

–BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH–

**IN THE MATTER OF THE APPLICATION
OF ROCKY MOUNTAIN POWER, A
DIVISION OF PACIFICORP, FOR
AUTHORITY TO CHANGE ITS
DEPRECIATION RATES EFFECTIVE
JANUARY 1, 2021**

**DOCKET No. 18-035-36
Exhibit No. DPU 1.0 DIR
Direct Testimony
Jeffrey S. Einfeldt**

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

Direct Testimony of

Jeffrey S. Einfeldt

March 20, 2020

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND TITLE.**

2 A. My name is Jeffrey S. Einfeldt. My business address is 160 East 300 South, Salt Lake
3 City, Utah 84114. I am a Utility Technical Consultant with the Division of Public
4 Utilities (“Division” or “DPU”).

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

6 A. The Division.

7 **Q. PLEASE DESCRIBE YOUR POSITION AND DUTIES WITH THE DIVISION.**

8 A. As a technical consultant, I examine public utility financial data, review filings for
9 compliance with existing programs as well as applications for rate increases. I research,
10 analyze, document and assist in establishing regulatory positions on a variety of
11 regulatory matters. I provide and assist in the preparation of written and sworn testimony
12 in hearings before the Utah Public Service Commission (“Commission”) and assist in the
13 case preparation and analysis of testimony.

14 **Q. PLEASE IDENTIFY THE DIVISION’S EXPERT WITNESS FOR THIS**
15 **DOCKET.**

16 A. Roxie McCullar from William Dunkel and Associates was hired by the DPU to provide
17 an independent evaluation of the depreciation study completed by Rocky Mountain
18 Power (“RMP”) in preparation for the general rate case anticipated to be filed in May
19 2020. Ms. McCullar has 20 years’ experience in utility regulation including specific
20 emphasis on depreciation matters. Ms. McCullar participated on behalf of the Division in
21 the 2013 depreciation docket with RMP, Docket No. 13-035-02 and in meetings with

22 interested parties in this docket leading to the negotiation of the proposed settlement
23 currently before the Commission for consideration. Ms. McCullar also participated in
24 numerous consultations with DPU staff during the course of DPU's investigation of the
25 various depreciation matters explored in this docket.

26 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

27 A. The purpose of my testimony is to introduce the Division's position regarding the
28 settlement proposed in this docket regarding depreciation of RMP's various capital
29 assets, and to describe, generally the Division's activity leading up to the proposed
30 settlement.

31 **Q. WHAT IS THE DIVISION'S POSITION WITH REGARD TO THE PROPOSED**
32 **SETTLEMENT OF RMP'S DEPRECIATION STUDY?**

33 A. The DPU finds the proposed settlement to be just and reasonable in result, and in the
34 public interest. RMP sought an increase to the depreciation expense on a total company
35 basis of \$228.1 million in its initial filing in this docket. The proposed settlement results
36 in an increase of \$141.5 million, representing a decrease in the depreciation expense
37 sought of \$86.6 million, as a benefit to ratepayers compared to the amount originally
38 sought by RMP.

39 The Utah allocated portion of the initial depreciation expense increase was \$100.1
40 million. The proposed settlement reduces Utah's allocated portion of the depreciation
41 expense increase to \$61.6 million, representing a reduction of \$38.5 million to the
42 original increase proposed by RMP.

43 **Q. ARE THERE MATTERS IN THE DEPRECIATION STUDY THAT ARE LEFT**
44 **UNRESOLVED?**

45 A. Yes. The DPU is aware of two matters of significance the proposed settlement
46 recommends be addressed in a second or continued phase of this docket. The first is
47 continued analysis of the Decommissioning Costs Study filed by RMP in January 2020.
48 Further review is required to better understand the reasonableness of the study's
49 underlying assumptions, and the effects the proposed costs will have on customer rates.
50 The second matter is to finalize the amortization of the remaining book value of the wind
51 equipment that was replaced as a result of repowering the eleven wind farms pre-
52 approved in Docket No. 17-035-39, plus the Leaning Juniper wind project that was not
53 pre-approved. The DPU believes these two matters can be addressed in a second phase of
54 this docket and incorporated in the coming rate case anticipated to be filed in May of this
55 year.

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

57 A. Yes.