

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

**RESPONSE OF WESTERN RESOURCE ADVOCATES TO
OFFICE OF CONSUMER SERVICES' FIRST DATA REQUEST
IN RATE DESIGN PHASE**

1.1 Rate Design

The Division's decoupling proposal, which WRA endorsed in its rebuttal testimony, requires all residential customers irrespective of usage and income levels to participate in the decoupling pilot.

- (a)** Please explain whether WRA believes a decoupling revenue reconciliation mechanism, in general, has a disproportionate impact on low income residential customers. Please provide all studies, analysis and/or documents supporting WRA's response.

Response: WRA does not have a belief "in general" about the impact of a decoupling mechanism on low income residential customers. The impact depends on the specific mechanism being proposed.

- (b)** Assuming future revenue under-recovery for the residential class is largely driven by changes in usage resulting from WRA's proposed High Usage Surcharge, would that information change in any way WRA's response to 1.1(a) above? Please fully explain your answer.

Response: No.

1.2 Rate Design

With respect to WRA's rebuttal testimony filed March 23, 2010, please provide and describe each document upon which WRA relied, and any analysis performed by WRA, in support of Mr. Curl's Rebuttal Testimony stating as follows:

“While RMP has developed and promoted DSM programs, DPU’s proposed partial decoupling mechanism does not take full advantage of the disincentive removal potential of decoupling and future DSM Programs could be viewed less positively by the Company and its investors.” [Curl Rebuttal, pg. 2, lines 35-38.]

Response: WRA did not rely upon any specific document(s), but rather relied upon a general understanding of how decoupling mechanisms work.

1.3 Rate Design

Mr. Curl indicates his understanding that “RMP currently has a robust energy efficiency program in place and proposed.” [Curl Rebuttal, pg. 3, lines 50-51.] Given this understanding, please explain what additional benefits will be gained by pursuing the decoupling proposal proposed by the Division and supported in rebuttal by WRA. In particular, identify benefits that would accrue to consumers.

Response: Although RMP has a robust efficiency program, the Company appears to resist conservation-promoting electric rates. The Division’s decoupling proposal removes some of the disincentive which could be driving RMP’s resistance.

1.4 Rate Design

Unless expressly identified and described in your responses to earlier questions in this DR Set, please identify and describe the method and results from any analysis or evaluation WRA or any person working or testifying on their behalf, conducted or reviewed pertaining to intra- and inter-class rate impact comparisons between rate design proposals with and without the Division’s revenue decoupling proposal.

Response: None.

1.5 Rate Design

Unless expressly identified and described in your responses to earlier questions in this DR Set, please identify and describe the method and results from any analysis or evaluation WRA or any person working or testifying on their behalf, conducted or reviewed pertaining to a comparison of RMP’s test year revenue and expense forecasts with and without the Division’s revenue decoupling proposal.

Response: None.

1.6 Rate Design

Unless expressly identified and described in your responses to earlier questions in this DR Set, please identify and describe the method and results from any analysis or evaluation WRA or any person working or testifying on their behalf, conducted or reviewed pertaining to a comparison of RMP’s actual return on equity (ROE) for the

period 2005-2009 with and without the Division's revenue decoupling proposal.

Response: None.

1.7 Rate Design

Please identify and describe each document WRA or any person working or testifying on their behalf, received from or sent to the Division relating to the Division's revenue decoupling proposal. This data request includes a request for drafts of any documents including testimony, whether or not the testimony was filed. For each document identified, state the date it was received or sent and identify and describe any correspondence or communication (oral, written, or electronic) that accompanied the document.

Response: No documents were exchanged other than the Division's testimony when it was filed.

1.8 Rate Design

Please identify and describe by date, author, recipient and content, each document, e-mail, note, memorandum, or other correspondence that WRA or any person working or testifying on their behalf, received from or sent to the Division relating to the Division's revenue decoupling proposal. Please also identify and describe in detail any meetings, discussions, or phone conversations that were held between persons representing or testifying on behalf of WRA and the Division, pertaining to the Division's revenue decoupling proposal.

Response: Steve Michel and Nancy Kelly met with Phil Powlick to discuss the Division's decoupling proposal in Mr. Powlick's office on February 23, 2010. John Curl and Steve Michel participated in a telephone conference with Mr. Powlick and Mr. Abdinisar on March 22, 2010. The discussion during both these meetings was to enable WRA to better understand the Division's proposal and determine whether WRA could support the proposal. Emails were exchanged between the Division and WRA personnel on March 18 and March 19 to clarify some aspects of the decoupling proposal and arrange the March 22 telephone conference.

1.9 Rate Design

Please indicate whether WRA has received any funds since 2005 from any electric utility and, in particular, any electric utility affiliated with either PacifiCorp or RMP. If funds have been received, please state the date received, amount, and the project/purpose to which the funds were applied, and identify and describe any contract, terms or conditions pertaining to the funds.

Response: WRA has received no funds from utilities since 2005.

Responses prepared by John E. Curl

Dated this 2nd day of April 2010.

Respectfully submitted,

WESTERN RESOURCE ADVOCATES

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CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of April 2010, copies of the foregoing were sent by email to each of the following:

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