BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Utility Service Schedules and Electric Service Regulations	))))))))))	**DOCKET NO. 09-035-23** **DPU Exhibit No. 15.0 Phase II** **Direct Testimony and Exhibits**

FOR THE DIVISION OF PUBLIC UTILITIES
DEPARTMENT OF COMMERCE
STATE OF UTAH

Direct Testimony of

Abdinasir Abdulle, PhD

February 22, 2010

I. INTRODUCTION

Q. Please state your name and occupation?

A. My name is Abdinasir Abdulle. I am employed by the Utah Division of Public Utilities ("Division") as a Technical Consultant.

Q. What is your business address?

A. Heber M. Wells Office Building, 160 East 300 South, Salt Lake City, Utah, 84114.

Q. On whose behalf are you testifying?

A. The Division.

Q. What is the purpose of your Phase II direct testimony?

A. I will present the Division's rate design proposal for the residential and non-residential classes in this case. Specifically, for the residential classes, Schedules 1, 2, and 3, the Division is proposing a pilot decoupling mechanism to decouple Rocky Mountain Power's (RMP) recovery of its fixed distribution costs from its energy sales. I will also present the Division's proposed residential rate design that will encourage energy efficiency. For the non-residential classes, the Division is proposing no change in the rate design except that the rates are calibrated to collect the Commission ordered revenue increase.

Q. Do your rate design recommendations incorporate the rate increases ordered in the Commission's order issued on February 22, 2010?

A. Yes. The rate designs I am recommending result in increases of 2.2% for all major rate classes except for Schedules 9 and 10 (3.52%).

II. PROPOSED DECOUPLING MECHANISM

Q. Would you please explain how the mechanics of the proposed revenue decoupling pilot work?

A. The Division's proposed residential decoupling tariff or mechanism is designed similarly to that of Questar's Conservation Enabling Tariff (CET). The purpose of this mechanism is to ensure that only those distribution fixed costs approved by the Commission based on the cost of service results are collected. For the residential classes, Rocky Mountain Power will calculate the difference between the actual monthly revenues the Company collects to cover its distribution fixed costs and the Commission allowed monthly revenues. That difference will go into a balancing account. Every six months the balance in this account will then be amortized using the kWh of the next 12 months. This monthly revenue difference is produced by consumption levels deviating from the consumption levels that went into the construction of the proposed base rates. This could be due to a change in the monthly customer counts or average usage per customer due to weather, conservation and efficiency, or other factors. The essence of this approach is to recapture the revenues that would have been lost if either or both the average consumption per customer or the customer count differed from the levels that were used in establishing the residential rates. This mechanism also has the effect of refunding to customers over collections that can result from unusually high consumption, such as extreme or prolonged heat waves. The mechanics of this approach are explained

below. The indicated spreadsheet cell and column notations refer to DPU Exhibit 15.3 Phase II.

Total fixed distribution cost (FDC) will be determined through this and succeeding rate cases. The Commission-determined cost of service results will serve as the basis for determining FDC. The allowed annual residential revenue per customer to collect the residential FDC is calculated by dividing the test period residential fixed distribution costs by the test period average residential customer count (cell D39, DPU Exhibit 15.3 Phase II[1]). A portion of this allowed revenue per customer will be collected with the current customer charge $3.00 per month) and the rest would be collected volumetrically (allowed annual revenue per customer minus the annual revenue collected with the customer charge) (E39). This allowed revenue per customer to be collected volumetrically is then spread across the months (Column G) in proportion to each month's share of the revenue per customer (Column F) to obtain the monthly allowed revenue per customer. Similarly, the test year average customer count (C39) is spread across the months (Column I) using the proportion of each month's average customer count to the average annual customer count (Column H). Multiplying the monthly revenue per customer by the test period monthly number of customers and adding the product across the twelve months of the year, yields the allowed test period revenues to collect the residential fixed costs (J 26).

Suppose that a true-up exercise is conducted 6 months after the decoupling is implemented. The monthly actual revenues during these 6 months (Column M), obtained

[1] Only the cell numbers or columns are referenced going forward.

by multiplying the actual kWhs (Column K) by the fixed cost recovery rates per kWh (I39), are compared to the monthly allowed revenue (Column J) calculated by multiplying the monthly allowed revenue per customer (Column G) by the actual monthly customer count (Column I). The difference (Column J minus Column L) is put into the balancing account (Column M). A positive difference in any month means that the Company has under-collected its allowed revenue for that month. Summing these differences (Column M) across the six months yields the total amount of money the Company has under/over collected. In this example, the Company needs to collect an under recovered amount of $3,896,191 (M27).

