

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

_____)
In the Matter of the Rocky Mountain Power)
Proposed Schedule 94, Energy Balancing)
Account (EBA) Pilot Program Tariff)
_____)

Docket No. 11-035-T10

ERRATA TO

Direct Testimony and Exhibits of

Maurice Brubaker

On behalf of

Utah Industrial Energy Consumers

Project 9535
February 27, 2012

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BRUBAKER & ASSOCIATES, INC.
CHESTERFIELD, MO 63017

193 Adding to the importance of clarity as to content and procedures, is the fact
194 that there is only a relatively limited time (currently proposed to be approximately 45
195 days) for the Division to complete its evaluation. If the Division has to go back and
196 forth with RMP over discovery issues, it simply detracts from and reduces the time
197 available to perform a comprehensive evaluation.

198 **Q ARE YOU FAMILIAR WITH THE DRAFT DIVISION REPORT ON THE EBA PILOT**
199 **PROGRAM EVALUATION PLAN?**

200 A Yes. This report outlines some of the items that the Division proposed to have RMP
201 supply as an aid in its auditing process.

202 **Q HOW DOES THIS RELATE TO THE EBA TARIFF?**

203 A The EBA tariff sets forth the items properly included in the EBA. The audit report
204 addresses the information that should be supplied in order to allow the Division and
205 other parties to evaluate the propriety of the EBA costs claimed by RMP. UIEC
206 submitted comments to the DPU filed comments on February 13, 2012 expanding on
207 its view of the procedures that should be followed and the information that should be
208 provided by RMP (attached as Exhibit UIEC (MEB-3)). It is worth emphasizing
209 that in order to conduct an adequate prudence review of the costs and revenues that
210 are components of the EBA, substantial detail on individual transactions and
211 disclosure of parties to the transaction are required. It is not sufficient simply to report
212 total categories of transactions or total dollars of transactions by party. Rather,
213 individual detail about the specific contracts and transactions must be provided. This
214 includes not only the specific amounts of costs at issue, but also requires a
215 comprehensive disclosure of the price-risk management plan and the details of the

216 transactions executed in pursuance of that plan. Reference is made to those UIEC
217 comments for elaboration on the detail of the information that should be provided.

218 **Contract Customers**

219 **Q WHAT DOES THE TARIFF SAY ABOUT RETAIL CONTRACT CUSTOMERS?**

220 A In pertinent part, the “Application” paragraph on Original Sheet No. 94.1 states:

221 “This Schedule shall be applicable to all retail tariff Customers taking
222 service under the terms contained in this Tariff and to retail contract
223 customers taking service under the terms of a contract to the extent
224 authorized by, and according to the terms of, the governing contract.”

225 I believe the language is potentially confusing, and in any event unnecessary.
226 An EBA tariff sheet should only state that it is not applicable to retail contract
227 customers, which I believe is provided in the statute, UCA § 54-7-13.5(2)(f). This
228 approach allows the terms of each retail contract to stand separately and govern the
229 relationship between the contract customer and RMP without confusing references
230 back to EBA tariff sheets which may or may not be applicable to a contract. Similar
231 language changes should be made on Sheets 94.4 and 94.5.

232 **Deferral Formula**

233 **Q HAVE YOU STUDIED THE EBA DEFERRAL FORMULA SET FORTH ON**
234 **ORIGINAL SHEET NOS. 94.4 AND 94.5?**

235 A Yes.

236 **Q WHAT IS YOUR UNDERSTANDING OF THE “S” OR SCALAR TERM?**

237 A First, it is appropriate to interpret the Scalar in the context of the allocation of total
238 company Fuel and Purchased Power Costs (“F&PP Costs”) to Utah retail customers.
239 There are two different allocation factors that are used to allocate these costs to Utah.

