

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

)	DOCKET NO. 11-035-T10
)	
)	Exhibit No. DPU 2.0SR
In the Matter of the Rocky Mountain Power)	
Proposed Schedule 94, Energy Balancing)	
Account (EBA) Pilot Program Tariff)	Sur-rebuttal Testimony and
)	Exhibits
)	
)	Matthew Croft

**FOR THE DIVISION OF PUBLIC UTILITIES
DEPARTMENT OF COMMERCE
STATE OF UTAH**

Sur-rebuttal Testimony of

Matthew Croft

April 5, 2012

1 **Q. Please state your name and occupation?**

2 A. My name is Matthew Allen Croft. I am employed by the Utah Division of Public Utilities
3 (“Division”) as a Utility Analyst.

4 **Q. What is your business address?**

5 A. Heber M. Wells Office Building, 160 East 300 South, Salt Lake City, Utah, 84111.

6 **Q. Did you testify previously in this docket?**

7 A. Yes. I provided direct and rebuttal testimony in this docket.

8 **Q. What is the purpose of your testimony?**

9 A. I will first summarize other parties’ comments with regards to my recommended medium
10 level of FERC detail. I will then more directly address the comments by Rocky Mountain
11 Power (Company) witness Mr. McDougal in his rebuttal testimony.

12 **Q. What are the reactions of the other parties to your recommended medium level of**
13 **FERC detail?**

14 A. Although UIEC witness Mr. Brubaker recommended more transparency and greater FERC
15 account detail in his direct testimony, he did not comment on my medium detail in his
16 rebuttal testimony. Mr. Gimble for the Office of Consumer Services has accepted¹ my
17 medium level of FERC detail. Company witness Mr. McDougal believes the medium level
18 of detail is not necessary.²

19 **Q. Will you please reiterate what the Commission’s order said with respect to the detail to**
20 **be included in the tariff?**

21 A. Yes. Page 76 of the March 3rd EBA Order states:

¹ See Mr. Gimble’s rebuttal testimony lines 247-249.

² See Mr. McDougal’s rebuttal testimony lines 20-22.

22 We direct the Company to file a revised Schedule 94 for our approval which
23 provides the equation for the balancing account noted above and itemizes each
24 FERC account and subaccount approved for balancing account treatment, similar
25 to the Questar Gas Company gas balancing account tariff. The description must
26 also explain in detail the types of adjustments the Company intends to make to
27 actual costs booked.
28

29 **Q. Based on the Commission’s direction to the Company, do you believe your medium**
30 **level of detail to be necessary?**

31 A. Yes. I believe the Commission wanted the Company to “explain in detail the types of
32 adjustments the Company intends to make to actual costs booked.” It’s important to
33 remember that “actual costs booked” are assigned to a particular FERC account. The FERC
34 accounts included in the EBA (as directed by the Commission) are not in and of themselves
35 “Net Power Cost”(“NPC”) or “EBA Cost”(“EBAC”) accounts. Each of the Commission
36 approved FERC accounts are specifically defined in the Code of Federal Regulations and
37 include NPC or EBAC as well as other types of costs. Therefore, it becomes necessary to
38 filter out these other types of costs through adjustments to booked costs and indicate what the
39 FERC subaccount and/or SAP account number is as well as the title of the subaccount or
40 SAP account if one exists. The Company’s proposed tariff does not include any FERC sub
41 account or SAP account numbers. From an analyst standpoint, the Company’s proposed tariff
42 “explains in general” the adjustments the company intends to make rather than “explains in
43 detail” those adjustments, which is what I understand the Commission wanted.

44 **Q. In your direct testimony you mentioned that SAP accounts may change as the business**
45 **itself changes. If this is the case, why have a detailed listing as you have proposed?**

46 A. In general, I believe the vast majority of sub-accounts or SAP accounts will remain the same.
47 Such was the case when I recently compared some of the 2010 sub-account and SAP account

48 detail to the sub-account and SAP account detail used in the October 2011 to December 2011
49 time period. Since the changes from year to year are not expected to be significant I believe
50 the medium level of detail I have proposed will still provide a valuable tool to the analyst. In
51 fact, when sub-accounts or SAP accounts do change it will help the analyst focus in on
52 specific areas that may need more careful review.

53 **Q. While the medium level you have proposed may be useful to the analyst, what about the**
54 **understandability of the tariff for customers?**

55 A. This appears to be the Company's only concern³ with regards to the medium level of detail I
56 have proposed. I believe the tariff serves a dual purpose. One purpose is to help customers
57 understand their electric utility rates. A second purpose is to provide the regulators and other
58 parties with guidelines to audit, analyze, or otherwise review actions by the Company to see
59 if it is compliant. I acknowledge that my medium level of detail would present more
60 information for the customer to understand but it would better reflect what the Company
61 intends to include or exclude from the FERC accounts used for the EBA.

62 **Q. Is there a solution for balancing customer understandability with analyst usefulness?**

63 A. Yes. A simple solution would be to leave the Company's proposed FERC detail as proposed
64 but include a sentence that states something to the effect of, "For further detail on specific
65 exclusions and inclusions refer to the detail included at the end of the tariff." The medium
66 level of detail I have proposed would then be added to the end of the tariff. I believe this
67 solution would both satisfy the Company's concern over customer understandability and my
68 concern of analyst usefulness and meeting the Commission's direction.

³ See Mr. McDougal's rebuttal testimony lines 20-21.

69 **Q. Do you agree with Mr. McDougal’s statement on lines 34-36 that “it would make no**
70 **sense to include all of the FERC accounts that make up the revenue requirement**
71 **underlying each of the Company’s general tariffs?”**

72 A. Yes. However, there is no tracking of a comparison between actual costs and revenues and
73 base costs and revenues associated with general rates. General rates simply are what they are.
74 In the case of a settlement we may not even know what FERC accounts are included in rates.
75 Again, page 76 of the Commission’s March 3rd Order states, “The description must also
76 explain in detail the types of adjustments the Company intends to make to actual costs
77 booked.” I believe my medium level of detail, while not actually depicting every FERC
78 sub-account or SAP account, provides adequate detail of the adjustments the Company
79 intends to make to actual costs booked.

80 **Q. Does that conclude your testimony?**

81 A. Yes.