

1       **Q.     PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**  
2       **OCCUPATION.**

3       A.     My name is Steve W. Chriss. My business address is 2001 SE 10th St.,  
4       Bentonville, AR 72716-0550. I am Senior Manager, Energy Regulatory  
5       Analysis, for Wal-Mart Stores, Inc.

6       **Q.     ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

7       A.     I am testifying on behalf of Wal-Mart Stores, Inc., and Sam's West, Inc.  
8       (collectively "Walmart").

9       **Q.     ARE YOU THE SAME STEVE W. CHRISS THAT TESTIFIED EARLIER**  
10      **IN THIS DOCKET?**

11      A.     Yes.

12      **Q.     HAVE YOU PREPARED EXHIBITS?**

13      A.     Yes. I have prepared Exhibit SWC-3, consisting of one page.

14      **Q.     WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15      A.     The purpose of my testimony is to address the proposed rate spread of  
16      Rocky Mountain Power ("RMP" or "the Company"). Specifically, I respond  
17      to the testimonies and exhibits of Company witnesses William R. Griffith  
18      and C. Craig Paice.

19      **Q.     PLEASE SUMMARIZE YOUR RECOMMENDATIONS.**

20      A.     My recommendations to the Utah Public Service Commission ("the  
21      Commission") are as follows:

- 1) Walmart does not take a position on the Company's proposed cost of service model at this time, and to the extent that alternative cost of service models are proposed by other parties, Walmart reserves the right to address any such models in rebuttal testimony.
- 2) For the purposes of this docket, Walmart does not object to the Company's proposed revenue allocation.
- 3) If the Commission determines that the appropriate level of revenue requirement is lower than the level proposed by the Company, the Commission should require that, at minimum, the approved allocation maintain the Company's proposed movement towards cost of service. Additionally, the Commission should determine the extent to which rates can be moved closer to the cost of service for each rate class.

The fact that an issue is not addressed should not be construed as an endorsement of any filed position.

**Q. GENERALLY, WHAT IS WALMART'S POSITION ON SETTING RATES BASED ON THE UTILITY'S COST OF SERVICE?**

- A. Walmart advocates that rates be set based on the utility's cost of service. This produces equitable rates that reflect cost causation, send proper price signals, and minimize price distortions.

1 **Q. DOES WALMART TAKE A POSITION ON THE COMPANY'S**  
2 **PROPOSED COST OF SERVICE MODEL AT THIS TIME?**

3 A. No. However, to the extent that alternative cost of service models are  
4 proposed by other parties, Walmart reserves the right to address any such  
5 models in rebuttal testimony.

6 **Q. HAS THE COMPANY PRESENTED PROPOSED CUSTOMER CLASS**  
7 **REVENUE INCREASES BASED UPON ITS COST OF SERVICE**  
8 **MODEL?**

9 A. Yes. Those proposed customer class revenue increases are put forth in  
10 the Exhibits of Mr. Paice. For the General Service rate classes, the  
11 proposed cost of service revenue changes, at the Company's proposed  
12 revenue requirement, range from 5.01 percent for Schedule 23 to 14.19  
13 percent for Schedule 9. See Exhibit CCP-1, page 2.

14 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S RATE**  
15 **SPREAD PROPOSAL?**

16 A. The Company has proposed a rate spread in which the proposed rate  
17 increases have generally been assigned to each customer class in relation  
18 to the cost of service-based revenue increase at the Company's proposed  
19 revenue requirement. For example, Schedules 6 and 23, which, for the  
20 major rate classes, have the lowest cost of service-based revenue  
21 increases, would receive increases in the lowest increase tier of 8.5

1 percent. See Exhibit CCP-1, page 2, and Direct Testimony of William R.  
2 Griffith, page 2, line 38 to page 4, line 85.

3 **Q. DOES THE COMPANY PROPOSE TO MOVE EACH CLASS TO ITS**  
4 **COST OF SERVICE AT THE PROPOSED REVENUE REQUIREMENT?**

5 A. No. Instead, for the General Service classes, the Company proposes  
6 moving Schedules 6 and 23, approximately 38 and 29 percent,  
7 respectively, toward their respective cost of service-based levels, and  
8 Schedule 9 approximately 61 percent toward its respective cost of service-  
9 based level. The revenue level for Schedule 8 would be set slightly higher  
10 than its cost of service-based level. See Exhibit SWC-3.

11 **Q. DOES THE COMPANY PROVIDE A REASON FOR NOT MOVING**  
12 **EACH CLASS TO THEIR RESPECTIVE CLASS COST OF SERVICE?**

13 A. Generally, yes. The Company states that the rate spread is “designed to  
14 reflect cost of service results while balancing the impact of the rate change  
15 across customer classes.” See Direct Testimony of William R. Griffith,  
16 page 3, line 51 to line 53.

17 **Q. FOR THE PURPOSES OF THIS DOCKET, DO YOU OBJECT TO THE**  
18 **COMPANY’S PROPOSED RATE SPREAD?**

19 A. No. Given the level of the Company’s proposed revenue requirement  
20 increase and the associated increase to customer bills during the current  
21 economic downturn, for the purposes of this docket I do not object to the  
22 Company’s revenue allocation.

1       **Q.    WHAT IS YOUR RECOMMENDATION TO THE COMMISSION IF IT**  
2       **DETERMINES THAT A LOWER LEVEL OF REVENUE REQUIREMENT**  
3       **IS APPROPRIATE?**

4       A.    If the Commission determines that the appropriate level of revenue  
5             requirement is lower than the level proposed by the Company, the  
6             Commission should require that, at minimum, the approved allocation  
7             maintain the Company's proposed movement towards cost of service.  
8             Additionally, the Commission should determine the extent to which rates  
9             can be moved closer to the cost of service for each rate class.

10      **Q.    DOES THIS CONCLUDE YOUR TESTIMONY?**

11      A.    Yes.