

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 rebuttal testimony?**

6 A. The purpose of my rebuttal testimony in this proceeding is to provide a revised rate  
7 spread proposal that reflects the updated revenue requirement sponsored by Mr.  
8 Steven R. McDougal and to address the rate spread and related proposals of other  
9 parties.

#### 10 **Updated Exhibits**

11 **Q. Please explain your updated exhibits.**

12 A. Exhibit RMP\_\_\_(WRG-1R) contains the proposed rate spread for all rate schedules in  
13 this case reflecting the updated revenue requirement sponsored by Mr. McDougal.  
14 The updated revenue requirement reflects the updated changes to special contract  
15 revenues that occurred subsequent to the Company's direct filing in this docket.

16 Exhibit RMP\_\_\_(WRG-2R) contains an updated residential customer charge  
17 exhibit reflecting the updated revenue requirement.

18 Exhibit RMP\_\_\_(WRG-3R) details the customer impacts of the Company's  
19 proposed pricing changes based on the updated revenue requirement. For each rate  
20 schedule, it shows the dollar and percentage change in monthly bills for various load  
21 and usage levels.

22 Exhibit RMP\_\_\_(WRG-4R) contains revised billing determinants with  
23 proposed rates. These proposed rates comprise the Company's rate design proposals

24 for the updated revenue requirement in this docket. Except for this change in revenue  
25 requirement, the structure of these proposals is unchanged from my original proposals  
26 in this case.

27 **Rate Spread**

28 **Q. Please describe the Company's proposal for the allocation of the updated**  
29 **revenue requirement across customer classes.**

30 A. Excluding special contracts, the overall average percentage change is 3.97 percent.  
31 The Company proposes the following allocation of the rate increase for the major  
32 customer classes.

| 33 | <u>Customer Class</u> | <u>Proposed Rate Change</u> |
|----|-----------------------|-----------------------------|
| 34 | Residential           | 3.9%                        |
| 35 | General Service       |                             |
| 36 | Schedule 23           | 3.9%                        |
| 37 | Schedule 6            | 3.9%                        |
| 38 | Schedule 8            | 3.9%                        |
| 39 | Schedule 9            | 4.8%                        |
| 40 | Irrigation            | 4.8%                        |
| 41 | Lighting              | 2.9%                        |

42 **Q. Please explain the proposed rate spread.**

43 A. As stated in my direct testimony, the proposed rate spread is designed to reflect cost  
44 of service results while balancing the impact of the rate change across customer  
45 classes.

46 Based on the updated cost of service results for the target return on rate base  
47 Exhibit RMP\_\_\_(CCP-1R), the Company proposes a range of increases from 2.9  
48 percent to 4.8 percent. We believe that these increases, within the range approved in  
49 the last case, will minimize customer impacts while reflecting cost of service.

50 **Other Parties' Rate Spread Proposals**

51 **Q. Please comment on other parties' rate spread proposals filed in their direct**  
52 **testimonies.**

53 A. My review of the direct testimony of the other parties indicates that rate spread  
54 proposals were submitted by Mr. Thomas Brill for the DPU, Mr. Daniel Gimble for  
55 the OCS, Mr. Kevin Higgins for UAE, Mr. Maurice Brubaker for UIEC, Mr. Stephen  
56 Baron for Kroger, and Mr. Steve Chriss for Wal-Mart. In general, these proposals fall  
57 into two groups: those who advocate for strict adherence to the class cost of service  
58 results (OCS and Wal-Mart) and those who recommend using the cost of service  
59 results as a guide in determining rate spread (DPU, UAE, UIEC, and Kroger). While,  
60 within each of these groups there are differences, the Company believes, as reflected  
61 in my revised rate spread proposal, that the application of cost of service as a guide in  
62 determining rate spread will best achieve the goals of reflecting cost of service while  
63 minimizing rate impacts across customer classes. The Company believes that its rate  
64 spread proposal is fair and reasonable and is consistent with recent outcomes in Utah.

65 **OCS Proposal for Schedule 25**

66 **Q. Mr. Gimble representing the OCS proposes that Schedule 25, Mobile Home and**  
67 **House Trailer Park Service, receive an increase equal to Schedule 23 and that**  
68 **Schedule 25 customers be moved to Schedule 23 by the next rate case. Please**  
69 **comment on his proposal.**

70 A. Concerning the rate increase for Schedule 25, the Company has proposed an increase  
71 equal to 3.85 percent for both Schedule 23 and Schedule 25 in this rebuttal testimony.  
72 Concerning Mr. Gimble's proposal to terminate Schedule 25 and to move the existing

73 customers to Schedule 23 or the applicable general service rate schedule in order to  
74 assure that all mobile home parks pay similar rates for similar service, this is  
75 primarily a rate design issue. However, the Company is agreeable to propose such a  
76 revision in its next general rate case. In that way, the affected customers can be  
77 properly noticed and the revenue effects can be fully established. Such a proposal  
78 will affect both rate spread and rate design for the affected schedules.

79 **UIEC Concern regarding Schedule 9**

80 **Q. Mr. Brubaker indicates concern that Schedule 9 is made up of both industrial**  
81 **and commercial customers which “could introduce distortions into the resulting**  
82 **measurement of class rate of return.” Do you agree with his concern?**

83 A. No. Currently effective Schedule 9 is specified as “General Service-High Voltage”,  
84 and it offers transmission-level service to any qualifying customer who requires  
85 service at 46,000 volts or greater. All customers on Schedule 9 meet this  
86 requirement.

87 All of the Company’s general service schedules (Schedule 23, 6, 8 and 9)  
88 contain both industrial and commercial customers. Schedule 9 is not unique in this  
89 regard. The tariff qualifications for general service schedules in Utah do not focus on  
90 what the customer uses the electricity for (i.e., commercial versus industrial; selling  
91 toasters or making toasters)--that has no impact on the Company’s costs. Instead, the  
92 tariff qualifications focus upon cost-causation similarities. The rate qualifications  
93 assure that two similarly situated customers with the same load size and service  
94 characteristics, the same voltage levels, and the same load factors will pay the same  
95 price regardless of business type. Given that they present the same electrical service

96 and cost characteristics to the utility, it is only fair that they should pay the same  
97 price, regardless of business type.

98 These types of tariff qualifications have been in place for many years in Utah,  
99 and they are consistent with the tariff requirements in other states in which the  
100 Company serves.

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

102 A. Yes, it does.