



# State of Utah

DEPARTMENT OF COMMERCE  
Committee of Consumer Services

## Minutes of the Meeting of the Committee of Consumer Services held at the Heber M Wells Building, Room #401, 160 East 300 South, Salt Lake City, Utah, on Wednesday, March 18, 2009

### Members of the Committee in Attendance:

Betsy Wolf  
Andrew Riggle

Robert McMullin  
Kelly Casaday

Roz McGee  
Franz Amussen

### Staff in Attendance:

Michele Beck  
Dan Gimble

Ronnie Drake  
Eric Orton

Cheryl Murray

### Members of the Public in Attendance:

Judd Cook, Questar

This meeting was accompanied by a power point presentation which is attached and incorporated by reference into these minutes.

#### 1. Welcome and Business

Kelly Casaday opened the meeting and welcomed those in attendance.

#### 2. Minutes

The review of minutes was postponed until later in the meeting.

#### 3. Public Comment

No members of the public offered comment.

#### 4. Case Updates

Michele Beck provided an update of recent cases. In the Questar rate case, the PSC reversed its decision regarding the accounting treatment of the \$11M in question. It also reversed its decision regarding NGV rates, allowing Wexpro gas and raising the rate only partway to cost of service. The NGV docket will likely move forward and CCS will continue to advance ideas on cost-based rates and concerns that subsidized rates will not lead to robust NGV industry. Other updates related to RMP resource acquisition dockets. RMP withdrew request for approval of Lake Side 2 plant and requested permission to suspend the 2008 RFP. CCS has serious concerns about long-term

resource adequacy as a result of these actions. The IRP has also been delayed raising additional concerns about the relationship between the planning process and resource decisions.

## 5. Legislative Recap

Michele Beck provided a recap of the legislation session. SB214 passed with amendments, creating the Office of Consumer Services and amending the new Committee powers. SB75 establishes new process for large plant additions, expands low income programs, authorizes PSC to approve other mechanisms if found to be in public interest, strengthens 240-day timeline for rate cases and requires rulemaking on complete filings. She also noted other legislation that will impact the Committee's work, the energy policy bills that passed, some miscellaneous bills relating to energy issues and the items for interim study potentially relevant to our work.

## 6. Rocky Mountain Power General Rate Case

Cheryl Murray explained the cost of capital settlement that was agreed upon and approved by the PSC. The settlement results in approximately a \$23M reduction to the Company's revenue requirement. It states a 10.6 percent return on equity, but is equivalent to the 10.5 percent in our analysis which was within our range of reasonableness.

Cheryl Murray also provided an update on the positions of the major parties in the revenue requirement phase: RMP's position went from \$116.1M to \$57.4M, the DPU position went from \$52.5M to \$46.2M and the CCS position went from \$15.6M to approximately \$37M. The changes reflected a correction to the tax deferral issue, the new cost of capital numbers, and new adjustments based on the evidence provided in testimony and discovery to date. Surrebuttal testimony is due March 23<sup>rd</sup>.

6b. After adequate time for review during a break, the Committee reviewed the minutes for consideration. Roz McGee made a motion to approve the minutes from the January 29<sup>th</sup> closed session, as well as from the March 5<sup>th</sup> meeting as amended. Robert McMullin seconded the motion and it passed unanimously.

## 7. Discussion of Strategy in litigation pending before the Utah Public Service Commission in Docket 08-035-38 (RMP rate case) and Docket 08-035-95 RMP request for new large generating resource)

7a. Franz Amussen made a motion to go into closed session pursuant to Utah Code Section 52-4-205(1)(c). The motion was seconded by Robert McMullin and passed unanimously.

7b. The Committee returned to open session. Robert McMullin made a motion to authorize the director and counsel to pursue settlement in the revenue requirement

and/or rate spread portion of the 2008 RMP rate case providing that key protections for the consumers we represent are maintained. Betsy Wolf seconded the motion and it passed unanimously.

#### 8. Other Business

The Committee discussed who would have an interest in Rocky Mountain Power plant tours including natural gas, coal, and wind plants as well as a coal mine. There was significant interest, but establishing specific dates will be kept on hold until the new Committee members are put into place as they may also have interest in participating.

The Committee scheduled its next meeting for May 21<sup>st</sup>, 9:30 a.m.

Robert McMullin made a motion to adjourn and the motion passed unanimously.