

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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)	DOCKET NO. 09-035-15
In the Matter of the Application)	Exhibit No. DPU 5.0 DIR SUPP
of Rocky Mountain Power for)	
Approval of its Proposed Energy)	Direct Testimony of
Cost Adjustment Mechanism)	Charles E. Peterson
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)	

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

**Supplemental Direct Testimony of
Charles E. Peterson**

November 8, 2016

1 **Direct Testimony of Charles E. Peterson**

2

3 **Q. Please state your name, business address and title.**

4 A. My name is Charles E. Peterson. My business address is 160 East 300 South, Salt Lake City,
5 Utah 84114. I am a Technical Consultant in the Utah Division of Public Utilities (Division,
6 or DPU).

7

8 **Q. Did you previously provide direct testimony in behalf of the Division in the current**
9 **matter regarding the review of PacifiCorp’s (Company) Energy Balancing Account**
10 **program?**

11 A. Yes.

12

13 **Q. What is the purpose of your supplemental direct testimony?**

14 A. In reviewing my testimony in preparation of filing rebuttal testimony in this matter, I
15 discovered calculation errors in DPU Exhibits 5.2 and 5.3 filed with my direct testimony.
16 Both exhibits are related to my discussion of wholesale wheeling revenues. I am filing
17 corrected versions of those exhibits with this supplemental direct testimony.

18

19 **Q. What was the error you discovered in DPU Exhibit 5.2?**

20 A. The last line in the Exhibit, labeled “**Before Tax Contribution to (Benefit Company) or**
21 **Benefit Ratepayers (@70% Sharing) (MWh)**” did not calculate the 70 percent sharing
22 band, therefore the amounts were overstated. These overstated amounts were then used in
23 calculations in DPU Exhibit 5.3.

24 **Q. Were the overstated wheeling revenues the only error on DPU Exhibit 5.3?**

25 A. Unfortunately no. Benefits to the Company were shown as negative numbers on DPU Exhibit
26 5.2. However, on DPU Exhibit 5.3 benefits to the Company should have been shown as
27 positive numbers and net detriments as negative numbers. In other words, the arithmetic
28 signs needed to be reversed. However, as originally filed, the arithmetic signs were directly
29 passed from DPU Exhibit 5.2 to DPU Exhibit 5.3.

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31 Attached are corrected exhibits to DPU Exhibits 5.2 and 5.3.

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33 **Q. Do these corrected exhibits make any material difference to the analysis you provided**
34 **in your direct testimony?**

35 A. No. The corrected DPU Exhibit 5.2 continues to demonstrate that ratepayers have received a
36 net benefit from the inclusion wholesale wheeling revenues in the EBA. Corrected DPU
37 Exhibit 5.3 continues to show that the effect of wholesale wheeling revenues on the
38 Company's earnings has been small.

39

40 **Q. Does that complete your supplemental direct testimony?**

41 A. Yes.