

June 25, 2019

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

RE: Docket No. 19-035-T06
In the Matter of the Application of Rocky Mountain Power for Approval of an
Indoor Agricultural Lighting Tariff, Electric Service Schedule 22

In accordance with the Scheduling Order, Notice of Hearing, and Order Suspending Tariff issued by the Public Service Commission of Utah on April 24, 2019, in the above referenced matter, Rocky Mountain Power hereby submits its rebuttal testimony of Mr. Robert M. Meredith in reply to the comments and testimony submitted by parties on June 6, 2019.

Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com
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Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,



Joelle Steward
Vice President, Regulation

Enclosures

Rocky Mountain Power
Docket No. 19-035-T06
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Rebuttal Testimony of Robert M. Meredith

June 2019

1 **Q. Are you the same Robert M. Meredith who previously provided direct testimony**
2 **in this case on behalf of Rocky Mountain Power (“Company”), a division of**
3 **PacifiCorp?**

4 A. Yes.

5 **Purpose and Summary of Testimony**

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

7 A. My testimony responds to the recommendations made by the Division of Public
8 Utilities (“Division”) and the Office of Consumer Service (“Office”) regarding the
9 Company’s proposed Indoor Agricultural Lighting Tariff, Schedule 22 (“Schedule 22”).

10 **Q. Please summarize the specific recommendation that the Division makes in order**
11 **to mitigate the potential for cost shifting with Schedule 22.**

12 A. In his direct testimony, Division witness Dr. Abdinasir Abdulle recommends that
13 customers on Schedule 22 be moved to their otherwise applicable rate schedule if they
14 move “their energy usage period to the system peak period.”¹ The Company’s proposed
15 Indoor Agricultural Lighting tariff is based upon the unique and beneficial
16 characteristics of indoor agricultural lighting load and how it chiefly occurs outside of
17 the Company’s peak periods. The Division appears to be concerned that if a
18 participating customer’s loads on this schedule were to shift towards the Company’s
19 peaks that cost shifting could occur.

20 **Q. Please summarize the recommendations by the Office with regards to the**
21 **30 megawatt (“MW”) requirement and the potential for cost shifting.**

22 A. In its comments, the Office raises a similar concern of potential cost shifting for an

¹ Division witness Abdinasir M. Abdulle, Ph.D. Direct Testimony, ll. 123-126.

23 Indoor Agricultural Lighting tariff. The Office recommends that if eligible load for
24 Schedule 22 were to fall below 30 megawatts that “the Company should immediately
25 file with the Commission to suspend or cancel Schedule 22 and move those customers
26 to an appropriate alternate schedule or demonstrate that Schedule 22 does not cause
27 harm to other customers.”²

28 **Q. What alternative requirements address the cost shifting concerns expressed by the**
29 **Division and Office?**

30 A. The Company shares both the Division and Office’s concerns that Schedule 22 could
31 cause cost shifting if loads were to fall below where net benefits for all customers would
32 be realized or if the characteristics of the class no longer supported a lower cost of
33 service than the otherwise applicable tariff schedules (Schedule 8 and Schedule 9). The
34 Company believes that it will have the ability to measure cost shifting for the Indoor
35 Agricultural Lighting class after the Company has a full year’s experience with
36 customer(s) being on Schedule 22. Fortunately, the Company prepares a cost of service
37 study each calendar year. In these cost of service studies, the Company measures
38 whether each class is paying more or less than its cost of service. In informal
39 discussions with the Division and the Office, the Company has agreed that it will
40 transparently show the Schedule 22 class’ non-coincident peak demand and percentage
41 change from current revenues needed to achieve full cost of service in the annual cost
42 of service filings. The Company has also agreed that if the non-coincident peak demand
43 of Schedule 22 were to fall below 20 megawatts and the cost of service study were to
44 indicate that a greater than ten percent increase were required for the class, the

² OCS Comments at Page 3.

45 Company would file with the Commission within 60 days to either suspend Schedule
46 22 or provide a demonstration that Schedule 22 does not harm other customers. The
47 Company believes that these two conditions satisfy both the Division and Office's
48 concerns.

