

1 **Q. Please state your name, business address and present position with PacifiCorp**
2 **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 B.A. degree in Political Science from the University of Oregon and an
9 M.A. in Public Affairs from the Hubert Humphrey Institute of Public Policy at the
10 University of Minnesota. Between 1999 and March 2007, I was employed as a
11 Regulatory Analyst with the Washington Utilities and Transportation Commission.
12 I joined the Company in March 2007 as Regulatory Manager, responsible for all
13 regulatory filings and proceedings in Oregon. I assumed my current position in
14 February 2012.

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

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

18 **Purpose of Testimony**

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

20 A. The purpose of my testimony is to present the Company’s proposed rate spread and
21 rates in Schedule 94 to recover the Energy Balancing Account (“EBA”) deferral
22 account balance identified by Company witness Mr. Brian S. Dickman for the 12-
23 months ended December 31, 2013.

24 **Proposed EBA Rate Spread**

25 **Q. What is the EBA deferral amount in this case for calendar year 2013 (“EBA-**
26 **4”)?**

27 A. The total 2013 EBA deferral is \$28.3 million, as shown in Table 1 of Mr.
28 Dickman’s testimony. The Company proposes to recover the balance over one year,
29 beginning November 1, 2014. The Company will recover this amount in Schedule
30 94, in addition to the previous EBA deferral balances authorized for recovery in
31 Docket No. 10-035-124 (“EBA-1”), Docket No. 12-035-67 (“EBA-2”) and Docket
32 No. 13-035-32 (“EBA-3”) that are currently reflected in Schedule 94.¹

33 **Q. How does the Company propose to allocate the EBA-4 deferral balance across**
34 **customer classes?**

35 A. The Company proposes to spread the EBA-4 deferral across customer rate
36 schedules consistent with the NPC Allocator agreed to by the parties and approved
37 by the Commission in the 2012 GRC. The NPC Allocator was included in the
38 Stipulation in that proceeding in Exhibit A1, page 3 of 3.

39 **Q. How does the Company propose to allocate the EBA-4 revenue to those**
40 **customer classes that were not reflected in the NPC Allocator in the 2012**
41 **GRC?**

42 A. There are three customer classes—Schedule 21, Schedule 31 and Contract
43 Customer 3—that were not included the Company’s cost of service study in 2012

¹ In Docket No. 10-035-124 the Commission authorized the recovery of \$60 million over three years, or \$20 million per year, beginning June 1, 2012 (EBA-1). In Docket No. 12-035-67 the Commission authorized the recovery of \$7.8 million over two years, or \$3.9 million per year beginning March 1, 2013 (EBA-2). In Docket No. 13-035-32 the Commission authorized the recovery of \$15 million over two years, or \$7.5 million per year beginning November 1, 2013 (EBA-3).

44 GRC and therefore not reflected in the NPC Allocator. Additionally, based on the
45 terms of the contract approved by the Public Service Commission of Utah in Docket
46 No. 13-035-169, Contract Customer 1 is subject to the EBA beginning January 1,
47 2014.

48 For Schedules 21, 31, and Contract Customer 3 the Company proposes to
49 apply the same percentage change to these customer classes as Schedule 9 because:
50 (1) the Schedule 21 and Schedule 31 customers are more similar to Schedule 9
51 customers than the other customer classes; and (2) the terms of the contract for
52 Contract Customer 3 require that the customer pay the same EBA rate as Schedule
53 9 customers. This treatment is consistent with the rate spread approved in Docket
54 No. 13-035-32.

55 **Q. How does the Company propose to allocate the EBA-4 revenue to Contract**
56 **Customer 1?**

57 A. Consistent with the terms of the contract, the deferred EBA-4 revenue allocation
58 for Contract Customer 1 is based on the overall EBA-4 percentage to tariff
59 customers in Utah, which is 1.5 percent.

60 **Q. How does the Company propose to collect the EBA-4 deferral after these**
61 **adjustments to the NPC Allocator?**

62 A. The results of the EBA-4 deferral spread based on the NPC Allocator are then
63 proportionally adjusted for all customer classes to collect a total annual amount of
64 \$28.3 million, which is the total EBA-4 deferral for calendar year 2013.

65 **Q. What present revenues and billing determinants are the Company proposing**
66 **to use to allocate the EBA-4 deferral?**

67 A. The Company has developed the rate spread using the Step 2 present revenues and
68 the billing determinants from the 2012 GRC Stipulation approved by the
69 Commission.

70 **Q. How are the previously authorized EBA-1, EBA-2 and EBA-3 deferral**
71 **balances reflected in Schedule 94?**

72 A. The EBA-1, EBA-2 and EBA-3 allocated amounts are reflected exactly as approved
73 by the Commission in their respective proceedings.

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

75 A. Exhibit RMP___(JRS-1) shows the proposed increase by rate schedule for EBA-4
76 in column 5. It also shows the previously authorized EBA allocations by rate
77 schedule for EBA-1, EBA-2 and EBA-3 in columns 6, 7 and 8, respectively, and
78 the combined EBA revenue with the addition of EBA-4 in columns 9. The result of
79 this filing is an overall increase of 1.5 percent, based on the forecast test period of
80 12-months ending May 2013 and the corresponding Step 2 present revenues from
81 the 2012 GRC.

82 **Proposed Rates for Schedule 94**

83 **Q. How were the proposed Schedule 94 rates developed for each customer class?**

84 A. Consistent with the EBA Rate Determination provision in Schedule 94, the proposed
85 rates for each customer class were determined by dividing the allocated EBA
86 deferral amount to each rate schedule and applicable contract by the corresponding
87 2012 GRC Step 2 forecast Power Charge and Energy Charge revenues. The EBA

88 rate is a percentage applied to the monthly Power Charges and Energy Charges.

89 **Q. How does the Company propose to track the recovery of the four different**
90 **deferral period amounts, EBA-1, EBA-2, EBA-3 and EBA-4?**

91 A. The Company will continue to track the recovery of the different deferral period
92 amounts by proportioning the collections based on the percentage of each EBA
93 deferral to the total EBA deferral, with the deferral amount to Contract Customer 2
94 excluded in the total EBA deferral and the calculations of the percentages. For
95 example, excluding Contract Customer 2, the percentages of each EBA deferral to
96 the total EBA deferral are 34 percent, seven percent, 13 percent and 46 percent for
97 EBA-1, EBA-2, EBA-3 and EBA-4, respectively. The collection from Contract
98 Customer 2 shall be applied to EBA-3 and EBA-4 deferral balance based on the
99 percentages of 21 percent and 79 percent respectively, consistent with the approved
100 stipulation in Docket No. 12-035-67. As the four different amortization periods end
101 for EBA-1, EBA-2, EBA 3 and EBA-4, the Company proposes to file to revise
102 Schedule 94 as necessary, with any undercollection or overcollection to be captured
103 in the balancing account.

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

105 A. Exhibit RMP___(JRS-2) contains the billing determinants and the calculations of
106 the proposed EBA rates in this case.

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

108 A. Exhibit RMP___(JRS-3) contains the proposed tariff rate revisions for Schedule
109 94. It also contains a revision to Schedule 94 to reflect new FERC accounts used
110 by the Company to track components of net power costs, as discussed by Mr.

111 Dickman.

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

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

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

116 A. Yes, it does.