

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power For Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations)	
)	
)	<u>Docket No. 08-035-38</u>
)	
)	<u>DPU Exhibit No. 3.0E</u>
)	
)	<u>Erratum Direct Testimony and Exhibits of Thomas C. Brill, Ph.D.</u>
)	

For the Division of Public Utilities

Department of Commerce

State of Utah

Erratum Direct Testimony and Exhibits of Thomas C. Brill, Ph.D.

February 17, 2009

1 **Q. Please state your name and occupation.**

2 A. My name is Dr. Thomas C. Brill. I am employed by the Division of Public Utilities of
3 the Utah Department of Commerce as a Technical Consultant.

4 **Q. Have you submitted Direct Testimony in this proceeding?**

5 A. Yes. I submitted Direct Testimony on February 12, 2009.

6 **Q. What is the purpose of your Erratum Testimony and Exhibits?**

7 A. I am filing corrections in four exhibits that were attached to my Direct Testimony. My
8 Direct Testimony introduced the Division's witnesses in this case and all of the
9 Division's adjustments to Rocky Mountain Power's (Company) application as well as
10 detailed the overall revenue requirement in DPU Exhibits 3.2 through 3.16.
11 Unfortunately, there were computer errors in some of the exhibits attached to my Direct
12 Testimony filed on February 12, 2009. Specifically, DPU Exhibits 3.2, 3.11, 3.15, and
13 3.16 have been corrected and are attached to my Erratum Direct Testimony as DPU
14 Exhibits 3.2E, 3.11E, 3.15E, and 3.16E. The Division apologizes for any inconvenience
15 or confusion these errors may have caused.

16 **Q. Please explain your corrections to DPU Exhibits 3.2, 3.11, 3.15, and 3.16.**

17 A. Corrections were made to DPU Exhibits 3.11, 3.15, and 3.16. These corrected exhibits
18 were then labeled DPU Exhibits 3.11E, 3.15E, and 3.16E. DPU Exhibit 3.11, which was
19 the JAM spreadsheet, improperly read in an out-of-date table, which was DPU Exhibit
20 3.15. This error was identified and corrected so that the correct DPU Exhibit 3.15E was
21 properly imported into the corrected JAM spreadsheet (DPU Exhibit 3.11E). In addition,
22 minor formatting changes were made to DPU Exhibit 3.16E. The reformatted DPU

23 Exhibit 3.16E was also imported into the corrected JAM spreadsheet (DPU Exhibit
24 3.11E). The results of the JAM model were then summarized in the corrected DPU
25 Exhibit 3.2E.

26 **Q. What is the Division's corrected recommendation for revenue requirement?**

27 A. The Division corrected recommendation for revenue requirement is \$48.1 million on a
28 Utah allocated basis. Beginning with the Company's second supplemental filing of
29 \$116.1 million on December 8, 2008, the Division's first adjustment adopts a Company
30 correction to its filed deferred income tax calculation, which reduces the Company's
31 revenue requirement by \$17.7 million on a Utah allocated basis. The Division
32 adjustments were a \$17.2 million return on equity (ROE) adjustment, a \$5.4 million net
33 power cost adjustment, and a corrected total of \$25.2 million in various auditing
34 adjustments. Of the various auditing adjustments, corrected rate base adjustments totaled
35 \$16.2 million, corrected O&M expense adjustments were \$4.9 million, and the corrected
36 lead lag study adjustment was \$4.2 million. In addition, there is a "JAM Effect" of
37 another \$2.5 million reduction when all of the correct adjustments are entered into the
38 JAM spreadsheet. The corrected DPU Exhibit 3.2E summarizes each of the Division
39 adjustments. These adjustments are discussed in detail in testimony provided by separate
40 Division witnesses. The corrections to these exhibits do not significantly affect any of
41 the other testimony of Division's witnesses or any other portion of my Direct Testimony.

42 **Q. Does this complete your testimony?**

43 A. Yes it does.