

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	Docket No. 16-035-36
Rocky Mountain Power to Implement)	Rebuttal Testimony of
Programs Authorized by the)	Danny A.C. Martinez
Sustainable Transportation and)	For the Office of
Energy Plan Act)	Consumer Services
)	

November 23, 2016

1 **I. INTRODUCTION**

2
3 **Q. WHAT IS YOUR NAME, YOUR OCCUPATION AND YOUR BUSINESS**
4 **ADDRESS?**

5 A. My name is Danny A.C. Martinez. I am a utility analyst for the Office of
6 Consumer Services (“Office”). My business address is 160 E. 300 S., Salt Lake
7 City, Utah 84111.

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9 **Q. DID YOU FILE DIRECT TESTIMONY IN THIS PROCEEDING?**

10 A. Yes.

11
12 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS CASE?**

13 A. The purpose of my rebuttal testimony is to respond to an issue raised by Division
14 of Public Utilities’ (“Division”) witness Robert A. Davis.

15
16 **Q. WHAT IS THE SPECIFIC ISSUE TO WHICH YOU ARE RESPONDING?**

17 A. My testimony responds to the issue of additional OMAG expenses related to
18 Clean Coal Technology and Innovative programs. In his Direct Testimony, Mr.
19 Davis states:

20
21 “The Company’s application and accompanying exhibits outline the
22 Clean Coal Technology and Innovative programs. However, those
23 expenses have not been fully quantified by the Company as they are
24 not fully known at this time. It is assumed that the Company will seek
25 recovery for these additional OMAG expenses in the next general
26 rate case”.¹

27
28 **Q. WHAT IS THE DIVISION’S RECOMMENDATION REGARDING THOSE OMAG**
29 **EXPENSES?**

¹ Robert A. Davis November 9, 2016 Direct Testimony, pages 6 – 7 at lines 101 through 105.

30 A. The Division recommends that the Public Service Commission (“Commission”)
31 require the Company to identify the OMAG expenses by the various programs as
32 part of the reporting requirement of the Sustainable Transportation and Energy
33 Plan (“STEP”) Program. The Division further states that “expenditures that are not
34 funded by the STEP Program through the line item charge on customer bills need
35 to be reviewed annually or in the next general rate case”.²

36

37 **Q. WHAT IS THE OFFICE’S POSITION REGARDING THOSE OMAG EXPENSES**
38 **THAT HAVE NOT YET BEEN FULLY QUANTIFIED?**

39 A. The Office supports the Division’s recommendation that the Commission require
40 the Company to identify the OMAG expenses. However, we take a different
41 position regarding the suggestion that those expenses are to be recovered outside
42 of the STEP line item charge.

43

44 **Q. WHAT IS THE BASIS FOR THE OFFICE’S POSITION?**

45 A. OMAG expenses are an integral part of the operation of the technology that is
46 being researched and studied. As such those costs are rightfully part of the STEP
47 Program and should be assigned to the budget determined by the Legislature for
48 that purpose during the time period that STEP is in place. The Office acknowledges
49 that the clean coal projects funded by STEP could result in OMAG expenses after
50 STEP is complete and the Company could then request that those costs be
51 included in general rates.

52

53 **Q. WHAT IS THE OFFICE’S RECOMMENDATION REGARDING RECOVERY OF**
54 **OMAG EXPENSES RELATED TO CLEAN COAL TECHNOLOGY?**

55 A. The Office asserts that those costs need to be identified and quantified and
56 included in the Company’s STEP budget. SB115 provides that the Commission
57 shall authorize a large-scale electric utility to spend an annual average of
58 \$1,000,000 for the Clean Coal Technology Program. The Company has not fully
59 allocated the funds authorized by the Legislature to be used for Clean Coal

² Ibid, page 7 at lines 111 through 113.

60 Technology. The Office contends that the Company should reserve STEP funds
61 from that allocation to be used for OMAG expenses rather than seek recovery
62 outside of the STEP line item charge for the years during which STEP is in place.
63 The Office recommends that the Commission order the Company to report
64 identified and quantified OMAG expenses in the annual reports previously
65 recommended by the Office in my direct testimony and report how reserved STEP
66 funds were used to recover OMAG expenses.

67

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

69 A. Yes.