

PUBLIC SERVICE COMMISSION OF UTAH

Docket No. 21-035-53

HEARING

November 10, 2021

ADVANCED REPORTING SOLUTIONS

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18
19
20 ALSO PRESENT:

21 Esteban Lara

22 Jana Saba

23 * * *

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1 P R O C E E D I N G S

2 -o0o-

3 COMMISSIONER LEVAR: Okay. Good morning. We're
4 here for a Public Service Commission hearing in Docket
5 21-035-53, Application of US Magnesium, LLC, for
6 Determination of Long-Term Rates, Terms, and Conditions
7 of Interruptible/DSM Electric Service between it and
8 Rocky Mountain Power. And this is hearing for Phase 1 of
9 this docket.

10 We'll go to appearances for US Magnesium.

11 MR. RUSSELL: Phillip Russell on behalf of US
12 Magnesium.

13 COMMISSIONER LEVAR: Thanks.

14 MS. WEGENER: Emily Wegener on behalf of Rocky
15 Mountain Power. And with me in the room, I have Jana
16 Saba, the state regulatory manager for Utah. And Esteban
17 Lara is Kyle Moore's replacement. He is the business
18 development and renewable project director.

19 COMMISSIONER LEVAR: Thank you.

20 We'll go to the Division of Public Utilities.

21 MS. SCHMID: Thank you. Good morning.

22 Patricia E. Schmid with the Attorney General's
23 office representing the Division of Public Utilities.
24 With me as our witness is Casey J. Coleman. Thank you.

25 COMMISSIONER LEVAR: Okay. Thank you.

1 Any other preliminary matters before we jump in?

2 MR. RUSSELL: None, although I should note that
3 I have -- on behalf of US Magnesium, we have Roger
4 Swenson appearing telephonically.

5 COMMISSIONER LEVAR: Okay. Well, if you want to
6 go ahead and move forward with that.

7 Mr. Swenson, are you on the phone?

8 THE WITNESS: Yes, I am.

9 COMMISSIONER LEVAR: Okay. Do you swear to tell
10 the truth?

11 THE WITNESS: Yes, I do.

12 COMMISSIONER LEVAR: Thank you.

13 Mr. Russell.

14 MR. RUSSELL: Sure.

15

16 ROGER SWENSON,
17 was called as a witness, and having been first duly
18 sworn to tell the truth, the whole truth, and nothing
19 but the truth, testified as follows:

20

21 DIRECT EXAMINATION

22 BY MR. RUSSELL:

23 Q. Good morning, Mr. Swenson. Please state and
24 spell your name for the record, please.

25 A. My name is Roger, R-O-G-E-R, Swenson,

1 S-W-E-N-S-O-N.

2 Q. And could you tell us by whom you're employed.

3 A. I'm employed by E dash Q-U-A-N-T Consulting.

4 Q. And on whose behalf do you offer testimony in
5 this proceeding?

6 A. I'm offering testimony in this proceeding for US
7 Magnesium.

8 Q. And have you filed or caused to be prepared and
9 filed direct prefiled testimony on behalf of US
10 Magnesium?

11 A. Yes, I have.

12 Q. And specifically, did you file direct testimony
13 labeled as "US Mag Exhibit 1" and Exhibits 1.1 through
14 1.10 on or around September 21 of this year?

15 A. Yes.

16 Q. And with respect to that testimony, do you have
17 any corrections to make?

18 A. No, not at this time.

19 Q. And if asked the same questions today that were
20 posed in your prefiled testimony, would you provide the
21 same answers?

22 A. Yes.

23 Q. And US Magnesium has also submitted a
24 stipulation in this docket; isn't that right?

25 A. Yes, we have.

1 Q. Specifically, US Magnesium submitted a
2 stipulation on October 14th, reflecting an extension of
3 the current agreement between US Mag and Rocky Mountain
4 Power through June 30th of 2022; is that right?

5 A. Yes, it is.

6 Q. Okay.

7 MR. RUSSELL: And at this point, I will move for
8 the admission of Mr. Swenson's testimony and the
9 stipulation and extension agreement.

10 COMMISSIONER LEVAR: If anyone objects to that
11 motion, indicate your objection.

12 Not seeing any, so the motion is granted.

13 Q. (BY MR. RUSSELL:) Mr. Swenson, have you
14 prepared a short summary of your testimony related to the
15 Phase 1 portion of this docket?

