

APPLICATION OF ROCKY MOUNTAIN POWER

Docket No. 20-035-13

HEARING

May 19, 2020

ADVANCED REPORTING SOLUTIONS

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1 BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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4 In Re: APPLICATION OF ROCKY)Docket No. 20-035-13
MOUNTAIN POWER FOR AUTHORITY)
5 TO REVISE RATES IN TARIFF)Presiding Officer:
SCHEDULE 98, RENEWABLE)Michael Hammer
6 CREDITS BALANCING ACCOUNT.)

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8 TELECONFERENCE HEARING ON INTERIM RATES

9 Taken on Tuesday, May 19, 2020

10 at 1:00 P.M.

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16 Public Service Commission of Utah

17 160 East 300 South

18 4th Floor

19 Salt Lake City, Utah 84111

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24 Reported by: Kellie Peterson, RPR, CSR

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ALSO APPEARING: Kelcey Brown
Robert Meredith

I N D E X

WITNESS EXAMINATION BY PAGE NO.

TERRELL SPACKMAN

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MARK LONG

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1 May 19, 2020 1:00 P.M.

P R O C E E D I N G S

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3 PRESIDING OFFICER HAMMER: All right. Let's
4 go ahead and begin.

5 We should all be here for the noticed
6 telephonic hearing on the interim rates on the
7 application of Rocky Mountain Power for authority to
8 revise rates in Tariff Schedule 98, Renewable Energy
9 Credits Balancing Account. It's Commission Docket No.
10 20-035-13.

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

13 Let's go ahead and take appearances
14 telephonically, please, beginning with representatives
15 from Rocky Mountain Power.

16 MS. WEGENER: Good afternoon. This is Emily
17 Wegener, representing Rocky Mountain Power. And with me
18 on the phone, I have Terrell Spackman, who will be
19 providing a summary of the company's application.

20 I also think I have Kelcey Brown, Robert
21 Meredith and Jana Saba as well.

22 PRESIDING OFFICER HAMMER: All right. And
23 from the Division of Public Utilities?

24 MS. SCHMID: Good afternoon. This is
25 Patricia E. Schmid, of the Attorney General's Office,

1 representing the Division.

2 Our witness today is Mr. Mark Long. Thank
3 you.

4 PRESIDING OFFICER HAMMER: And the Office of
5 Consumer Services? Is there no one from the Office on
6 the line?

7 Okay. Are there any other third parties on
8 the line?

9 All right. Ms. Wegener, would you like to
10 call a witness?

11 MS. WEGENER: Can I start by moving for the
12 admission of the testimony of Robert Meredith and Kelcey
13 Brown? They are, as I mentioned, on the line and
14 available for questions, but we're not planning on having
15 them read a summary of their testimony.

16 PRESIDING OFFICER HAMMER: Is there any
17 objection, Ms. Schmid?

18 MS. SCHMID: No objection.

19 PRESIDING OFFICER HAMMER: All right. It's
20 admitted.

21 MS. WEGENER: Okay. Thank you.

22 PRESIDING OFFICER HAMMER: I thought I heard
23 someone just join us. Did someone just jump on the line?
24 Okay. I'm sorry, maybe I misheard.

25 Go ahead, Ms. Saba -- or Ms. Wegener.

1 MS. WEGENER: The company -- the company
2 calls Terrell Spackman.

3 PRESIDING OFFICER HAMMER: Mr. Spackman, do
4 you swear to tell the truth?

5 THE WITNESS: Yes, I do.

6 DIRECT EXAMINATION

7 BY MS. WEGENER:

8 Q. Good afternoon, Mr. Spackman. Please state
9 and spell your name for the record.

10 A. Sure. Terrell H. Spackman, T-E-R-R-E-L-L,
11 initial H, S-P-A-C-K-M-A-N.

12 Q. What is your position at Rocky Mountain
13 Power?

14 A. I am a resident requirement manager.

15 Q. And in that capacity, did you prepare direct
16 testimony and exhibits in this case?

17 A. Yes, I did.

18 Q. Do you have any changes to that testimony?

19 A. No. I don't.

20 MS. WEGENER: I move for the admission of
21 Mr. Spackman's direct testimony and exhibits.

22 PRESIDING OFFICER HAMMER: They're admitted.

23 BY MS. WEGENER:

24 Q. Mr. Spackman, can you please provide a
25 summary of your testimony?

1 A. Sure. Good afternoon, Hearing Officer
2 Hammer, on March 16, 2020, Rocky Mountain Power filed its
3 annual Renewable Energy Credits Balancing Account, or
4 RBA, seeking to refund a deferral balance to customers,
5 through Schedule 98 of approximately \$1.03 million, to be
6 returned over a period of one year.

7 This amount includes the net carrying charge
8 of credit during the deferral period of January 1, 2019
9 through December 31, 2019, and the interim period of
10 January 1, 2020 through May 31, 2020, of approximately a
11 negative \$4,000. The \$1.03 million deferral amount
12 established in this filing will be returned to Utah
13 customers June 1, 2020 through May 31, 2021.

14 Myself, Ms. Kelcey Brown and Mr. Robert
15 Meredith filed testimony in support of the company's
16 application describing the calculations. My testimony
17 describes the calculation of the deferral amounts and the
18 amount of the amount of the REC revenue allocated to Utah
19 ratepayers.

20 Ms. Brown's testimony presents a detailed
21 accounting of total company REC revenue for calendar year
22 2019. And Mr. Meredith's testimony addresses the
23 allocation of the RBA surcharge among the customer
24 classes and the resulting Tariff Schedule 98 rates in
25 this case.

