

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations)	Docket No. 09-035-23
)	
)	Surrebuttal Testimony
)	of Cheryl Murray
)	For the Office of
)	Consumer Services

November 30, 2009

1 **Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?**

2 A. My name is Cheryl Murray. I am a utility analyst for the Office of
3 Consumer Services. My business address is 160 East 300 South Salt
4 Lake City, Utah 84111.

5 **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN THIS DOCKET?**

6 A. No, I have not.

7 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

8 A. The purpose of my surrebuttal testimony is to present the policy position of
9 the Office regarding updates to this and future rate cases. I also respond
10 to the rebuttal and supplemental rebuttal testimony of Company witness
11 Gregory N. Duvall regarding Updates to the Company's case.

12 **Q. WHAT IS THE OFFICE'S POSITION ON UPDATES TO THE CURRENT**
13 **RATE CASE?**

14 A. Similar to our position in Docket No. 07-035-93 the Office is opposed to
15 updates to the current rate case, whether the updates would increase or
16 decrease NPC.

17 **Q. WHY DOES THE OFFICE HOLD THIS VIEW?**

18 A. In order to have an outcome that results in just and reasonable rates any
19 updates must be comprehensive and symmetrical. All elements of the
20 rate case have to be considered as to how they function with and impact
21 other elements, such as expenses and revenues. If updates are allowed
22 they tend to be one sided, not necessarily out of intent but because parties
23 may not know or have time to ferret out every related issue, especially as

24 updates are made later in the case. The Company is in the best position
25 to know all the related pieces but may not be forthcoming with every
26 detail. The Office believes that its position is consistent with the
27 Commission's Order in Docket 07-035-93, even though some of the
28 details are different in the two cases.

29 **Q. DID THE OFFICE PROPOSE ANY UPDATES TO THE COMPANY'S**
30 **NPC IN ITS DIRECT OR REBUTTAL TESTIMONY?**

31 A. Through the direct testimony of Mr. Philip Hayet the Office proposed an
32 adjustment to the BPA wind integration charge. Due to the discussions
33 taking place with FERC, the BPA and other parties prior to the Company
34 filing its rate case we did not view this as an update but a correction. The
35 Office did not propose any other updates.

36 **Q. HAS THE OFFICE CHANGED ITS VIEW OF THE BPA ADJUSTMENT?**

37 A. The Office has decided to drop the adjustment as it has been viewed as
38 an update and the exact outcome was not known at the date of the
39 Company's filing. Mr. Hayet addresses this adjustment in his surrebuttal
40 testimony.

41 **Q. PLEASE BRIEFLY SUMMARIZE MR. DUVALL'S TESTIMONY**
42 **REGARDING UPDATES.**

43 A. Mr. Duvall states that several parties have proposed updates based on
44 information that became available after the Company's initial filing of its
45 case. He further states that "[t]he updates that have been proposed by

46 other parties are incomplete and lopsided.”¹ He provides seven examples
47 of adjustments from parties’ testimonies that he characterizes as updates
48 and offers additional updates that he concludes when coupled with other
49 parties updates result in a fair and complete update of NPC for all
50 information available at the time intervening parties filed their direct
51 testimony.

52 **Q. DOES THE OFFICE AGREE THAT MR. DUVALL’S UPDATES RESULT**
53 **IN COMPLETE AND SYMMETRICAL NPC UPDATES?**

54 A. No, we do not. Mr. Falkenberg’s surrebuttal testimony identifies several
55 additional NPC updates that Mr. Duvall has not included in his rebuttal or
56 supplemental rebuttal testimony.

57 **Q. DOES THE OFFICE RECOMMEND THE COMMISSION ACCEPT THE**
58 **UPDATES MR. FALKENBERG IDENTIFIES?**

59 A. No. The updates are provided for illustrative purposes only.

60 **Q. IF THE UPDATES MR. FALKENBERG IDENTIFIES WERE ADOPTED**
61 **BY THE COMMISSION WOULD THAT RESULT IN FAIR, JUST AND**
62 **REASONABLE RATES?**

63 A. No, we do not believe so. Even with the additional updates Mr.
64 Falkenberg has been able to identify in the short time available we do not
65 believe comprehensive and symmetrical adjustments are possible at this
66 point in the case, or even at the time the Company presented its rebuttal

¹ Duvall rebuttal testimony, page 4, line 85.