16 A. Yes, I have.

17 Q. Okay. Please proceed.

18 A. US Magnesium has received interruptible electric
19 service since it located to Utah more than 50 years ago.
20 The rates, terms, and conditions of that interruptible
21 service have been subject to review and negotiation from
22 time to time over that period.

23 The current rates, terms, and conditions of US
24 Magnesium's interruptible electric service from Rocky
25 Mountain Power have essentially been the same for the

1 last three years, with upward rate adjustments to ensure
2 the rates stay at or close to a cost-of-service based
3 determination.

4 The current agreement between US Magnesium and
5 Rocky Mountain Power is scheduled to terminate at the end
6 of this calendar year. The agreement entered into last
7 year permitted an automatic renewable, should neither
8 party terminate. Rocky Mountain Power gave notice in
9 June that the agreement would terminate on December 31,
10 2021.

11 I think at that time, both parties believed they
12 would be able to negotiate a new agreement fairly
13 quickly. That hasn't happened. While the parties have
14 met to discuss a new agreement, progress in those
15 negotiations has been slow, and it wasn't clear whether
16 we would be able to reach a new agreement before the
17 existing one terminated. This presented a number of
18 problems. Both parties require clarity about rates,
19 terms, and conditions that are to apply, starting in
20 January.

21 January is one of the months that US Magnesium
22 is currently subject to curtailment, and the parties will
23 need to know before January 1, 2022, whether that
24 arrangement will continue, and if so, what other rates,
25 terms, and conditions apply to Rocky Mountain Power's

1 service to US Mag.

2 We filed an application in this docket and
3 requested expedited relief, hoping to avoid the
4 uncertainty of going into the new year without knowing
5 the answer to these questions.

6 After we filed the application, US Magnesium and
7 Rocky Mountain Power were able to agree to extend the
8 existing agreement through June 30, 2022. The hope is
9 that this will allow sufficient time for parties to
10 negotiate a new long-term agreement or for this
11 Commission to enter an order on new rates, terms, and
12 conditions that will apply, starting July 1st, 2022.

13 A stipulation memorializing this agreement was
14 filed with the Commission on October 14th. The Division
15 has filed comments recommending that the Commission
16 approve the stipulation. To my knowledge, the Office has
17 not filed any comments regarding the stipulation.

18 The stipulation addresses the immediate
19 uncertainty about rates starting January 1st that is
20 described in my testimony and grants enough time for
21 interested parties to address the substance of our
22 proposal for long-term rates, terms, and conditions of
23 interruptible service for US Magnesium.

24 As such, I recommend that the Commission enter
25 an order approving the stipulation. That's it.

1 Q. Thank you, Mr. Swenson.

2 MR. RUSSELL: US Magnesium has nothing further.

3 COMMISSIONER LEVAR: Thank you.

4 Ms. Wegener, do you have any questions for
5 Mr. Swenson?

6 MS. WEGENER: No. Thank you.

7 COMMISSIONER LEVAR: Ms. Schmid?

8 MS. SCHMID: No questions, thank you.

9 COMMISSIONER LEVAR: Okay. I don't have any,
10 either, so thank you for your testimony this morning.

11 Anything further, Mr. Russell?

12 MR. RUSSELL: Nothing further from US Magnesium.

13 COMMISSIONER LEVAR: Ms. Wegener?

14 MS. WEGENER: The Company does not have a
15 witness today, but we support the stipulation that we
16 signed and submitted to the Commission.

17 COMMISSIONER LEVAR: Okay. Thank you.

18 MS. WEGENER: If -- I was about to say "Hearing
19 Officer." Chairman Levar, if you have any questions, we
20 do have Ms. Saba and Mr. Lara available to answer
21 questions about the stipulation.

22 COMMISSIONER LEVAR: I don't have any questions.

23 Do either of the parties have an interest in
24 asking questions of Rocky Mountain Power?

25 (No audible response.)

