

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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	)	<b>DOCKET NO. 11-035-T10</b>
	)	
	)	<b>Exhibit No. DPU 2.0SR</b>
In the Matter of the Rocky Mountain Power	)	
Proposed Schedule 94, Energy Balancing	)	
Account (EBA) Pilot Program Tariff	)	<b>Sur-rebuttal Testimony and</b>
	)	<b>Exhibits</b>
	)	
	)	<b>Matthew Croft</b>

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

**Sur-rebuttal Testimony of**

**Matthew Croft**

**April 5, 2012**

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

2 A. My name is Matthew Allen Croft. I am employed by the Utah Division of Public Utilities  
3 (“Division”) as a Utility Analyst.

4 **Q. What is your business address?**

5 A. Heber M. Wells Office Building, 160 East 300 South, Salt Lake City, Utah, 84111.

6 **Q. Did you testify previously in this docket?**

7 A. Yes. I provided direct and rebuttal testimony in this docket.

8 **Q. What is the purpose of your testimony?**

9 A. I will first summarize other parties’ comments with regards to my recommended medium  
10 level of FERC detail. I will then more directly address the comments by Rocky Mountain  
11 Power (Company) witness Mr. McDougal in his rebuttal testimony.

12 **Q. What are the reactions of the other parties to your recommended medium level of**  
13 **FERC detail?**

14 A. Although UIEC witness Mr. Brubaker recommended more transparency and greater FERC  
15 account detail in his direct testimony, he did not comment on my medium detail in his  
16 rebuttal testimony. Mr. Gimble for the Office of Consumer Services has accepted<sup>1</sup> my  
17 medium level of FERC detail. Company witness Mr. McDougal believes the medium level  
18 of detail is not necessary.<sup>2</sup>

19 **Q. Will you please reiterate what the Commission’s order said with respect to the detail to**  
20 **be included in the tariff?**

21 A. Yes. Page 76 of the March 3<sup>rd</sup> EBA Order states:

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<sup>1</sup> See Mr. Gimble’s rebuttal testimony lines 247-249.

<sup>2</sup> See Mr. McDougal’s rebuttal testimony lines 20-22.

22 We direct the Company to file a revised Schedule 94 for our approval which  
23 provides the equation for the balancing account noted above and itemizes each  
24 FERC account and subaccount approved for balancing account treatment, similar  
25 to the Questar Gas Company gas balancing account tariff. The description must  
26 also explain in detail the types of adjustments the Company intends to make to  
27 actual costs booked.  
28

29 **Q. Based on the Commission's direction to the Company, do you believe your medium**  
30 **level of detail to be necessary?**

31 A. Yes. I believe the Commission wanted the Company to "explain in detail the types of  
32 adjustments the Company intends to make to actual costs booked." It's important to  
33 remember that "actual costs booked" are assigned to a particular FERC account. The FERC  
34 accounts included in the EBA (as directed by the Commission) are not in and of themselves  
35 "Net Power Cost"("NPC") or "EBA Cost"("EBAC") accounts. Each of the Commission  
36 approved FERC accounts are specifically defined in the Code of Federal Regulations and  
37 include NPC or EBAC as well as other types of costs. Therefore, it becomes necessary to  
38 filter out these other types of costs through adjustments to booked costs and indicate what the  
39 FERC subaccount and/or SAP account number is as well as the title of the subaccount or  
40 SAP account if one exists. The Company's proposed tariff does not include any FERC sub  
41 account or SAP account numbers. From an analyst standpoint, the Company's proposed tariff  
42 "explains in general" the adjustments the company intends to make rather than "explains in  
43 detail" those adjustments, which is what I understand the Commission wanted.

44 **Q. In your direct testimony you mentioned that SAP accounts may change as the business**  
45 **itself changes. If this is the case, why have a detailed listing as you have proposed?**

46 A. In general, I believe the vast majority of sub-accounts or SAP accounts will remain the same.  
47 Such was the case when I recently compared some of the 2010 sub-account and SAP account

48 detail to the sub-account and SAP account detail used in the October 2011 to December 2011  
49 time period. Since the changes from year to year are not expected to be significant I believe  
50 the medium level of detail I have proposed will still provide a valuable tool to the analyst. In  
51 fact, when sub-accounts or SAP accounts do change it will help the analyst focus in on  
52 specific areas that may need more careful review.

53 **Q. While the medium level you have proposed may be useful to the analyst, what about the**  
54 **understandability of the tariff for customers?**

55 A. This appears to be the Company's only concern<sup>3</sup> with regards to the medium level of detail I  
56 have proposed. I believe the tariff serves a dual purpose. One purpose is to help customers  
57 understand their electric utility rates. A second purpose is to provide the regulators and other  
58 parties with guidelines to audit, analyze, or otherwise review actions by the Company to see  
59 if it is compliant. I acknowledge that my medium level of detail would present more  
60 information for the customer to understand but it would better reflect what the Company  
61 intends to include or exclude from the FERC accounts used for the EBA.

62 **Q. Is there a solution for balancing customer understandability with analyst usefulness?**

63 A. Yes. A simple solution would be to leave the Company's proposed FERC detail as proposed  
64 but include a sentence that states something to the effect of, "For further detail on specific  
65 exclusions and inclusions refer to the detail included at the end of the tariff." The medium  
66 level of detail I have proposed would then be added to the end of the tariff. I believe this  
67 solution would both satisfy the Company's concern over customer understandability and my  
68 concern of analyst usefulness and meeting the Commission's direction.

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<sup>3</sup> See Mr. McDougal's rebuttal testimony lines 20-21.

69 **Q. Do you agree with Mr. McDougal’s statement on lines 34-36 that “it would make no**  
70 **sense to include all of the FERC accounts that make up the revenue requirement**  
71 **underlying each of the Company’s general tariffs?”**

72 A. Yes. However, there is no tracking of a comparison between actual costs and revenues and  
73 base costs and revenues associated with general rates. General rates simply are what they are.  
74 In the case of a settlement we may not even know what FERC accounts are included in rates.  
75 Again, page 76 of the Commission’s March 3<sup>rd</sup> Order states, “The description must also  
76 explain in detail the types of adjustments the Company intends to make to actual costs  
77 booked.” I believe my medium level of detail, while not actually depicting every FERC  
78 sub-account or SAP account, provides adequate detail of the adjustments the Company  
79 intends to make to actual costs booked.

80 **Q. Does that conclude your testimony?**

81 A. Yes.