

1 **Q. Please state your name, business address and present position with**
2 **PacifiCorp dba Rocky Mountain Power (“the Company”).**

3 A. My name is Joelle R. Steward. My business address is 825 NE Multnomah Street,
4 Suite 2000, Portland, Oregon 97232. My present position is Director of Pricing,
5 Cost of Service, and Regulatory Operations in the Regulation Department.

6 **Qualifications**

7 **Q. Briefly describe your education and professional background.**

8 A. I have a Bachelor of Arts degree in Political Science from the University of
9 Oregon and a Masters of Public Affairs from the Hubert Humphrey Institute of
10 Public Policy at the University of Minnesota. Between 1999 and March 2007,
11 I was employed as a Regulatory Analyst with the Washington Utilities and
12 Transportation Commission. I joined the Company in March 2007 as the
13 Regulatory Manager responsible for all regulatory filings and proceedings in
14 Oregon. I assumed my current position in February 2012, in which I direct the
15 work of the cost of service, pricing, and regulatory operations groups.

16 **Q. Have you appeared as a witness in previous regulatory proceedings?**

17 A. Yes. I have testified in regulatory proceedings in Idaho, Oregon, Utah,
18 Washington and Wyoming.

19 **Purpose of Testimony**

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

21 A. The purpose of my testimony is to address the Company’s proposed allocation of
22 the deferred Renewable Energy Credit (“REC”) revenues in the REC Balancing
23 Account (“RBA”) and the resulting Schedule 98 REC rates in this case.

24 **Proposed REC Revenue Spread**

25 **Q. What is the total deferred REC revenue balance in this case?**

26 A. The total deferred REC revenue balance is a surcharge to customers of \$17.0
27 million, as shown in Mr. Steven R. McDougal's Exhibit RMP____(SRM-1).
28 Consistent with the terms of the stipulation approved by the Public Service
29 Commission of Utah in Docket No. 11-035-200 ("2012 GRC"), the Company
30 proposes to recover the balance over three years with no carrying charges, or \$5.7
31 million per year, beginning June 1, 2014.

32 **Q. How does the Company propose to allocate the deferred REC revenue across**
33 **customer classes?**

34 A. The Company proposes to allocate the deferred REC revenue across customer
35 classes consistent with the Step 2 rate spread approved in the 2012 GRC, with two
36 modifications. First, since the Step 2 rate spread in the 2012 GRC for Schedules
37 7, 11, 12 and 15 (Metered Outdoor Nighttime Lighting) was zero, the deferred
38 REC revenue allocation for Schedules 7, 11, 12 and 15 (Metered Outdoor
39 Nighttime Lighting) is calculated with the total deferred REC revenue times the
40 percentage of these schedules' deferred REC revenue allocation from last REC
41 proceeding in Docket No. 12-035-68. Second, based on the terms of the contract
42 approved by the Public Service Commission of Utah in Docket No. 13-035-169,
43 Contract 1 is subject to the RBA beginning January 1, 2014. The deferred REC
44 revenue allocation for Contract 1 is based on the overall RBA percentage to tariff
45 customers in Utah, which is 0.29 percent. Then, the rest of the deferred REC
46 revenues are allocated to the other customer classes consistent with the approved

47 Step 2 rate spread in the Company's 2012 GRC.

48 **Q. What is the rationale for the proposed allocation of deferred REC revenues?**

49 A. Previously, parties agreed to allocate the 2011 deferred REC revenues in Docket
50 No. 12-035-68 using the F10 allocation from the cost of service stipulation in the
51 2011 general rate case in Docket No. 10-035-124. However, the stipulation in the
52 2012 GRC did not include an explicit agreement by the parties for allocating the
53 2012 deferred REC revenues or 2013 deferred REC revenues on the F10
54 allocation from the cost of service study. Therefore, the Company proposes to use
55 the overall allocation for the Step 2 general rate case increase agreed to by the
56 parties in the 2012 GRC. This proposed allocation methodology is consistent with
57 the Company's proposal for the allocation of the 2012 deferred REC revenues in
58 Docket No. 13-035-33, which was approved by the Commission in Order of May
59 29, 2013 and Order of August 27, 2013. Since the lighting schedules noted above
60 were not allocated an increase in the 2012 GRC because of the cost of service
61 results in that case, the Company proposes to impute an allocation consistent with
62 the previously agreed upon allocation for these schedules. The Company's
63 proposed allocation of 2013 deferred REC revenue is reasonable and fair because
64 it is consistent with cost allocations previously agreed on by parties and is also
65 consistent with the terms of the contract approved by the Public Service
66 Commission of Utah in Docket No. 13-035-169.

67 **Q. Please describe Exhibit RMP___(JRS-1).**

68 A. Exhibit RMP___(JRS-1) contains the Company's proposed rate spread. On an
69 overall basis, based on the forecast test period 12-months ending May 2013 from

70 the 2012 GRC, this proposal would result in an overall surcharge of 0.29 percent
71 to tariff customers in Utah. This is an increase from the current credit in rates of
72 0.17 percent.

73 **Proposed Rates for Schedule 98**

74 **Q. How were the proposed Schedule 98 rates developed for each rate schedule?**

75 A. Consistent with the previous REC filings, the proposed rate for each schedule was
76 developed as a percentage surcharge to apply to customers' Monthly Power
77 Charges and Energy Charges. The percentage was calculated by dividing each rate
78 schedule's allocated deferred REC revenue amount by the corresponding present
79 revenues.

80 **Q. Please describe Exhibit RMP___(JRS-2).**

81 A. Exhibit RMP___(JRS-2) contains the billing determinants and the calculations of
82 the proposed REC rates in this case.

83 **Q. Please describe Exhibit RMP___(JRS-3).**

84 A. Exhibit RMP___(JRS-3) contains the proposed Schedule 98 reflecting the new
85 rates. The Company requests that the proposed Schedule 98 rates become
86 effective on June 1, 2014.

87 **Q. Did you include workpapers with this filing?**

88 A. Yes. Workpapers have been included with this filing that detail the calculations
89 shown in my exhibits.

90 **Q. Does this conclude your direct testimony?**

91 A. Yes, it does.