67 and supplemental rebuttal testimony particularly without previously
68 established guidelines as to what would and would not be acceptable.

69 **Q. WHAT IS THE COMPANY'S POSITION ON UPDATES TO THE**
70 **CURRENT CASE?**

71 A. In his rebuttal testimony Mr. Duvall's states that the Company believes the
72 Commission should allow complete and symmetrical NPC updates or
73 updates should be excluded altogether. He goes on to say:

74 "In this case, the Company recommends that the Commission
75 establish a clear timeline allowing NPC updates based on
76 information that is available as of the time intervening parties filed
77 their direct testimonies. In addition, the Company recommends that
78 the Commission clarify that updates may be proposed by all parties
79 in the proceeding including the Company, and that updates may
80 either increase or decrease NPC.²"

81
82 **Q. DOES THE OFFICE AGREE THAT THE COMMISSION SHOULD**
83 **ALLOW UPDATES FROM ALL PARTIES BASED ON INFORMATION**
84 **AVAILABLE AT THE TIME INTERVENING PARTIES FILED DIRECT**
85 **TESTIMONY IN THIS CASE?**

86 A. No. To allow such updates in this rate case amounts to changing the
87 rules at the end of the case. Parties, such as the Office, who abided by
88 the letter and spirit of the Commission's order regarding updates in Docket
89 No. 07-035-93 would be disadvantaged, the result of which would be to
90 disadvantage ratepayers.

91 **Q. IS IT POSSIBLE TO ALLOW UPDATES THAT RESULT IN**
92 **SYMMETRICAL ADJUSTMENTS?**

² Rebuttal testimony of Gregory N. Duvall, page 5, lines 90 – 95.

93 A. It may be possible. However, the timeframe and type of updates would
94 need to be determined prior to the start of a rate case. That would be no
95 small task and would likely take considerable time and effort. Updates, if
96 allowed must be symmetrical and include all related elements. The
97 Company has access to the specifics of its business and is in the best
98 position to know if something has changed what corresponding changes
99 should be made to provide balance. It is unreasonable for parties to have
100 to attempt to discover corresponding or related updates late in the
101 proceeding.

102 **Q. DOES THE COMPANY MAKE ANY RECOMMENDATIONS FOR THE**
103 **TREATMENT OF UPDATES IN FUTURE PROCEEDINGS?**

104 A. Yes.

105 "The Company recommends that after an Order is issued in
106 this docket, the parties work together in an effort to establish
107 guidelines for updates to NPC in future cases. To the extent
108 this is productive, the Company would proposed to file the
109 agreed upon guidelines with the Commission for their
110 approval."³

111 **Q. WHAT IS THE OFFICE'S POSITION ON THE COMPANY'S**
112 **PROPOSAL?**

114 A. It is unclear exactly what the Company is proposing when they suggest
115 "parties work together" however, if the suggestion is for an informal work
116 group the Office does not support that concept. In Docket No.08-035-38
117 parties agreed to participate in a work group to try and resolve the issue

³ Supplemental rebuttal testimony of Gregory N. Duvall, page 2, lines 42 – 45.

118 with the Company's outage modeling, which in our view should have been
119 much easier to resolve than the issue of updates. That effort was
120 completely unproductive.

121 **Q DOES THE OFFICE HAVE AN ALTERNATE PROPOSAL?**

122 A. In the event the Commission determines that for future rate cases updates
123 should be allowed the Office recommends a rulemaking to establish the
124 timing, type and extent of the updates that parties may present. The effort
125 should focus on symmetry, completeness and allowing parties adequate
126 time to analyze and investigate any proposed updates.

127 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

128 A. Yes.