

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**IN THE MATTER OF THE)
APPLICATION OF PACIFICORP)
FOR APPROVAL OF ITS PROPOSED)
ELECTRIC SERVICE SCHEDULES &)
ELECTRIC SERVICE REGULATIONS)**

Docket No. 04-035-42

**STIPULATION TESTIMONY
OF WILLIAM R. GRIFFITH**

FEBRUARY 23, 2005

1 **Q. Please state your name.**

2 A. My name is William R. Griffith.

3 **Q. Did you previously offer testimony in this proceeding?**

4 A. Yes, I previously filed direct testimony in this case.

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

6 A. As indicated by Mr. Larson, my testimony will address the rate design and rate
7 spread provisions of the Stipulation.

8 **Rate Spread and Rate Design**

9 **Q. Please explain the provisions of the Stipulation that address rate spread.**

10 A. The rate spread provided in the Stipulation achieves a fair allocation of the price
11 change across customer classes while minimizing rate volatility. It applies the
12 overall \$51 million increase as follows:

- 13 • An equal percentage increase of 3.80 percent is applied to Residential Schedules
14 1, 2, and 3, General Service – High Voltage Schedule 9, General Service
15 Schedule 23 and Mobile Home Service Schedule 25.
- 16 • The jurisdictional average change of 4.66 percent is applied to Large General
17 Service Schedule 8, Irrigation Service Schedule 10 and Back-up Power Service
18 Schedule 31.
- 19 • General Service Schedule 6 receives an increase of 6.24 percent, or 1.6 higher
20 than the jurisdictional average.
- 21 • The various lighting schedules receive an average increase of approximately ten
22 percent. Changes vary by rate schedule. Electric Furnace Schedule 21 receives
23 no increase.

1 **Q. You indicated that Schedule 6 is receiving an increase of 1.6 percentage**
2 **points more than the jurisdictional average increase. Please explain the**
3 **basis for this amount.**

4 A. In its direct case, the Company's cost of service results, when based on the rolled-
5 in allocation method used in the last case, indicated that Schedule 6 warranted an
6 increase ranging from 2.5 to 4.9 percentage points greater than Schedule 23,
7 Schedule 9 and the residential schedules. While the parties to the stipulation did
8 not agree on cost of service methodology, and, in fact, did agree to convene a task
9 force on this issue, the stipulation does reflect a difference of 2.4 percentage
10 points between Schedule 6 and the other rate schedules. In addition, based on
11 input from advocates for Schedule 6, the all-party stipulation reflects a change in
12 rate design for Schedule 6.

13 **Q. Please explain the rate design changes proposed in the Stipulation.**

14 A. Exhibit UP&L____(WRG-1ST) contains the stipulation's rate design workpapers.
15 The Company's original rate design proposals in this docket proposed two
16 significant changes. First, consistent with the Rate Design Taskforce report from
17 Docket No. 03-2035-02, the Company proposed time-of-day demand and energy
18 pricing for Schedule 9 customers. Proposed Schedule 9 rates include a facilities
19 charge combined with seasonal on-peak demand charges and seasonal on- and
20 off-peak energy charges with price differentials as proposed in the Taskforce
21 report. These rate design changes are included in this stipulation.

22 Second, also consistent with the Rate Design Taskforce report, the
23 Company proposed that time-of-day demand and energy pricing should be

1 implemented for all current Schedule 6 customers over 1 MW. The new rate
2 schedule, Schedule 8, applies to all former Schedule 6 customers registering
3 demands greater than 1,000 kW more than once within 18 consecutive months.
4 Schedule 8 prices are based on the same principles used in designing proposed
5 Schedule 9 rates and are consistent with the Rate Design Taskforce Report.
6 Proposed Schedule 8 is included in this stipulation.

7 For all other schedules, the Company originally proposed rate design
8 changes that increase monthly customer charges to whole dollar amounts and
9 otherwise implemented the proposed price change for each class uniformly to
10 demand and energy charges.

11 In the Stipulation, subject to the revised revenue requirement and rate
12 spread, the parties agreed to implement the Company's original rate design
13 proposals with the following exceptions:

- 14 • The residential customer charge will remain at \$0.98 with the proposed change
15 applied as a 3.80% increase to the minimum bill and a uniform cents per kWh
16 increase to each of the energy blocks,
- 17 • Schedule 6 is proposed to include an energy charge of 2.5740 cents per kWh and
18 demand charges of \$12.76 per kW in the summer and \$10.24 per kW in the
19 winter. Consistent with the changes to Schedule 9 and the implementation of
20 proposed new Schedule 8, this rate design revision for Schedule 6 will also
21 provide price signals to customers use energy more efficiently and to control
22 demand growth.

23 **Q. Does this conclude your testimony?**

1 A. Yes.