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Attorneys for Rocky Mountain Power

BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF
ROCKY MOUNTAIN POWER FOR
CERTIFICATES OF PUBLIC CONVENIENCE
AND NECESSITY AND NONTRADITIONAL
RATEMAKING FOR WIND AND
TRANSMISSION FACILITIES

Docket No. 20000-520-EA-16
(Record No. 14781)

ROCKY MOUNTAIN POWER'S SUMMARY OF ISSUES OF FACT AND LAW

Comes now, Rocky Mountain Power (or "Company"), by and through its attorneys, and

hereby files its Summary of Issues of Fact and Law, in accordance with Paragraph 5(b) of the Scheduling Order, issued by the Wyoming Public Service Commission (“Commission”) on February 26, 2018. The issues remaining to be decided in this matter are specifically summarized in the Company’s Updated Summary of Contentions and include:

1. Whether the Commission should grant certificates of public convenience and necessity (“CPCNs”) for the Company to construct or acquire four new Wyoming wind resources with a total capacity of 1,311 megawatts (“MW”) (collectively, the “Wind Projects”), and the Aeolus-to-Bridger/Anticline line and 230 kilovolt (“kV”) network upgrades (collectively, the “Transmission Projects”)?

2. Whether the Company has the financial capability to invest in the Wind Projects and the Transmission Projects (collectively, the “Combined Projects”)?

3. Whether the Company acted in good faith when it pursued the Combined Projects for customers’ benefit through the 2017R Request for Proposals (“RFP”) process?

4. Whether customers will benefit by construction of the Aeolus-to-Bridger/Anticline line by 2020, instead of by 2024 as scheduled under the Company’s and region’s current long-term transmission plan, because of the availability of Production Tax Credits (“PTCs”)?

5. Whether the Transmission Projects will provide customer benefits by relieving the existing congestion on the Company’s eastern Wyoming transmission system?

6. Whether the Transmission Projects will provide customer benefits by allowing interconnection of additional generating facilities in eastern Wyoming?

7. Whether the Transmission Projects will provide customer benefits by increasing the east-to-west transfer capability across Wyoming, thereby allowing the Company to more efficiently and flexibly dispatch its resources?

8. Whether the Transmission Projects will provide customer benefits by providing critical voltage support to the Wyoming transmission network?
9. Whether the Transmission Projects will provide customer benefits by improving the reliability of the Wyoming transmission network?
10. Whether the Transmission Projects will provide customer benefits by mitigating the impact of line outages on the Wyoming transmission network?
11. Whether the Transmission Projects will provide customer benefits by reducing line losses?
12. Whether the Transmission Projects will provide customer benefits by enhancing the Company's ability to meet all applicable transmission reliability and performance standards?
13. Whether the Company's 2017 integrated resource plan ("IRP") demonstrates a near-term need for additional generation resources when it shows a resource need of 527 MW in 2017 rising to 1,023 MW in 2021?
14. Whether market transactions (*i.e.*, front-office transactions or "FOTs") are reasonably displaced by the lower-cost, lower-risk Combined Projects?
15. Whether the results of the 2017R RFP demonstrate that the Wind Projects are the least-cost, least-risk wind resources that are viable under the Company's current transmission planning assumptions?
16. Whether the 2017R RFP was a transparent, fair, and unbiased process for selecting the Wind Projects, as concluded by the two independent experts that oversaw the 2017R RFP?
17. Whether the Company's forecasted customer benefits of the Wind Projects through 2036 reasonably relied on the same models used in its IRP process?

18. Whether the Company's modeling reasonably accounted for uncertainty by conducting 1,300 20-year simulations of the Company's system to assess the impact of uncertainty in its forecasts?

19. Whether forecasted customer benefits under the medium gas, medium carbon dioxide ("CO₂") price-policy scenario of \$357 million to \$405 million using IRP models through 2036 is substantial evidence that the Combined Projects are in the public interest?

