

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

2 A. My name is William R. Griffith.

3 **Q. Are you the same William R. Griffith who has testified previously in this case?**

4 A. Yes I am.

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

6 A. The purpose of my surrebuttal testimony is to:

- 7 • Discuss the Company's rate spread and rate design proposal from my rebuttal
- 8 testimony in Phase 2 of this docket.
- 9 • Provide an alternative rate spread and rate design proposal should the commission
- 10 not adopt the Company's rate spread and rate design from my rebuttal testimony
- 11 in Phase 2.
- 12 • Address WRA and UCE's witness Mr. Richard S. Collins' rate spread and rate
- 13 design proposal for residential customers in his rebuttal testimony.
- 14 • Comment on proposals by the parties that the Commission require the Company
- 15 to implement an education program for its residential rate structure.

16 **Rate Spread and Rate Design Proposal**

17 **Q. In light of the rebuttal testimony of parties in this case, does the Company**
18 **propose any revisions to the rate spread and rate design proposals filed in the**
19 **Company's rebuttal testimony?**

20 A. No. The Company continues to support applying the present Tariff Rider Rate,
21 Schedule 97, on a uniform percentage basis to customers' bills. We support
22 addressing other rate design issues in the Company's next general rate case.
23 Continuation of the Tariff Rider Rate will minimize rate changes for customers from

24 this docket.

25 **Q. Does the Company have an alternative rate spread and rate design proposal**
26 **should the commission not adopt the Company's proposal from your rebuttal**
27 **testimony in Phase 2?**

28 A. Yes. In the alternative, should the commission not adopt the Company's proposal to
29 continue applying the present Schedule 97, Tariff Rider Rate, the Company proposes
30 to implement rate spread through a uniform 2.72 percent equal percentage increase to
31 all tariff schedules. For rate design, the Company proposes to increase all rate
32 components (customer charges, energy charges, demand charges, and other charges)
33 of all tariff schedules by 2.72 percent uniformly thereby eliminating Schedule 97. In
34 doing so, customers would not experience any impact of rate changes in Phase 2.

35 **Q. Do you have any comments on WRA and UCE's witness Mr. Richard S. Collins**
36 **rebuttal testimony in this case?**

37 A. Yes. The Company does not support Mr. Collins' proposed rate design changes nor
38 does it support application of Mr. Collins' model for rate design. His changes are
39 faulty and his model is seriously flawed.

40 Mr. Collins proposes a fourth summer residential energy charge for all usage
41 over 2,000 kWh per month. In addition to clear differences between the Company's
42 original proposal to simplify the summer residential rate utilizing a two block rate
43 design and Mr. Collins' more complex four block residential rate design, his preferred
44 option (Option 2 on page 14 of his testimony) is incorrectly calculated and
45 improperly documented.

46 In his testimony, Mr. Collins offers a model to calculate rate design. The

47 model contains a number of errors that make it unsuitable for rate design and
48 impossible to assess the specific details of his proposal. In his rate design exhibit,
49 (rcollins (sic) rebuttal exhibit 1), Mr. Collins has modified the Company's model
50 provided to the Committee of Consumer Services in data request CCS 38.4. After
51 modification of the model, Mr. Collins overstates forecast present revenues (prior to
52 any rate change for Residential Schedule 1 customers) by over \$15 million from the
53 Company's case. His proposed rate design implements a proposed rate increase of
54 \$404,000 (T48 Proposed Revenue Dollars minus T47 Forecasted Revenue Dollars)
55 for Schedule 1, equal to 0.07 percent, while his written testimony references an
56 increase of \$14.563 million for the residential class.

57 Moreover, in his model, Mr. Collins has modified the forecast test period data
58 in this case without any comment or explanation. For example, he assumes that
59 residential usage in the first summer energy block (0-400 kWh May-Sept) increases
60 by over 79 million kWh. He offers no explanation for this dramatic increase in
61 forecast energy usage. He also assumes that usage over 1,000 kWh per month in the
62 summer, the highest priced usage in Mr. Collins' proposal, will increase by over 54
63 million kWh compared to the Company's originally filed forecast data for the twelve
64 months ended December 2008. Again, no explanation or documentation is offered to
65 support his assumption for this large change. He also assumes that winter residential
66 usage (Oct-April) declines by 97 million kWh. No explanation is offered. We urge
67 the Commission to reject Mr. Collins' proposal and his error-laden rate design model.
68 It is not appropriate for rate making.

69 **Q. A number of parties have offered proposals similar to Mr. Collins where he**
70 **states, “The Commission should require the Company to undertake a public**
71 **service promotion of its residential rate structure and the logic and rationale**
72 **behind it.” Please comment on these proposals.**

73 A. Proposals such as Mr. Collins’ may help to address the concerns first presented in my
74 direct testimony that residential customers are unaware of their electric rates and
75 usage; however, any such proposal would require funding and a cost recovery
76 mechanism for these new programs. None of the proposals by the parties addresses
77 program funding.

78 If the Commission were to require a residential customer education program,
79 the Company proposes that the program be funded through Schedule 193, Demand
80 Side Management Cost Adjustment surcharge. After a program and a funding
81 amount are determined, the Schedule 193 surcharge would need to be adjusted to
82 reflect the approved funding level.

83 **Q. Does this conclude your surrebuttal testimony?**

84 A. Yes, it does.