The $3,896,191 will be amortized over the next 12 months. The amortization rate is calculated by dividing the $3,896,191 by the total kWh of the next 12 months (E43). The revenues that the Company will collect over the next 12 months to cover its fixed costs (Column O) will be obtained by multiplying the monthly kWh by the sum of allowed fixed cost recovery rate per kWh (I39) and the per kWh amortization rate (E44).

Q. Does the above described revenue decoupling mechanism imply that the allowed revenue collected to recover the distribution fixed cost will change between rate cases only by changes in the number of customers?

A. Yes. The allowed revenue to recover the distribution fixed cost is a function of the number of customers and not the usage per customer. Thus, the allowed revenue will increase or decrease only with an increase or decrease in the number of customers.

However, the amount of money that is accruing into the balancing account is not a function of only the allowed revenue, but also the actual revenue, which is a function of the sales volume. Therefore, the amount of money that is accruing into the balancing account will change both with the number of customers and the sales volume.

Q. How would the balancing account be managed?

A. As I mentioned earlier, I am proposing that the balancing account be trued-up once every six months. Dr. Powell explains the Division's reasons for choosing semiannual true-ups in this balancing account. Any amount of money that is accrued in the account will be amortized over the forecasted kWh for the next 12 months. That is, the dollars in the balancing account at the end of the sixth month will be distributed evenly over the total kWh of the next 12 months. The resulting $/kWh would be added to the fixed cost recovery per customer to obtain the per kWh charge for the next six months. This will result in the volumetric rates changing slightly up or down once every six months. However, to avoid any serious swings in rates during the pilot program, the Division proposes a 2.5% cap on the amount of additional charge or refund. Additionally, the Division proposes a 5% cap on the total amount that can be accrued to the balancing account in any given 12 months. These caps, which are the same as currently used for Questar's conservation enabling tariff, are explained in detail herein and in Dr. Powell's testimony.

Q. Will the adoption of the proposed revenue decoupling mechanism have implications on the Company's willingness to minimize the costs associated with the provision of the desired service quality and safety standards?

A. Yes. The Company wants to maximize its profit. With the revenues fixed, the only way the Company could increase its profit is by minimizing its cost. Therefore, the Company will have the same incentive to minimize costs with or without revenue decoupling. Dr. Powell will discuss in his testimony more about the incentives associated with the proposed mechanism.

Q. The proposed revenue decoupling mechanism described above protects RMP from revenue losses resulting from reduced energy sales due to energy efficiency programs. Are there any other causes of reduced sales besides energy efficiency?

A. Yes. Besides energy efficiency, sales volume could be adversely affected by cool summer or warm winter temperatures, current inclining rates, and macroeconomic fluctuations, just to name some. RMP currently does not have a weather normalization adjustment to customer's energy usage to protect them from revenue losses due to changes in the weather conditions. This puts RMP at risk of not collecting its distribution fixed costs. Similarly, if the customers respond to the price signals given by the inclining block rates, the Company may risk not collecting its fixed costs. This proposed revenue decoupling is designed to protect the Company from these types of revenue risks thereby removing the disincentives it faces to promote inclining block rates that promote energy efficiency.

Q. What would be the expected rate impact of the proposed decoupling mechanism?

A. Though there are some who would claim that the decoupling would result in more frequent and significant rate increases, there is no evidence to suggest that. A study on

the rate impact of gas and electric utility decoupling conducted by Ms. Lesh[2] indicates that "decoupling adjustments are both refunds to customers as well as charges and tend to be small." Lesh found that the magnitude of the adjustment is plus or minus $2 per month for electric customers.

The bill impact of the proposed decoupling mechanism can best be viewed by investigating what the bill impact would have been had the proposed decoupling mechanism been adopted in the last rate case. DPU Exhibit 15.4 Phase II shows that a true-up conducted after six months of implementation of the mechanism would result in a refund to customers of 0.009 cents per kWh. The true-up that would be conducted six months after the first would result in customer surcharge of 0.0113 cents per kWh. Therefore, the rate impact of the proposed decoupling mechanism could go either way (surcharge or refund to customers) and could be expected to be relatively small. However, as a precaution to any possible detrimental impact to either the customers or the Company, the Division proposes that this mechanism be implemented as a pilot project, have caps on balancing fund accruals and amortization amounts, and be closely monitored.

