

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application)	Docket No. 13-035-184
Of Rocky Mountain Power for)	
Authority to Increase Its Retail)	Rebuttal Revenue Requirement
Electric Utility Service Rates in Utah)	Testimony of
and for Approval of Its Proposed)	Cheryl Murray
Electric Service Schedules and)	for the
Electric Service Regulations)	Office of Consumer Services

June 4, 2014

1 **Q. WHAT IS YOUR NAME, TITLE, AND BUSINESS ADDRESS?**

2 A. My name is Cheryl Murray. I am a utility analyst for the Office of Consumer
3 Services (Office). My business address is 160 East 300 South, Salt Lake
4 City, Utah.

5 **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN THIS DOCKET?**

6 A. Yes, I provided Direct Testimony on May 1, 2014.

7 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

8 A. I will briefly comment on the direct testimony of Utah Industrial Energy
9 Consumers (UIEC) witness Jonathan A Lesser.

10 **Q. ARE THERE OTHER WITNESSES WHO WILL PRESENT REBUTTAL
11 TESTIMONY ON BEHALF OF THE OFFICE?**

12 A. Yes, Donna Ramas will respond to the direct testimony of Federal Executive
13 Agencies witness Greg R. Meyers, Utah Association of Energy Users (UAE)
14 Witness Kevin C. Higgins, and Division of Public Utilities (DPU) witnesses
15 Matthew Croft, Richard S. Hahn, David T. Thomson and Artie Powell. Philip
16 Hayet will address a net power cost adjustment (NPC) related to wind
17 integration charges recommended in the direct testimony of DPU witness
18 George Evans and UAE witness Kevin Higgins as well as presenting a
19 refinement to his own direct testimony on line losses. Both Ms. Ramas and
20 Mr. Hayet presented direct testimony on May 1, 2014.

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24 *Direct Testimony of Jonathan Lesser*

25 **Q. DOES DR. LESSER MAKE ANY RECOMMENDATIONS IN HIS DIRECT**
26 **TESTIMONY?**

27 A. In his direct testimony Dr. Lesser makes several recommendations
28 including that: 1) Rocky Mountain Power (Company or RMP) should charge
29 all retail customers the same Federal Energy Regulatory Commission
30 (FERC) approved OATT rate for transmission services that wholesale
31 transmission customers pay; 2) RMP should discard its practice of
32 functionalizing transmission costs and using the 75-25 classification formula
33 to allocate fixed transmission costs; 3) the existing 75-25 classification
34 formula should be abandoned, fixed costs should not be allocated based on
35 energy consumption; and 4) the Public Service Commission (Commission)
36 should consider a more “efficient pricing approach”, such as a straight fixed
37 variable (SFV).

38 **Q. WHAT IS THE OFFICE’S VIEW OF DR. LESSER’S RECOMMENDATION**
39 **TO USE THE FERC OATT RATES FOR ALL CUSTOMERS?**

40 A. Dr. Lesser’s assertion that retail customers should be charged the FERC
41 OATT rate is offered without support. The Office is unable to adequately
42 assess whether this proposal may have merit. Dr. Lesser should have
43 presented additional supporting information specifically demonstrating the
44 rate impact, revenue requirement impact, and cost of service impact to
45 enable parties to fully evaluate the merit of his proposal. The Office believes
46 that it may be useful to evaluate Dr. Lesser’s proposal at some point in time,

47 but asserts that any evaluation of using the FERC OATT rate for retail
48 customers should not take place in this docket since there is inadequate
49 time remaining to fill out the record sufficiently to conduct a full analysis and
50 evaluation of his proposal.

51 **Q. WHAT IS THE OFFICE'S VIEW OF DR. LESSER'S OTHER THREE**
52 **RECOMMENDATIONS YOU IDENTIFIED ABOVE?**

53 A. The Office asserts that his testimony on the functionalization of transmission
54 costs, abandoning the 75-25 classification formula and the use of a "more
55 efficient pricing approach" is misplaced and more appropriately belongs in
56 the cost of service/rate design phase (Phase II) of this case.

57 **Q. DOES THE OFFICE INTEND TO OFFER FURTHER TESTIMONY**
58 **REGARDING MR. LESSER'S RECOMMENDATIONS?**

59 . Yes. As stated above the Office asserts that much of Dr. Lesser's
60 testimony, along with any analysis he can provide, is more appropriate in
61 the cost of service/rate design phase of this case. In fact on May 22, 2014,
62 Dr. Lesser did submit additional testimony in Phase II of the case. To the
63 extent that the Office has rebuttal testimony addressing Dr. Lesser's
64 recommendations regarding the functionalization of transmission costs, the
65 use of the 75-25 classification formula and the straight fixed variable pricing
66 approach, we will provide such response in cost of service/rate design
67 rebuttal testimony on June 26, 2014.

68 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

69 A. Yes, it does.