18 entities; and 2, limited additional language relating to
19 specific anti-corruption clauses required by Salt Lake
20 City.

21 The contracts allow the customers to meet all
22 or a portion of their energy needs with new renewable
23 resources acquired on its behalf. The contracts follow
24 the standard rate structure found in Schedule 34 and
25 include the structure under which the customers will pay

1 for its normal tariff rates, a cost-based administrative
2 fee and an incremental charge equal to the difference
3 between the cost of the company to supply renewable
4 generation to the customers and the company's avoided
5 costs.

6 The contract include a billing mechanism to
7 account for variability in both the monthly solar
8 production and the load served by the renewable
9 resources. The contracts also includes procedures by
10 which the parties work together to acquire renewable
11 resources. Each of the customers are responsible for the
12 financial obligations under any contract between the
13 company and renewable resource, and adequate credit
14 assurances will be required to ensure the company and
15 other customers are protected in the event any of the
16 contracts are terminated early.

17 The Division of Public Utilities filed
18 comments that stated they mostly agreed that the terms
19 meet the requirements of the company's Electric Service
20 Schedule 34, with some recommendation that the company
21 addressed in reply comments. I will not repeat all the
22 company's responses to the Division's recommendations
23 included in the reply comments but would like to note one
24 outstanding item.

25 Per informal discussions, a typo identified

1 in Exhibit F of the contracts. The company has agreed to
2 remove the extraneous language that was included in the
3 master version filed with the application. In the Deer
4 Valley contract, the correction was made directly to the
5 final contract prior to execution.

6 Because the contracts with the remaining
7 customers were already signed, the company will correct
8 the executed contracts by striking the language in the
9 exhibit and have both parties indicated consent to the
10 correction via their signatures or initials. These
11 corrections will be filed with the Commission as soon as
12 possible.

13 Based on the application, the Division's
14 comments and the company's reply comments, the Schedule
15 34 contracta comply with the requirements of Schedule 38
16 and Utah Code -- I'm sorry, Schedule 34 contracts
17 complying with the requirements of Schedule 38 and Utah
18 Code Annotated 54-17-806, and are in the public interest,
19 and the company respectfully requests that they be
20 approved by the Commission.

21 **Q. Thank you, Mr. Moore. Just one question.**
22 **When you said the contract comply with the requirements**
23 **of Schedule 38, did you mean to say the contract complies**
24 **with the requirements of Schedule 34?**

25 A. Yes, I apologize, Schedule 34.

1 Q. Thank you.

2 MR. MCDERMOTT: The witness is available for
3 cross-examination.

4 PRESIDING OFFICER HAMMER: Mr. Jetter?

5 MR. JETTER: I have no questions. Thank you.

6 PRESIDING OFFICER HAMMER: And I have none.

7 Thank you, Mr. Moore.

8 Any other witnesses, Mr. McDermott?

9 MR. MCDERMOTT: No, the company has no
10 further witnesses. Thank you.

11 PRESIDING OFFICER HAMMER: Mr. Jetter?

12 MR. JETTER: Thank you. The Division would
13 like to have called and sworn David Williams.

14 DIRECT EXAMINATION

15 DAVID WILLIAMS,

16 called as a witness, having been first duly sworn,
17 was examined and testified as follows:

18 BY MR. JETTER:

19 Q. Mr. Williams, would you please start by
20 stating your name and occupation for the record?

21 A. David Williams, I'm a utility analyst with
22 the Utah Division of Public Utilities.

23 Q. Thank you. And in the course of your
24 employment with the Division, have you had an opportunity
25 to review the application and the draft contract that was

1 filed?

2 A. Yes.

3 Q. And did you create and cause to be filed with
4 the Commission comments regarding the application in this
5 docket?

6 A. Yes.

7 Q. And do you have any corrections or changes
8 you would like to make to those comments?

9 A. No.

10 MR. JETTER: I would like to move at this
11 time to enter the comments from the Division into the
12 record.

13 PRESIDING OFFICER HAMMER: They are admitted.
14 (Division's Exhibit was entered into the
15 record.)

16 MR. JETTER: Thank you.

17 BY MR. JETTER:

18 Q. Do you have a brief summary of the Division's
19 position?

20 A. I do.

21 Q. Please go ahead.

22 A. In this docket, Rocky Mountain Power, or the
23 company, filed an application with the Commission seeking
24 approval of renewable energy service contracts between it
25 and six customers pursuant to the company's Electric

1 service Schedule 34.

