Q. Please state your name, business address and present position with PacifiCorp, dba Rocky Mountain Power ("the Company").

A. My name is Joelle R. Steward. My business address is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232. My present position is Director of Pricing, Cost of Service, and Regulatory Operations in the Regulation Department.

Qualifications

Q. Briefly describe your educationa and professional background.

A. I have a B.A. degree in Political Science from the University of Oregon and an M.A. in Public Affairs from the Hubert Humphrey Institute of Public Policy at the University of Minnesota. Between 1999 and March 2007, I was employed as a Regulatory Analyst with the Washington Utilities and Transportation Commission. I joined the Company in March 2007 as Regulatory Manager, responsible for all regulatory filings and proceedings in Oregon. I assumed my current position in February 2012.

Q. Have you appeared as a witness in previous regulatory proceedings?

A. Yes. I have testified in regulatory proceedings in Idaho, Oregon and Washington.

Purpose of Testimony

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present the Company's proposed rate spread and rates in Schedule 94 to recover the Energy Balancing Account ("EBA") deferral account balance identified by Company Witness Mr. Brian S. Dickman for the 12-months ended December 31, 2012.

Proposed EBA Rate Spread

Q. What is the EBA deferral amount in this case for calendar year 2012 ("EBA-3")?

A. The total 2012 EBA deferral is $17.4 million, as shown in Table 1 of Dickman's testimony. As agreed to in the Stipulation approved by the Public Service Commission of Utah in Docket No. 11-035-200 ("2012 GRC"), the Company proposes to recover the balance over two years, or $8.7 million per year, beginning November 1, 2013. The Company will recover this amount in Schedule 94, in addition to the previous EBA deferral balances authorized for recovery in Docket No. 10-035-124 ("EBA-1") and Docket No. 12-035-67 ("EBA-2") that are currently reflected in Schedule 94.[1]

Q. How does the Company propose to allocate the EBA-3 deferral balance across customer classes?

A. The Company proposes to spread the EBA-3 deferral across customer rate schedules consistent with the NPC Allocator agreed to by the parties and approved by the Commission in the 2012 GRC. The NPC Allocator was included in the Stipulation in that proceeding in Exhibit A1, page 3 of 3.

Q. How does the Company propose to allocate the EBA-3 revenue to those customer classes that were not reflected in the NPC Allocator in the 2012 GRC?

A. There are three customer classes—Schedule 21, Schedule 31 and Contract

[1] In Docket No. 10-035-124 the Commission authorized the recovery of $60 million over three years, or $20 million per year, beginning June 1, 2012 (EBA-1). In Docket No. 12-035-67 the Commission authorizied the recovery of $7.8 million over two years, or $3.9 million per year beginning March 1, 2013 (EBA-2).

Customer 3—that were not included the Company's cost of service study in 2012 GRC and therefore not reflected in the NPC Allocator. The Company proposes to apply the same percentage change to these customer classes as Schedule 9 because: (1) the Schedule 21 and Schedule 31 customers are more similar to Schedule 9 customers than the other customer classes; and (2) the terms of the contract for Contract Customer 3 require that the customer pay the same EBA rate as Schedule 9 customers.

Q. How does the Company propose to collect the EBA-3 deferral after this adjustment to the NPC Allocator?

A. The results of the EBA-3 deferral spread based on the NPC Allocator are then proportionally adjusted for all customer classes to collect a total annual amount of $8.7 million, which is half of the total EBA-3 deferral for calendar year 2012.

Q. What present revenues and billing determinants are the Company proposing to use to allocate the EBA-3 deferral?

A. The Company has developed the rate spread using the Step 2 present revenues and the billing determinants from the 2012 GRC Stipulation approved by the Commission. The Step 2 rates in the 2012 GRC go into effect September 1, 2013, which is prior to the effective date of this tariff filing.

Q. How are the previously authorized EBA-1 and EBA-2 deferral balances reflected in Schedule 94?

A. The EBA-1 and EBA-2 allocated amounts are reflected exactly as approved by the Commission in their respective proceedings.

Q. Please describe Exhibit RMP___(JRS-1).

A. Exhibit RMP___(JRS-1) shows the proposed increase by rate schedule and applicable contract customer for EBA-3 in column 5. It also shows the previously authorized EBA allocations by rate schedule for EBA-1 and EBA-2 in columns 6 and 7, respectively, and the combined EBA revenue with the addition of EBA-3 in columns 8. The result of this filing is an overall increase of 0.5 percent, based on the forecast test period of 12-months ending May 2013 and the corresponding Step 2 present revenues from the 2012 GRC.

Proposed Rates for Schedule 94

Q. How were the proposed Schedule 94 rates developed for each customer class?

A. Consistent with the EBA Rate Determination provision in Schedule 94, the proposed rates for each customer class were determined by dividing the allocated EBA deferral amount to each rate schedule and applicable contract by the corresponding 2012 GRC Step 2 forecast Power Charge and Energy Charge revenues. The EBA rate is a percentage applied to the monthly Power Charges and Energy Charges.

Q. How does the Company propose to track the recovery of the three different deferral period amounts, EBA-1, EBA-2 and EBA-3?

A. The Company will track the recovery of the different deferral period amounts by proportioning the collections based on the percentage of each EBA deferral to the total EBA deferral, with the deferral amount to Contract Customer 2 excluded in the total EBA deferral and the calculations of the percentages. For example, excluding Contract Customer 2, the percentages of each EBA deferral to the total

EBA deferral are 62 percent, 12 percent and 26 percent for EBA-1, EBA-2 and EBA-3, respectively. The collection from Contract Customer 2 shall be applied to EBA-3 deferral balance only, consistent with the approved stipulation in Docket No. 12-035-67. As the three different amortization periods end for EBA-1, EBA-2 and EBA-3, the Company proposes to file to revise Schedule 94 as necessary, with any undercollection or overcollection to be captured in the balancing account.

Q. Please describe Exhibit RMP___(JRS-2).

A. Exhibit RMP___(JRS-2) contains the billing determinants and the calculations of the proposed EBA rates in this case. The Contract Customer 2 rate is designed to be recovered over 21 months, beginning January 1, 2014, consistent with the Stipulation in Docket No. 12-035-67.

Q. Please describe Exhibit RMP___(JRS-3).

A. Exhibit RMP___(JRS-3) contains the proposed tariff rate revisions for Schedule 94. It also contains a revision to Schedule 94 to reflect new FERC accounts used by the Company to track components of net power costs, as discussed by Mr. Dickman.

Q. Did you include workpapers with this filing?

A. Yes. Workpapers have been included with this filing that detail the calculations shown in my exhibits.

Q. Does this conclude your direct testimony?

A. Yes, it does.