Q. Can you explain the caps you are proposing?

A. The Division is proposing a cap on the amount of money that could be accrued in the deferred account and cap on the money that could be amortized in any given 12-month period corresponding to the semi-annual true-ups. In any 12-month period, the

[2] Lesh P. M., 2009. Rate Impact and Key design Elements of Gas and Electric Utility Decoupling: A Comprehensive Review. The Electricity Journal. Vol.22. Issue 8. Pp. 65-71.

Company may not accrue in the deferred account more than 5% of the authorized annual DFC. The Company may also not amortize DFC revenue accrual more than 2.5% of the authorized total DFC revenue for the previous 12-month period at the time of the application. The purpose of these caps is to avoid extreme swings in the rates. The Residential Distribution Fixed Cost Tariff, DPU Exhibit 15.9 Phase II, explains how the proposed pilot project would work in more detail.

III. RESIDENTIAL RATE DESIGN

Q. What are the Division's Rate Design objectives?

A. Based on the state code, the Division's rate design objectives are for the rates to be stable, simple, understandable and acceptable to the public, economically efficient, to promote fair apportionment of costs among individual customers within each customer class with no undue discrimination, and to protect against wasteful use of utility services (UCA 54-4a-6.)

Q. What are the Division's guiding principles to achieve these objectives?

A. To balance these objectives, Lowell Alt, a former Division employee, developed guiding principles consistent with the Division's statutory obligation. These guiding principles, with some modifications necessitated by the changes in operating conditions, are as follows[3]:

1) *Simple* – Simple rates are likely to be accepted by customers. Tariff descriptions should be clear, unambiguous and understandable by the public.

[3] Docket No. 97-035-01, Direct Testimony of Lowell E. Alt, Jr. pages 24-25.

2) *Correct price signal* – if rates are correctly based on costs, customers can make the right decision about energy use including energy conservation decisions. A complicated rate that is not understood cannot be a good price signal. Some customer classes are better able to understand complicated rates than others.

3) *Multi-part rates* – three part rates with customer, energy, and demand components will more fairly apportion the costs among individual customers than one or two part rates. However, a demand component for the residential class is normally not recommended since the added cost of demand meters usually outweighs the benefit of better cost apportionment.

4) *Gradualism* – to promote rate stability and to minimize impacts on individual customers, rate changes should be done gradually.

5) *Marginal and embedded costs* – regulated rates must recover the embedded revenue requirement of a rate schedule. Marginal and average unit embedded costs should be reviewed and taken into account when setting prices.

6) *Customer charges* – costs that generally increase with the number of customers, but are not caused by each customer should be excluded from the customer charge and instead be included within the commodity portion of rates. This customer charge position was stated by the PSC in its Order in Mountain Fuel Case No. 82-057-15.

Q. These principles were developed over ten years ago. Are there any new principles or points of emphasis in the Division's principle?

A. Yes. While not a wholly new principle, in recent years the Division has come to place a greater emphasis on energy efficiency and conservation as important policy goals.

This is especially the case in the current economic and policy environment that Utah faces.

This rate case is largely driven by the need to build new generating facilities and to account for increasing fuel prices. In general terms, there are many conservation and efficiency measures that customers can undertake that can mitigate (if not eliminate) these issues and at a low overall cost. Demand reduction is a cost-effect strategy in an environment of rapidly rising energy costs.

The Division's increased emphasis on efficiency and conservation also follows the increased recognition, both within Utah and elsewhere, that energy use imposes costs upon society generally that are not recovered in customers' rates. While these costs (emissions, for instance) are difficult to quantify at this time, they suggest that an emphasis on cost-effective demand reduction has even greater benefits than those that can be accounted for in first-order economic costs.

The Division's proposed decoupling mechanism along with the rate designs for residential customers will help achieve this energy efficiency goal while at the same time minimizing the Company's risk of not recovering its DFC.