2 Schedule 34 allows qualifying customers to
3 contract with the company to have renewable energy
4 obtained on their behalf. The company filed with its
5 application a proposed template for the contracts. Since
6 the docket has opened, the company has filed the executed
7 contracts from all six customers.

8 The company issued a solicitation for the
9 customers in March of 2019. The winning bid was for a
10 power purchase agreement, or PPA, with no option for the
11 company to purchase the resource. The customers will pay
12 the applicable charges under Schedule 34, in addition to
13 the rates from their normal tariff.

14 Schedule 34 lists seven conditions of
15 service. The Division has read the contract and believes
16 that it contains the provisions required by the tariff.
17 The contract has two features that protect non-Schedule
18 34 customers. No. 1, the clause that holds customers
19 responsible for costs associated with the renewable
20 resources in the event of customer termination; and 2,
21 the payment by the customers of their normal tariff
22 rates.

23 The company indicated in its reply comments
24 that future resources could be purchased or acquired
25 under Schedule 34 for the customers and that those

1 resources would be covered under the existing contract.
2 The Division notes that approval of the contracts in this
3 docket would, of course, not obviate the need for future
4 company purchases of facilities, or PPAs, with an option
5 to purchase, to follow the applicable procedures.

6 The Division has reviewed the true-up
7 procedure in the contract and believes it to be a
8 reasonable billing method for dealing with the costs of
9 procuring a variable resource on the customers' behalves,
10 while accounting for the customers' variable monthly
11 usage.

12 Overall, the Division believes the contracts
13 are in the public interest and recommends that the
14 Commission approve them.

15 Q. Thank you.

16 MR. JETTER: And I have no further questions.
17 Mr. Williams is available for Commission questions and
18 cross.

19 PRESIDING OFFICER HAMMER: Mr. McDermott?

20 MR. MCDERMOTT: No questions from the
21 company. Thank you.

22 PRESIDING OFFICER HAMMER: I have none.
23 Thank you, Mr. Williams.

24 Anything else, Mr. Jetter?

25 MR. JETTER: No. Thank you.

1 PRESIDING OFFICER HAMMER: All right. Is
2 there anything before we adjourn?

3 MR. MCDERMOTT: Nothing. Thank you.

4 PRESIDING OFFICER HAMMER: Thank you,
5 everyone. Have a nice day.

6 (The hearing was concluded at 10:10 A.M.)

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REPORTER'S CERTIFICATE

State of Utah)
)
County of Salt Lake)

I hereby certify that the witnesses in the foregoing hearing were duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause;

That said hearing was taken at the time and place herein named;

That the testimony of said witnesses were reported by me in stenotype and thereafter transcribed into typewritten form.

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

IN WITNESS WHEREOF, I set my hand this 20th day of January, 2020.



Kellie Peterson, RPR

<hr/> <p style="text-align: center;">1</p> <hr/> <p>1 6:16 10:00 4:1 13 4:1 1407 5:22 16 6:3 19-035-39 4:10</p> <hr/>	<p>address 5:20,22 addressed 7:21 adequate 7:13 administrative 7:1 agreed 7:18 8:1 ahead 5:1 Annotated 8:18 anti-corruption 6:19 apologize 8:25 appearances 4:13 application 4:6 8:3,13 approval 4:7 approved 8:20 areas 6:16 assurances 7:14 Attorney 4:19 avoided 7:4</p> <hr/>	<p>Code 8:16,18 comments 7:18,21,23 8:14 Commission 4:9 8:11,20 Commission's 4:12 company 4:16 5:3,20 6:10 7:3,13,14,20 8:1,7, 19 company's 4:17 7:4,19, 22 8:14 complies 8:23 comply 8:15,22 complying 8:17 conditions 6:11 consent 8:9 contacts 6:14 contract 4:7 6:4,11 7:6, 12 8:4,5,22,23 contracta 8:15 contracts 6:5,6,12,21,23 7:9,16 8:1,6,8,16 correct 8:7 correction 8:4,10 corrections 8:11 cost 7:3 cost-based 7:1 costs 7:5 counsel 4:15,21 5:6 County 6:7 credit 7:13 customers 4:8 6:9,13,16, 21,25 7:4,11,15 8:7</p>
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