

1 **Q. Are you the same Andrea L. Kelly who previously submitted testimony in**
2 **this proceeding?**

3 A. Yes.

4 **Q. What is the purpose of this rebuttal testimony?**

5 A. This testimony responds to the concerns raised in the comments of the Utah
6 Industrial Energy Consumers (UIEC) regarding the Agreement Pertaining to
7 PacifiCorp's September 15, 2010 Application for Approval of Amendments to
8 Revised Protocol Allocation Methodology (Agreement) and demonstrates that
9 these concerns have been addressed in the 2010 Protocol and the Agreement.

10 **Q. Please briefly describe UIEC's concerns with the Agreement.**

11 A. UIEC's concerns fall into two general categories. The first relates to the
12 Commission's obligation to ensure that rates in Utah are fair, just and reasonable,
13 and a concern that adoption of the 2010 Protocol and the Agreement might
14 preclude updates and changes to inter-jurisdictional cost allocations. The second
15 relates to the interplay between inter-jurisdictional cost allocations and interclass
16 cost allocations.

17 **Q. How are UIEC's concerns regarding the Commission's obligation to set rates**
18 **that are fair, just and reasonable addressed in the 2010 Protocol and the**
19 **Agreement?**

20 A. The introduction to the 2010 Protocol states:

21 Nothing in the 2010 Protocol shall abridge any State's right and/or
22 obligation to establish fair, just and reasonable rates based upon
23 the law of that State and the record established in rate proceedings
24 conducted by that State. Parties who have supported the ratification
25 of the 2010 Protocol do so in the belief that it will continue to
26 achieve a solution to multistate issues that is in the public interest.

27 However, a party’s support of the 2010 Protocol is not intended in
28 any manner to negate the necessary flexibility of the regulatory
29 process to deal with changed or unforeseen circumstances, and a
30 party’s support of the 2010 Protocol will not bind or be used
31 against that party in the event that unforeseen or changed
32 circumstances cause that party to conclude, in good faith, that the
33 2010 Protocol no longer produces results that are just, reasonable
34 and in the public interest.

35 This is also noted in Paragraphs 3 and 15 of the Agreement. Paragraph 3 states:

36 In this Application, PacifiCorp also acknowledges that state
37 regulatory commissions are obligated to establish just and
38 reasonable rates under a state’s regulatory law and public policy.
39 Accordingly, the 2010 Protocol explicitly acknowledges that
40 “Nothing in the 2010 Protocol shall abridge any State’s right
41 and/or obligation to establish fair, just and reasonable rates based
42 upon the law of the State and the record established in rate
43 proceedings conducted by that State.”

44 Paragraph 15 states:

45 Any Party may request that the Commission rescind, alter, or
46 amend its order entered in connection with this Agreement or the
47 2010 Protocol if the Party concludes that the Agreement no longer
48 produces results that are just, fair, reasonable, or in the public
49 interest, due to unforeseen or changed circumstances.

50 **Q. Please explain how the Agreement addresses UIEC’s concern regarding the**
51 **interplay between inter-jurisdictional and interclass cost allocations.**

52 A. Paragraph 18 of the Agreement states:

53 The Parties agree that no part of this Agreement, or any
54 Commission Order acknowledging, adopting, approving or
55 responding to the same, shall in any manner be argued or
56 considered by any Party hereto as binding or as precedent in any
57 Utah rate setting context or case with respect to interclass
58 allocations. Every Party to this Agreement hereby agrees not to
59 claim or argue that execution or approval of this Agreement or
60 adoption or use of the Rolled-In inter-jurisdictional allocation
61 methodology in Utah requires or establishes a presumption in favor
62 of any particular Utah interclass allocation methodology, practice
63 or policy, or any changes to current Utah interclass allocation
64 methodologies, policies or practices.

65 Q. Does this conclude your testimony?

66 A. Yes.