Q. What are the Division's recommendations in relation to Schedule 1 Rate Design?

A. If the Commission adopts the above proposed decoupling mechanism and the rate spread proposed by the Division in phase I of this rate case, the Division would recommend keeping the monthly residential customer charge at its current level of $3, eliminating the minimum bill, increasing the tail block rate to encourage high usage

customers to use energy more efficiently, and increasing the first and second block rates and winter rate slightly. The Division has alternative proposals if the Commission rejects the Division's proposed decoupling mechanism or rate spread or both. These alternative rate design proposals will be discussed later in my testimony.

Q. What are the Division's justifications for keeping the monthly residential customer charge at its current level, $3?

A. Though the monthly residential customer charge calculated per the Commission approved methodology is more than $3 and the Division recommended, in the most recent rate cases, that the monthly customer charge be set at its cost based level, the Division believes that with the adoption of the proposed decoupling mechanism, the Company will no longer face with the risk of not being able to collect its fixed distribution costs. Hence, the need to increase the customer charge is no longer as urgent if the decoupling mechanism is adopted.

The monthly residential customer charge calculated per the Commission approved methodology is $3.83 (DPU Exhibit 15.2 Phase II). Raising the customer charge to this level will leave not enough money for the non-basic charges to effectively send the appropriate price signals to induce customers to use energy more efficiently. Furthermore, the adoption of the decoupling mechanism will mitigate the Company's risk of not being able to collect its DFC, therefore, the Division does not believe that raising the customer charge is needed at this time. For this case, raising the tail block rate is a higher priority.

Q. How did the Division calculate the monthly residential customer charge?

A. DPU Exhibit 15.2 Phase II shows the Division's calculated monthly residential customer charge. This calculation is based on the Division's guiding principles stated earlier and the Commission's accepted methodology for calculating the customer charge. The Division's calculations included only those items that the Commission has previously recognized as appropriate to be included in a customer charge.

Q. What specifically has the Commission recognized as belonging in the customer charge?

A. In its Rate Design and Spread Issues Report and Order in Case No. 84-035-01, dated on July 1, 1985, the Commission stated the following:

5. *The Commission has previously made the finding (Mountain Fuel Supply Company Case No. 82-057-15) that a customer charge results in the payment by each customer of those costs that he imposed upon the system, which are independent of actual energy consumption during a given month. A customer of UP&L, who uses no electricity in a given month, must nonetheless have his meter read, be issued a billing statement and have his meter maintained in good operating conditions. Those activities represent costs to UP&L. We find that a customer charge, as opposed to a minimum billing, allows such costs to be recovered reasonably and properly.*

One needs to recognize that the list in the above Commission statement is not comprehensive and the Commission did not intend to make it comprehensive of all fixed costs. Rather, the Commission's intent was to include all individual-customer-related costs into the customer charge. For example, the above Commission statement does not

include the meter, service drop, and their respective depreciations which all rightfully are costs that the customer imposes on the system regardless of energy consumption.

Q. Rocky Mountain Power proposed to increase the monthly customer charge from $3.00 to $5.55. Do you agree with its proposal?

A. No. Rocky Mountain Power calculated the customer charge by dividing the total revenue requirement (meters, services, poles and conductors, transformers, and retail fixed costs) associated with the distribution fixed cost by the average customer count. The customer charge calculated this way was $23.64. However, RMP proposed a customer charge of $5.55. This increase from $3.00 to $5.55 represents virtually all of their proposed revenue increase for the residential classes.

The method the Company used to calculate the customer charge is contrary to the Commission approved methodology and over estimated the customer charge. The Company proposed customer charge is approximately 45% higher than the one calculated using the Commission approved methodology ($3.83) (DPU Exhibit 15.2 Phase II). Therefore, the Division believes that the Company proposed customer charge is inappropriate and will result in that approximately 97% of the revenue increase to be collected with a customer charge. Pushing more revenue into the fixed portion of a customer's bill would not promote energy efficiency.

Q. Rocky Mountain Power is also proposing no increase in any of the residential volumetric rates. Would you comment on that proposal?

A. Yes. This proposal does not recognize the need for customers to use energy efficiently. Utah has a high summer peak that is growing and is expensive to serve. The rate design must reflect this simple fact. A rate design that increases the tail block considerably would induce customers to use energy more efficiently.

