



PUBLIC MEETING

Utah Committee of Consumer Services

September 3, 2009



Welcome & Business



Case Updates

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Case Updates

RMP DSM Issues

- RMP filed to change its DSM cost recovery rider
 - Some industrial customers challenged the filing and requested hearing
 - Raised wide range of potential issues
- Phase I considered the rider level
 - Stipulation to amortize balance over 2 years
 - PSC approved
- Phase II will consist of 5-yr review of the DSM programs



Case Updates

Questar Rate Request

- Questar filed its amortization for DSM, CET, and its pass-through
- Overall request of \$6.7M decrease
- Decrease due to low gas commodity prices
- Overall request also reflects higher DSM costs



Case Updates

Contracts Under Review

- RMP Special Contracts
 - U.S. Magnesium (5 year)
 - Kennecott (1 year)
- QF Contracts
 - U.S. Magnesium (1 year)
 - Kennecott (1 year)



Case Updates

Ongoing Telecom Cases

- Bresnan filed complaint to have UBET sign an interconnection agreement
- Beehive requested and withdrew a CPCN to serve in Moab and Bullfrog
- Trac-fone is petitioning to become an Eligible Telecommunications Carrier
- There are also two long-running rate cases and other misc cases.



Case Updates

Other Ongoing Cases

- All American/Beehive
- PSC Rulemaking on Complete Filings
- RMP ECAM
- RMP Risk Management Policies
- 2009 IRP



Rocky Mountain Power 2009 General Rate Case: Overview



Case Overview

- Rate increase request
 - Utah revenue requirement is \$1.552 billion
 - Revenue at current rates is \$1.472 billion
 - Requested increase is \$66.9 million
 - Increase will be \$2M higher because of DSM stipulation
 - Increase is 4.5% based on total revenues
- Cost of capital
 - ROE is at 11.0% (current approved ROE is 10.61%)
 - Equity in capital structure is at 51.0%
- Test period
 - Forecast test period is 12 months ending June 2010
- Filed June 23, 2009 / effective February 18, 2010



Summary of Case Drivers

**Rocky Mountain Power
State of Utah
2009 General Rate Case (Docket 09-035-21)**

Rate Increase	Total	
Return of and Return on New Investment	31.3	47%
Requested Increase in ROE	15.0	22%
Net Power Costs	(1.5)	-2%
O&M and A&G Expenses	15.0	22%
Other Taxes	3.9	6%
Revenue Requirement Increase	63.6	
Less: Revenue Growth / Plus: Revenue Loss	3.3	5%
Requested Revenue Increase	66.9	100%
Percent Increase	4.5%	



Proposed Rate Spread

Rate Schedule	Increase to Cost of Service	Proposed Increase
Residential - Sch. 1	0.60%	4.0%
General Service Small - Sch. 23	4.60%	5.0%
General Service Large - Sch. 6	3.99%	5.0%
General Service Over 1 MW - Sch. 8	6.11%	6.0%
Large Industrial - Sch. 9	11.87%	6.0%
Irrigation - Sch. 10	21.68%	6.0%
System Average	4.50%	4.5%



Other Issues

- Proposal to include entire residential increase in the customer charge
 - Residential customer charge would increase from \$3.00 per month to \$5.70 per month.
 - Consistent with primary driver of the proposed increase – capital investment
- RMP will invest over \$2.1 billion in new plant from December 2008 through June 2010
- New plant investment accounts for approximately half of the proposed increase
- Tax issues with potentially large impact have arisen since case was filed



Internal Review

- OCS consultants are all under contract
- Larkin has in process of on-site audit
- ROE recommendations will be made utilizing same methodology (and witness) from last case
- RR recommendations will be made based upon outcome of on-site audit and NPC review
- Rate spread recommendations will be more consistent with COS outcome than those proposed by the Company



Schedule

- Bifurcation of case was challenged by parties
 - Commission order bifurcated by keeping Cost of Service in Phase I and limiting Phase II to rate design
 - Phase II schedule still under discussion
- Phase I Schedule
 - ROE testimony filed this month, hearing in Nov
 - Other Direct Testimony due October 8
 - Hearings December 7, 8, 14 - 17



Productive and Non-Productive Costs of Climate Change Policy

Michele Beck



Synapse Study

- <http://www.synapse-energy.com/downloads/cap-and-trade.pdf>
- Prepared for:
 - National Association of Regulatory Utility Commissioners
 - National Association of State Utility Consumer Advocates
 - National Rural Electric Cooperative Association
 - The American Public Power Association



Policy Objectives of the Office of Consumer Services



Other Business/Adjourn