1 COMMISSIONER LEVAR: Okay. Thank you,
2 Ms. Wegener.

3 MS. WEGENER: Thank you.

4 COMMISSIONER LEVAR: Ms. Schmid.

5 MS. SCHMID: Thank you.

6 The Division would like to call Mr. Casey J.
7 Coleman as its witness. Could he please be sworn.

8 COMMISSIONER LEVAR: Sure.

9 Mr. Coleman, do you swear to tell the truth?

10 THE WITNESS: Yes.

11 COMMISSIONER LEVAR: Thank you.

12

13 CASEY J. COLEMAN,

14 was called as a witness, and having been first duly
15 sworn to tell the truth, the whole truth, and nothing
16 but the truth, testified as follows:

17

18 DIRECT EXAMINATION

19 BY MS. SCHMID:

20 Q. Please state and spell your name for the record.

21 A. My name is Casey Jay Coleman, C-A-S-E-Y, J-A-Y,
22 C-O-L-E-M-A-N.

23 Q. By whom are you employed and in what capacity?

24 A. I work for the State of Utah for the Division of
25 Public Utilities, and I am a utility technical

1 consultant.

2 Q. In conjunction with your employment, have you
3 participated in this docket on behalf of the Division?

4 A. Yes.

5 Q. Did you prepare or cause to be prepared and
6 filed the Division's Action Request Response filed on
7 October 25, 2021?

8 A. Yes.

9 Q. Do you have any changes or corrections to that
10 Action Request Response?

11 A. No.

12 Q. Are your statements made therein the same
13 statements you would make today, if asked?

14 A. Yes.

15 MS. SCHMID: With that, the Division would like
16 the move the admission of its Action Request Response
17 dated October 25, 2021.

18 COMMISSIONER LEVAR: Does anyone object to that
19 motion?

20 I'm not seeing any objections, so the motion is
21 granted.

22 MS. SCHMID: Thank you.

23 Q. (BY MS. SCHMID:) Mr. Coleman, do you adopt the
24 contents of this Action Request Response as your
25 testimony today?

1 A. Yes.

2 Q. In addition, do you have a small summary to
3 present?

4 A. Yes.

5 Q. Please proceed.

6 A. Okay. Basically with the stipulation, the
7 Division of Public Utilities supports the stipulation.

8 One of the major portions of the stipulation was
9 the fact that they were going to be extending the
10 electric service agreement and also the operating reserve
11 interruption agreement that had already been reviewed by
12 the Division before. And as indicated in my Action
13 Request Response on January 26, 2021, the Division filed
14 comments regarding the docket, where we did a thorough
15 review of the existing contract and we found that that
16 contract was going to be in the public interest. And so
17 we feel that that contract is still in the public
18 interest. And where that's a portion of the stipulation
19 trying to meet this Phase 1 portion of giving some
20 clarity to the parties, we believe that it's appropriate
21 for the Commission to approve and accept this stipulation
22 and that those contracts are still in the public interest
23 for -- or at this time.

24 Q. One question, Mr. Coleman.

25 Do you believe that the settlement, as

1 presented, is just and reasonable in result?

2 A. Yes.

3 Q. Thank you.

4 MS. SCHMID: That is all from the Division.

5 Mr. Coleman is available for questions from the parties
6 and from the Chair.

7 COMMISSIONER LEVAR: Thank you.

8 Mr. Russell, any questions?

9 MR. RUSSELL: No questions. Thank you.

10 COMMISSIONER LEVAR: Ms. Wegener?

11 MS. WEGENER: No questions. Thank you.

12 COMMISSIONER LEVAR: I don't have any.

13 So thank you, Mr. Coleman.

14 Anything else, Ms. Schmid?

15 MS. SCHMID: Nothing else. Thank you.

16 COMMISSIONER LEVAR: Anything else from anyone?
17 Okay.

18 Thank you for your participation in the hearing
19 this morning. We will issue an order approving the
20 stipulation before January 1st, hopefully a little sooner
21 than that. Thank you.

22 (The matter concluded at 9:10 a.m.)

23

24

25

CERTIFICATE

1
2
3 State of Utah)
 ss.
4 County of Salt Lake)

5 I, Michelle Mallonee, a Registered
6 Professional Reporter in and for the State of Utah, do
hereby certify:

7 That the proceedings of said matter was
8 reported by me in stenotype and thereafter transcribed
into typewritten form;

9 That the same constitutes a true and correct
10 transcription of said proceedings so taken and
transcribed;

11 I further certify that I am not of kin or
12 otherwise associated with any of the parties of said
cause of action, and that I am not interested in the
13 event thereof.

14 WITNESS MY HAND at Salt Lake City, Utah,
this 22nd day of November, 2021.

15
16 

17 _____
18 Michelle Mallonee, RPR, CCR
19 Utah CCR #267114-7801
20 Expires May 31, 2022
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