Q. Would you like to propose a rate design for the residential customers?

A. Yes. The Division proposes a rate design that decouples the revenues associated with the distribution fixed cost from the energy sales. The Division also proposes that the customer charge be kept unchanged from its current level of $3, the minimum charge be eliminated, the summer first and second block rates and the winter block rate be increase by 1% from their respective current levels, and the tail block be increased from its current level of 11.1216 cents to 12.3908 cents (an 11.4% increase) to a more appropriate price signal to the customers with usage levels higher than 1,000 kWh. DPU Exhibit 15.5 Phase II summarizes the Division's proposed residential rate design.

Q. What is the bill impact of your proposed residential rate design?

A. The bill impact of the Division's proposed rate design is reported in DPU Exhibit 15.6 Phase II. This exhibit shows that the bill impact for the Division's proposed summer rates sends the appropriate price signals to the high usage customers while having a minimal impact on low usage customers. Customers with a usage level of up to 1,000 kWh will see an increase of less than a dollar in their summer monthly bills. Customers with usage levels between 1,000 kWh to 2,000 kWh will see a substantial increase in their summer monthly bills ranging from $2.15 per month for those with a usage level of 1,100 kWh to $33.26 per month for those using 2,000 kWh.

The Exhibit also shows that the proposed rate design will raise the monthly winter bills by less than $1 and less than $2 for low and high usage customers respectively. Hence, the proposed rate design sends the appropriate price signals and therefore promotes energy efficiency during the high-cost summer months while removing the Company's disincentives towards energy efficiency.

Q. Your proposed rate design is based on the premise that the Commission will adopt the Division's proposed decoupling mechanism. Do you have an alternative rate design proposal if the Commission rejects your proposed decoupling mechanism?

A. Yes. The purpose of my proposed decoupling mechanism was to promote energy efficiency by increasing the tail block without subjecting the Company to the risk of not being able to collect its fixed costs. In the case where the Commission chooses not to adopt the proposed decoupling mechanism, the Division proposes an alternative rate design that would still encourage energy efficiency while reducing the Company's vulnerability to the risk of under-collecting its distribution fixed cost. The specific alternative rate design proposal is to increase the customer charge by approximately half way between its current level of $3.0 and the cost based level calculated based on the Commission approved methodology, $3.83 rounded to the nearest cent and to eliminate the minimum charge. Specifically, the Division proposes the customer charge to be set at $3.40. The Division also proposes an increase in the summer first and second block rates and the winter rate by 1% each, and the summer third block by approximately 8.5%. Such a design would collect most of the distribution fixed cost on a customer charge minimizing the Company's risk of not being able to collect its distribution fixed cost. It

also sends the appropriate price signal to induce all customers regardless of their usage level to use energy efficiently. This is specially so for high usage customers. DPU Exhibit 15.7 Phase II summarizes the Division's proposed residential rate design.

Q. What is the bill impact of your proposed alternative residential rate design?

A. The bill impact of the Division's proposed alternative rate design is reported in DPU Exhibit 15.8 Phase II. This exhibit shows that the bill impact for the Division's proposed summer rates is minimal for low energy users and substantial for high energy user. Customers with a usage level up to 1,000 kWh will see bill increases ranging from $0.33, for those who use 100 kWh to 1.1 for those who use 1,000 kWh. Customers with usage levels between 1,000 kWh to 2,000 kWh will see substantial increase in their summer monthly bills ranging from $2.07 for those with a usage level of 1,200 kWh to $25.25 per month for those using 2,000 kWh.

The Exhibit also shows that the proposed rate design has minimal bill impact during winter, less than $1 and $2 for low and high usage customers, respectively. Hence, the proposed rate design, while having minimal bill impact during winter, will promote energy efficiency during summer when we are more concerned about the increasing peak. It will also reduce the Company's risk in relation to collecting enough revenue to cover its distribution fixed cost.

Q. What was the Division's general approach to the remaining rate classes?

A. The Division was in general agreement with the Company's proposals for the remaining rate classes. However, since the Company's original request was premised an approximately $66 million rate increase and the Commission has ordered instead a $34

million increase, we are proposing to decrease by one half the customer charge increasess that the Company proposed for the major non-residential classes. We also are not contesting the basic structures of these other classes in this case.