1 Ms. Brown and Mr. Meredith are available on
2 the phone today to answer questions, as already has been
3 mentioned.

4 The \$1.03 million to be returned to customers
5 in this RBA was calculated in a manner consistent with
6 previous RBA filings. The RBA deferral is calculated as
7 the difference between actual REC revenue realized by the
8 company and the amount in rates. In this RBA filing, the
9 deferral period was January 1, 2019 through December 31,
10 2019. The impact of this filing for customers is a net
11 decrease in rates of 0.1 percent.

12 On April 24, 2020, the Division of Public
13 Utilities filed comments in support of the proposed rate
14 change becoming effective on an interim basis on June 1,
15 2020, pending their final audit of the REC revenue
16 contained in this filing. No other party filed comments
17 in this phase of the proceeding.

18 The company respectfully requests the
19 Commission approve the company's request to return to
20 customers \$1.03 million, associated with this RBA filing
21 on an interim basis, beginning June 1, 2020.

22 Thank you.

23 PRESIDING OFFICER HAMMER: Anything else,
24 Ms. Wegener or Mr. Spackman?

25 MS. WEGENER: No, I have nothing further.

1 PRESIDING OFFICER HAMMER: Ms. Schmid, do you
2 have any questions?

3 MS. SCHMID: I do not have questions. Thank
4 you.

5 PRESIDING OFFICER HAMMER: And I have none.
6 So, Ms. Wegener, if you have no other
7 witnesses, we will move to Ms. Schmid.

8 MS. WEGENER: I have no other witnesses.

9 MS. SCHMID: Good afternoon, the Division
10 would like to call Mr. Mark Long as its witness. May he
11 please be sworn?

12 PRESIDING OFFICER HAMMER: Mr. Long, do you
13 swear to tell the truth?

14 THE WITNESS: I do.

15 PRESIDING OFFICER HAMMER: Thank you.

16 DIRECT EXAMINATION

17 BY MS. SCHMID:

18 **Q. Mr. Long, could you please give us your**
19 **employer's title and business address for the record?**

20 A. Yes, I work for the Utah Division of Public
21 Utilities as a utility analyst. And our address is 160
22 East 300 South, Salt Lake City, Utah.

23 **Q. In connection with your employment at the**
24 **Division, have you participated in this docket?**

25 A. Yes, I have.

1 Q. Did you prepare and cause to be filed the
2 Division's memorandum, dated April 24, 2020, in this
3 docket?

4 A. Yes.

5 Q. Do you have any changes or corrections to
6 that filed memo?

7 A. No, I do not.

8 Q. Do you adopt that filed memorandum as part of
9 your testimony here today?

10 A. Yes, I do.

11 Q. Mr. Long, do you have a summary to present?

12 A. That's correct.

13 Q. Please proceed.

14 A. Okay. Good afternoon, as the company has
15 stated, Tariff Schedule 98 tracks the difference between
16 Renewable Energy Credit revenues included in rates and
17 the REC revenues collected from the sale of RECs by the
18 company.

19 The variances between REC revenues included
20 in rates and actually REC revenues collected are
21 identified and deferred each month for one full calendar
22 year.

23 Annually, on March 15th, a Renewable Energy
24 Credits balancing account application is filed to present
25 the variances, including applicable carrying charges,

1 with a 100 percent true-up in the difference between the
2 amounts in rates and actual sales occurring through
3 Tariff Schedule 98. The collection or credit under
4 Tariff Schedule 98 is to be made annually, effective June
5 1st. The application under this docket is the ninth
6 deferred RBA rate adjustment.

7 This application requests refunding Utah
8 customers over one year, from June 1, 2020 through May
9 31, 2021, the 2020 RBA deferral balance of 1.03 million,
10 which is net decrease of 1.9 million, or .1 percent over
11 the current collection level of .8 million.

12 The company proposes an allocation of the
13 outstanding deferral balance across customer classes in a
14 manner consistent with the approved rate spread found in
15 Step 2 of the 2014 general rate case stipulation, with
16 modifications for metered outdoor nighttime lighting and
17 special contracts.

18 New this year is the inclusion of the revenue
19 from Kennecott Copper, generated from the REC transferred
20 to Kennecott for the non-generation and Renewable Energy
21 Credit Supply Agreement between the company and
22 Kennecott, dated April 18, 2019, that was approved by the
23 Commission in Docket No. 19-035-20.

24 The Division performed a preliminary review
25 of the filing and the corresponding Commission orders has

1 found that, in general, the company has complied with the
2 Commission's orders and recommends the change in Schedule
3 98 be approved on an interim basis, as outlined in
4 Commission's scheduling order, dated March 31, 2020.

5 The Division will file its RBA audit report
6 on or before July 14, 2020.

7 That concludes my summary.

8 PRESIDING OFFICER HAMMER: Anything else from
9 Mr. Long, Ms. Schmid?

10 Ms. Wegener, do you have any questions for
11 Mr. Long?

12 MS. WEGENER: No questions.

13 PRESIDING OFFICER HAMMER: All right.

14 Ms. Schmid, are you still on the line?

15 MS. SCHMID: The Division has nothing
16 further.

17 PRESIDING OFFICER HAMMER: All right. If
18 there is nothing else, then we will adjourn.

19 Thank you everyone.

20 (The hearing was concluded at 1:15 P.M.)

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 23rd day of May, 2020.



Kellie Peterson, RPR

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