



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

Minutes of the Meeting of the Utah Committee of Consumer Services
Tuesday, January 18, 2011, 9:00 a.m.

Committee Members in Attendance:

Kelly Casaday (by telephone)	Kirsten Peterson
Robert McMullin	Stephen Christensen
Andrew Riggle	Dennis Nordfelt
Carolyn Hunter	

Staff in Attendance:

Michele Beck	Eric Orton
Dan Gimble	Danny Martinez

Members of the Public in Attendance:

Judd Cook, Questar

The attached powerpoint presentation was used to facilitate this meeting and is incorporated by reference into these minutes.

1. Welcome & Business

Kelly Casaday welcomed the attendees and turned over the chairmanship of the meeting to Robert McMullin. Robert noted the attendance of Carolyn Hunter, a new Committee member, and asked all of the Committee members to provide a brief introduction.

2. Minutes

The draft minutes from the December meeting were presented. Michele Beck noted that she would correct the spelling of Kelly Casaday's name. Stephen Christensen noted a problem with numbering that needed to be corrected. Stephen Christensen made a motion to approve the minutes as corrected. The motion was seconded by Dennis Nordfelt and passed unanimously.

3. Scheduling Next Meeting

The Committee considered the business of scheduling the next meeting out of order from the agenda to ensure that all members would be present. Meetings were scheduled for March 31st and May 26th, both starting at 9:00. Staff will reserve rooms and send confirmations once rooms have been obtained.

4. Case Updates

Michele Beck provided updates on ongoing cases. She noted that two special contracts have been approved by the PSC. She explained to the Committee some of the characteristics of individual customers that warrant lower rates or different terms and conditions. She also indicated that the Office intended to request reconsideration of one of the cases because the outcome was

based upon a flawed process that had the potential to undermine the due process usually contained in the PSC system. Michele next gave an overview of the Significant Energy Resource Decision case. PacifiCorp has requested permission to construct Lakeside 2. She gave background on the plant characteristics, the current level of need for additional electrical generating resources and the factors that the Office would consider in its review of the application. Lastly, Michele gave an update on the progress of the website.

5. Legislative Overview

Michele Beck gave an overview on the legislative items anticipated to impact the work of the Office. The legislation that is known to date is expected to contain provisions that are consistent with the principles of the Office or are neutral to the work of the Office. However, the true impact is not known until language has been released, so the Office will carefully monitor the legislation. Also, there is some anticipated legislation to which the Office would be opposed. Specifically, these would include developer-sponsored renewable energy bills that would raise the costs of generating resources without providing ratepayer benefits and/or bills that initiate funds that are paid for through rates but used to fund un-economic projects. The Office will carefully watch for these types of legislation. Finally, there are a few open bill files with titles that indicate they may have an impact on the work of the Office. The Office will continue to watch for language in these bills. Michele indicated that in the past, the Committee has scheduled additional short meetings during the legislative session if issues arise that need to be addressed. Typically these are scheduled over the lunch hour to accommodate the members who are active in the legislative process and include accommodation for participation by phone.

6. Issue Introduction: Rocky Mountain Power Multi-State Allocation Process

Michele Beck gave an introduction to Rocky Mountain Power's Multi-State Allocation Process, referred to as "MSP." This process dates back to the merger between Utah Power and Pacific Power and is a method for the various states served by PacifiCorp to allocate the costs into the different state jurisdictions. The MSP agreement was projected to result in higher Utah rates in the early years in exchange for lower rates in the later years. Utah parties generally agree that the later-year benefits have not materialized and the current MSP agreement (called the "Revised Protocol") is not in the best interest of Utah ratepayers. A process is underway to agree upon a new methodology. The allocation methodology will be an issue in major cases in 2011 and will be discussed further at subsequent Committee meetings.

7. General Rate Cases: A Primer

Robert McMullin turned over chairmanship of the meeting to Dennis Nordfelt. Dan Gimble gave a primer of the regulatory process surrounding general rate cases, the phases involved and the type of analysis pursued by the Office and other parties. He also reviewed the outcomes of recent cases and the preparations underway for the 2011 case. All of the details are contained in the attached presentation.

8. Other Business and Adjourn

Stephen Christensen made a motion to adjourn. The motion passed 6-0 and the meeting adjourned.