20. Whether forecasted customer benefits under the medium gas, medium CO₂ price-policy scenario of \$167 million through 2050 is substantial evidence that the Combined Projects are in the public interest?

21. Whether the medium gas, medium CO₂ price-policy scenario, which relies on the same natural gas forecast the Commission has used to set the Company's rates and long-term avoided cost pricing, is the best representation of future market prices and a reasonable basis for assessing customer benefits?

22. Whether the forecasted customer benefits under 16 of the 18 price-policy scenarios studied is substantial evidence that the Combined Projects are in the public interest?

23. Whether forgoing the Combined Projects is the least-risk option for customers when it would deprive customers of the opportunity to acquire much-needed transmission and 1,300 MW of new wind capacity at a fraction of the actual cost under the least favorable scenarios, and to achieve net benefits under all other scenarios?

24. Whether the Company's modeling of customer benefits is conservative because of potential renewable energy credit ("REC") revenues and lower operations and maintenance ("O&M") costs that will be passed through to customers, if realized?

25. Whether the modeling of expected customer benefits through 2050 includes greater uncertainty due to the longer-term nature of the forecast?
26. Whether the Company's modeling of PTC benefits used to evaluate 2017R RFP bids appropriately reflected how the PTC benefits will flow through to customers?
27. Whether the Company's modeling of PTC benefits in its 2017R RFP bid evaluation process was free of bias in favor of utility-owned resources, as concluded by the two independent experts that oversaw the 2017R RFP?
28. Whether the Company properly determined that certain bids were not viable based on the bid's interconnection queue position?
29. Whether the Company's past experience developing wind and transmission projects on time decreases customer risk associated with potential schedule delays?
30. Whether the Company's past experience developing wind and transmission projects within budget decreases customer risk associated with potential capital cost over-runs?
31. Whether the increase in forecasted customer benefits based on the results of the 2017R RFP and Transmission Project competitive solicitation process have decreased customer risk?
32. Whether utility-owned resources are higher risk than purchase power agreements ("PPAs") even though cost-of-service ratemaking ensures that customers receive all of the upside benefits associated with utility-owned resources, whereas upside benefits of PPAs inure to the project owner?
33. Whether the Company's commitment to hold customers harmless if the Wind Projects are not 100 percent PTC-eligible due to issues within the Company's control is a reasonable customer protection that decreases risk and is in the public interest?

34. Whether the Company's agreement to a soft cap of \$2.245 billion for the Combined Projects decreases customer risk and is in the public interest?

35. Whether the existing regulatory framework for addressing customer risk associated with the Combined Projects sufficiently protects customers?

36. Whether the Combined Projects are in the public interest when they will provide zero-fuel cost generation, mitigate risks associated with future environmental regulations, generate PTCs in the near term, and bolster Wyoming's transmission system while increasing customer rates by only 1.7 percent in the first full year of operation?

37. Whether the substantial benefits of the Combined Projects persist when paired with the Company's wind repowering project and are not displaced when considering the potential procurement of solar PPA bids submitted into the RFP for solar resources ("2017S RFP")?

38. Whether the information obtained through the 2017S RFP confirms that solar resources are a less beneficial resource option compared to the Combined Projects because, using IRP model results through 2036, solar benefits are lower than the Combined Projects after considering additional risk sensitivities?

39. Whether pursuing solar resources today could result in the payment of an unnecessary risk premium, given that solar resources are eligible for the Investment Tax Credit through 2021 (irrespective of when construction commences)?

40. Whether it is reasonable to delay acquisition of solar resources now to allow additional review of these resources in the 2019 IRP?

41. Whether the acquisition of solar resources in lieu of the Combined Projects creates a substantial customer risk that the Aeolus-to-Bridger/Anticline line will be constructed without the PTC subsidy provided by the Combined Projects?

42. Whether it is in the public interest to forego the time limited opportunity to acquire PTC-eligible wind resources and instead pursue solar resources with potential benefits that are not time-limited?