49 **Q. What other conditions do the Division and Office recommend for any future**
50 **proposals to create a new customer class?**

51 A. Dr. Abdulle expresses concern about the potential precedent of creating new customer
52 classes and the potential administrative burden this could cause along with the
53 possibility of cost shifting. Dr. Abdulle lists three conditions that he feels should be
54 necessary for a new schedule to be created:

55 (1) Customers on the new class should operate in a manner significantly different
56 from the operations of a typical customer on its current electric service schedule;

57 (2) Other customers will not be harmed by the creation of an additional electric
58 service schedule; and

59 (3) There should be a system net benefit in moving to a newly created electric
60 service schedule.³

61 Dr. Abdulle states that he believes that all three of these factors appear to be present
62 in the Company's request.

63 Similar to the Division, the Office's comments express a concern about the
64 precedent that establishing a new customer class could have for cost shifting. The
65 Office states that "(f)or any future special tariff request based on a specific customer,
66 the Company should provide justification as to the reasonableness and need for the

³ Division witness Abdinasir M. Abdulle, Ph.D. Direct Testimony, ll. 139-144.

67 tariff and demonstrate it will not result in cost shifting to other customers.”⁴

68 **Q. How does the Company respond?**

69 A. The Company agrees with the conditions Dr. Abdulle presents and also believes that
70 the Company met the burden of satisfying each in this request. Similarly, the Company
71 agrees with the Office and believes that it made a strong case for the reasonableness
72 and need for Schedule 22 as well as a clear demonstration that it would not result in
73 cost shifting to other customers.

74 **Q. Did the Office have any additional concerns you wish to address?**

75 A. Yes. In its comments, the Office pointed out that the Company did not include proposed
76 revisions to Schedules 80, 91, 94, 98, 193, 196, and 197 so that Schedule 22 would be
77 subject to adjustments like other retail customers. Finally, the Office expressed a
78 concern that Customer A not be led into a false expectation that its rates cannot change
79 over time and recommends that the Company clearly inform Customer A that all “rates,
80 terms and conditions of Schedule 22 are subject to change with Commission
81 approval.”⁵

82 **Q. What is the Company’s response to these additional concerns?**

83 A. The Company agrees that Schedule 22 should be subject to these adjustment schedules.
84 If the Commission approves proposed Schedule 22, the Company will include revisions
85 to the applicable adjustment schedules in the compliance filing to reflect Schedule 22.
86 The Company also shares the Office’s concerns with regards to appropriate customer
87 expectations and agrees that present rate structures, levels, and criteria are no guarantee
88 of what they may be in the future. Consequently, the Company agrees to communicate

⁴ OCS Comments at Page 3.

⁵ OCS Comments at Page 5.

89 with Customer A and make it clear that all aspects of Schedule 22 and even its
90 continued existence are subject to change.

91 **Q. Did the Division note any errors in the Company's filing?**

92 A. The Division noted a typographical error in Exhibit RMP____(RMM-4). The Facilities
93 Charge listed on this exhibit as \$1.65 per kW-month should be \$1.37. As noted by Dr.
94 Abdulle, this typo does not affect the calculations shown on the exhibit.

95 **Conclusion**

96 **Q. Please summarize your recommendation to the Commission.**

97 A. The Company's proposed Indoor Agricultural Lighting tariff, Schedule 22, is fair, cost-
98 based, would not harm other customers, and sends price signals that encourage a wise
99 and beneficial use of the Company's system. In response to concerns raised by the
100 Division and Office about potential cost shifting, the Company agrees to show non-
101 coincident peak demand and percentage change from current revenues needed for
102 Schedule 22 to achieve full cost of service in the annual cost of service filings.
103 Furthermore, the Company agrees to file with the Commission within 60 days of the
104 annual cost of service filing to either suspend Schedule 22 or provide a demonstration
105 that Schedule 22 does not harm other customers if the non-coincident peak demand of
106 Schedule 22 were to fall below 20 megawatts and the cost of service study were to
107 indicate that a greater than ten percent increase were required for the class. With these
108 commitments, the Company recommends that the Commission approve the Company's
109 proposed Schedule 22 for Indoor Agricultural Lighting Service.

110 **Q. Does this conclude your rebuttal testimony?**

111 A. Yes.

CERTIFICATE OF SERVICE

Docket No. 19-035-T06

I hereby certify that on June 25, 2019, a true and correct copy of the foregoing was served by electronic mail to the following:

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