

**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. 10-035-124

Surrebuttal Testimony of

James Selecky

Revenue Requirement

On behalf of

Utah Industrial Energy Consumers

Project 9424
July 19, 2011



BRUBAKER & ASSOCIATES, INC.
CHESTERFIELD, MO 63017

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Surrebuttal Testimony of James Selecky

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A James Selecky. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q ARE YOU THE SAME JAMES SELECKY WHO PROVIDED DIRECT TESTIMONY**
5 **ON MAY 26, 2011?**

6 A Yes, I am.

7 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

8 A I am appearing on behalf of the Utah Industrial Energy Consumers ("UIEC").
9 Members of UIEC purchase substantial quantities of electricity from Rocky Mountain
10 Power Company ("RMP") in Utah, and are vitally interested in the outcome of this
11 proceeding.

1 **Q WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

2 A I will respond to the rebuttal testimony submitted by RMP witness
3 Steven R. McDougal.

4 **Q DID RMP WITNESS STEVEN R. MCDUGAL HAVE ANY ISSUES REGARDING**
5 **YOUR REVENUE REQUIREMENT ADJUSTMENTS?**

6 A Yes. Mr. McDougal states in his rebuttal testimony that my \$974,000 property tax
7 adjustment as shown on Exhibit UIEC __ (JTS-4) is overly simplistic and incorrect.

8 **Q DO YOU HAVE COMMENTS TO MAKE REGARDING MR. MCDUGAL'S**
9 **CRITICISM?**

10 A Yes. I concur with Mr. McDougal's observation that my proposed property tax
11 estimate is simplistic. I calculated a test-year June 2011 property tax rate from the
12 estimated June 2012 test-year property tax expense and the total plant-in-service.
13 This developed a property tax rate that was applied to the capital additions that are
14 excluded from the 2012 test-year. The development of my property tax adjustment
15 did not look at specific investments but looked at property taxes as a whole.

16 **Q WHAT IS YOUR RECOMMENDATION?**

17 A My recommendation is that if the Commission adopts my post September 21, 2011
18 capital addition adjustment, I would recommend that the Commission require RMP to
19 calculate the amount of property tax that should be excluded. I made a similar
20 recommendation regarding the development of the accumulated deferred taxes.

21 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

22 A Yes, it does.

CERTIFICATE OF SERVICE

(Docket No. 10-035-124)

I hereby certify that on this 19th day of July 2011, I caused to be emailed, a true and correct copy of the foregoing **SURREBUTTAL TESTIMONY OF JAMES T. SELECKY ON REVENUE REQUIREMENT ON BEHALF OF UIEC** to:

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