43. Whether the Company's proposal for innovative and nontraditional ratemaking, the Resource Tracking Mechanism ("RTM"), is reasonable and in the public interest by matching the costs and benefits of the Combined Projects?

44. Whether it is reasonable for customers to receive the benefits of the Combined Projects if the costs are not included in rates?

45. Whether the RTM will reasonably reduce regulatory lag associated with the Combined Projects?

46. Whether the RTM is less cumbersome than multiple rate cases?

47. Whether, pursuant to W.S. 37-2-205, the public's interest in granting the CPCNs for the Projects are paramount to the individual interests addressed in testimony by the remaining property owner intervenors, Anadarko Petroleum Company ("Anadarko"), Southland Royalty Company, LLC ("Southland"), and Rocky Mountain Sheep Company ("RMSC")?

48. Whether the issues of compensation for right of way raised by Southland and Anadarko are beyond the scope of issues raised in this CPCN proceeding because they are more appropriately handled in individual negotiations?

49. Whether the issue of reasonable compensation for right of way or impact on the mineral estate raised by Southland and Anadarko should be resolved in the negotiations with Rocky Mountain Power, rather than by this Commission by placing conditions on the CPCNs?

50. Further, and only if negotiations for right of way are not successful, whether the issues raised by Southland and Anadarko should be resolved in eminent domain proceedings brought by Rocky Mountain Power to acquire right of way under W.S. § 1-26-501 et. seq.?

51. Whether the issue of just compensation for right of way acquired from either Southland or Anadarko is premature for the reasons addressed above?

52. Whether Anadarko and Southland have offered credible evidence that mineral interests in Carbon and Sweetwater counties would be negatively impacted by the Projects?

53. Whether the issue of the impact to Anadarko's ability to develop its mineral interests, if any, because of impact to sage grouse habitat should be raised before the Industrial Siting Council's process for a § 109 permit and not the proceedings before this Commission for CPCNs?

54. Whether the concerns raised by Anadarko and Southland on the impacts of high voltage transmission lines on pipelines and other facilities are properly a part of the Industrial Siting Council's proceeding for a § 109 permit and not the proceeding before this Commission for CPCNs?

55. Whether the additional concerns of Anadarko regarding alleged potential impacts to longwall coal mining, distance separation requirements between transmission lines and pipelines, corrosion monitoring systems, additional mapping requirements beyond those required by State or Federal permitting processes and other requested conditions on CPCNs by Anadarko are properly a part of the negotiations with Rocky Mountain Power and/or the Industrial Siting Council's proceeding for a § 109 permit?

56. Whether the Commission Rules specifically require it to consider the conditions requested by Anadarko on the CPCNs requested by Rocky Mountain Power?

57. Whether Anadarko has standing to allege that the Company is required to file a Supplemental Environmental Impact Statement (“EIS”)?

58. Whether the issue raised by Anadarko regarding the request for a Supplemental EIS is beyond the scope of these CPCN proceedings?

59. Whether the requested conditions sought by Southland to be imposed on the CPCNs are properly a part of its negotiations with Rocky Mountain Power and not the CPCN proceedings pending before the Commission in this docket?

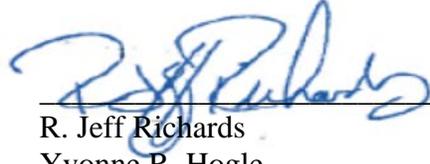
60. Whether the concerns raised by RMSC are properly addressed in a proceeding before the Industrial Siting Council for a § 109 Permit and Carbon County Commissioners for a Conditional Use Permit?

61. Whether the concerns raised by RMSC are also properly raised in negotiations with Rocky Mountain Power rather than this CPCN docket?

63. Whether issues of private compensation that do not impact the public interest brought by individual property owners are properly before the Commission in these CPCN proceedings?

Respectfully submitted this 26th day of March, 2018.

ROCKY MOUNTAIN POWER



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