Q. What rate design would you propose for Schedule 6 customers?

A. The Division's proposal is summarized in DPU Exhibit 15.10 Phase II. In short, the Division proposes that the customer charge be increased from $27 to $36 and to increase the demand and energy charges 1.84% both during the summer and winter months.

During the last few rate cases, the Division proposed a bigger increase in the energy charge then in demand charge. With that proposal, the Division was trying to undo the disproportionate high payments by those low load factor customers that was imposed during the 04-035-42 rate case. Because of the heterogeneity of the customers in this class, it is difficult to design rates that would encourage energy efficiency and conservation. Increasing the demand or energy charge more proportionately than the other would disproportionately hurt the low or high load factor customers. The Division, though it believes that increasing the energy charge relative to the demand charge may promote energy efficiency, recommends that further study be conducted to objectively determine how this heterogeneous class be handled.

Q. What is the bill impact of your proposal?

A. DPU Exhibit 15.15 Phase II shows that the percent bill increase is higher for those customers with low load factor than those with high load factor even though the energy and demand charges were increased equally. Increasing the energy charge more than the

demand charge would impact more on the high load factor customers. This shows the need for further study as to how to manage and design rates for this class.

Q. What rate design would you propose for Schedule 8?

A. The Division's proposal is summarized in DPU Exhibits 15.11 Phase II. For this Schedule, the Division proposes that the customer charge be increased from its current level of $27 to $41. The Division also proposes that to collect the remainder of the revenue increase, the energy and demand charges be increased 2.16% each. Because the current basic rate designs are seen as just and reasonable by the Commission, the Division proposes no changes to these rate design structures.

Q. What are the bill impacts of your proposal for Schedules 8?

A. DPU Exhibits 15.16 Phase II shows the bill impacts of the Division's proposed rate design for Schedule 8. These exhibits show that the bill impact is relative the same for all customers regardless of the demand and usage levels. The specific bill impacts is approximately 2.1%.

Q. What rate design would you propose for Schedule 9?

A. The Division's proposal is summarized in DPU Exhibits 15.11 Phase II. The Division proposes no change in the basic rate structure for this class except scaling the rates up to collect the Commission approved revenue increase. The Commission considered the current rate structure as just and reasonable. Therefore, the Division proposes the customer charge be increased from its current level of $183 to $192 and to increase the demand and energy charges by 3.52% each.

Q. What are the bill impacts of your proposal for Schedule 9?

A. DPU Exhibits 15.17 Phase II shows the bill impacts of the Division's proposed rate design for Schedule 9. These exhibits show that the bill impact is relative the same for all customers regardless of the demand and usage levels. The specific bill impact is approximately 3.5%.

Q. What rate design would you propose for Schedule 10?

A. The Division's proposal is summarized in DPU Exhibits 15.18 Phase II. For this Schedule, the Division proposes no change in the rate design except adjusting the current rates to collect the Commission approved revenue increase. This will amount to increasing both the demand and energy charges by 4.23%. The also proposes that annual customer service charge-secondary and monthly customer service charge be increased from their respective current levels of $29 and $11, respectively, to $30 and $11.5, respectively.

Q. What are the bill impacts of your proposal for Schedules 10?

A. DPU Exhibits 15.18 Phase II shows the bill impacts of the Division's proposed rate design for Schedule 10. These exhibits show that the bill impact is the same for all customers regardless of the demand and usage levels. The specific bill impact is approximately 4.2%.

Q. What rate design would you propose for Schedule 23?

A. The Division's proposal is summarized in DPU Exhibits 15.19 Phase II. For this Schedule, the Division proposes that the customer charge be increased from its current

level of $6 to $7. The Division also proposes that to collect the remainder of the revenue increase, the energy and demand charges be scaled up 1.39%. Because the current basic rate designs are seen as just and reasonable by the Commission, the Division proposes no changes to these rate design structures.

Q. What are the bill impacts of your proposal for Schedule 23?

DPU Exhibit 15.19 Phase II shows the bill impact of the Division's proposed rate design for schedule 23. This exhibit shows that within the low load sizes, the percentage bill impact decreases with the energy consumption level. This should not be taken as that dollar increase in the bill gets smaller as energy consumption increase. Rather, it increases. For higher load sizes, the bill impact remains relatively the same with an increase in consumption level.

Q. Does this conclude your Phase II direct testimony?

A. Yes, it does.