

1 **Q. Please state your name, business address and present position with**
2 **PacifiCorp, dba Rocky Mountain Power (“the Company”).**

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

6 **Qualifications**

7 **Q. Please describe your education and professional background.**

8 A. I have a Bachelor of Arts degree in Political Science from the University of
9 Oregon and a Masters of Public Affairs from the Hubert Humphrey Institute of
10 Public Policy at the University of Minnesota. Between 1999 and March 2007,
11 I was employed as a Regulatory Analyst with the Washington Utilities and
12 Transportation Commission. I joined the Company in March 2007 as the
13 Regulatory Manager responsible for all regulatory filings and proceedings in
14 Oregon. I assumed my current position in February 2012, in which I direct the
15 work of the cost of service, pricing, and regulatory operations groups.

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

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

18 **Purpose of Testimony**

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

20 A. The purpose of my testimony is to address the Company’s proposed allocation of
21 the deferred Renewable Energy Credit (“REC”) revenues in the the REC
22 Balancing Account (“RBA”) and the resulting Schedule 98 REC rates in this case.

23 **Proposed REC Revenue Spread**

24 **Q. What is the total deferred REC revenue balance in this case?**

25 A. The total deferred REC revenue balance is a credit to customers of \$3.3 million,
26 as shown in Mr. Steven R. McDougal's Exhibit RMP____(SRM-1).

27 **Q. How does the Company propose to allocate the deferred REC revenue across**
28 **customer classes?**

29 A. The Company proposes to allocate the deferred REC revenue across customer
30 classes consistent with the Step 1 rate spread approved by the Public Service
31 Commission of Utah in Docket No. 11-035-200 ("2012 GRC"), with one
32 modification. Since the Step 1 rate spread in the 2012 GRC for Schedules 7, 11,
33 12 and 15 (Metered Outdoor Nighttime Lighting) was zero, the Company
34 proposes to calculate the deferred REC revenue spread in two steps: First, the
35 deferred REC revenue allocation for Schedules 7, 11, 12 and 15 (Metered
36 Outdoor Nighttime Lighting) is calculated with the total deferred REC revenue
37 times the percentage of these schedules' deferred REC revenue allocation from
38 last REC proceeding in Docket No. 12-035-68. Then, the rest of the deferred REC
39 revenues are allocated to the other customer classes consistent with the approved
40 Step 1 rate spread in the Company's 2012 GRC.

41 **Q. What is the rationale for the proposed allocation of deferred REC revenues?**

42 A. Previously, parties agreed to allocate the 2011 deferred REC revenues in Docket
43 No. 12-035-68 using the F10 allocation from the cost of service stipulation in the
44 2011 general rate case in Docket No. 10-035-124. However, the stipulation in the
45 2012 GRC did not include an explicit agreement by the parties for allocating the

46 2012 deferred REC revenues on the F10 allocation from the cost of service study.
47 Therefore, the Company proposes to use the overall allocation for the Step 1
48 general rate case increase agreed to by the parties in the 2012 GRC. Since the
49 lighting schedules noted above were not allocated an increase in the 2012 GRC
50 because of the cost of service results in that case, the Company proposes to
51 impute an allocation consistent with the previously agreed upon allocation for
52 these schedules. The Company's proposed allocation of 2012 deferred REC
53 revenue is reasonable and fair because it is consistent with cost allocations
54 previously agreed on by parties.

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

56 A. Exhibit RMP___(JRS-1) contains the Company's proposed rate spread. On an
57 overall basis, based on the forecast test period 12-months ending May 2013 from
58 the 2012 GRC, this proposal would result in an overall credit of 0.17 percent to
59 tariff customers in Utah. This is a slight reduction from the current credit in rates
60 of 0.23 percent.

61 **Proposed Rates for Schedule 98**

62 **Q. How were the proposed Schedule 98 rates developed for each rate schedule?**

63 A. Consistent with the previous REC filings, the proposed rate for each schedule was
64 developed as a percentage credit to apply to customers' Monthly Power Charges
65 and Energy Charges. The percentage was calculated by dividing each rate
66 schedule's allocated deferred REC revenue amount by the corresponding present
67 revenues.

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

69 A. Exhibit RMP___(JRS-2) contains the billing determinants and the calculations of
70 the proposed REC rates in this case.

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

72 A. Exhibit RMP___(JRS-3) contains the proposed Schedule 98 reflecting the new
73 rates. The Company requests that the proposed Schedule 98 rates become
74 effective on June 1, 2013.

75 **Q. Did you include workpapers with this filing?**

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

78 **Q. Does this conclude your direct testimony?**

79 A. Yes, it does.