

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

19 **Purpose and Summary of Testimony**

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

21 A. The purpose of my testimony is to present the Company’s proposed rate spread and
22 rates in Schedule 98 to recover the deferred renewable energy credit (“REC”)
23 revenues in the REC Balancing Account (“RBA”).

24 **Q. Please summarize the rate impacts for the proposed change in rates to**
25 **Schedule 98 for this filing.**

26 A. The net change in Schedule 98 is an increase of \$2.8 million, or 0.15 percent. This
27 net change is the difference between the current collection level of \$5.6 million and
28 the new proposed collection level of \$8.5 million for Schedule 98. Exhibit
29 RMP____(JRS-1), page 1, shows the net impact by rate schedule.

30 **Proposed RBA Rate Spread**

31 **Q. What is the total deferred RBA balance in this case and the requested annual**
32 **recovery amount in Schedule 98?**

33 A. The total deferred REC revenue balance is a surcharge to customers of \$16.7
34 million, as shown in Ms. Jana Saba's Exhibit RMP____(JLS-1). Of this amount,
35 \$11.1 million is related to the on-going amortization for the 2013 deferral approved
36 in Docket No. 14-035-30 and \$5.6 million is related to the 2014 deferral proposed
37 in this filing. Consistent with the terms of the stipulation approved by the Public
38 Service Commission of Utah in Docket No. 11-035-200 ("2012 GRC"), the
39 Company proposes to recover the balance for the 2014 deferral over two years, or
40 \$2.8 million per year, beginning June 1, 2015. This amount is in addition to the
41 current recovery on Schedule 98 for the 2013 deferral, which was authorized for
42 recovery over three years, or \$5.7 million per year. Therefore, the proposed
43 combined annual recovery on Schedule 98, beginning June 1, 2015, is \$8.5 million.

44 **Q. How does the Company propose to allocate the 2014 deferral revenue across**

45 **customer classes?**

46 A. The Company proposes to allocate the 2014 deferral revenue across customer
47 classes based on the rate spread approved in the rate cases where the corresponding
48 Base RBA revenues were set. Specifically, the Company proposes to use the rate
49 spread from the 2012 GRC for the portion of the deferral related to the months of
50 January through August 2014, which is approximately \$2.7 million, because this
51 rate spread is consistent with the Base RBA revenues set in the 2012 GRC.
52 Similarly, the Company proposes to use the rate spread from the 2014 general rate
53 case, Docket No. 13-035-184 (“2014 GRC”) (Step 1), for the portion of the deferral
54 related to September through December 2014, which is approximately \$0.1 million,
55 since this spread is consistent with the Base RBA revenues beginning September
56 2014.

57 **Q. Did the Company make any other modifications to rate spread?**

58 A. Yes, the Company made two modifications, both of which are consistent with
59 modifications made in past RBA filings. First, since the rate spread in the 2012 and
60 2014 GRCs for Schedules 7, 11, 12 and 15 were zero, the deferred RBA revenue
61 allocations for Schedules 7, 11, 12 and 15 were calculated with the total deferred
62 RBA revenue times the percentage of these schedules’ deferred RBA revenue
63 allocation from last RBA proceeding in Docket No. 12-035-68.

64 Second, based on the terms of the contract approved in Docket No. 13-035-
65 169, Contract 1 became subject to the RBA beginning January 1, 2014. The deferred
66 RBA revenue allocation for Contract 1 is based on the overall RBA percentage to
67 tariff customers in Utah. The rest of the deferred REC revenues are allocated to the

68 other customer classes consistent with the approved rate spread in corresponding
69 general rate case. Exhibit RMP___(JRS-1), page 2, contains the Company's
70 proposed rate spread. Based on the forecast test period for the 12-months ending
71 June 2015 from the 2014 GRC, this proposal would result in an overall increase of
72 0.15 percent from current rates.

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 RBA filings, the proposed rate for each schedule was
76 developed as a percentage surcharge to apply to customers' Monthly Power Charges
77 and Energy Charges. The percentage for each rate schedule is calculated by dividing
78 the allocated deferred REC revenue amount by the corresponding present revenues.
79 Exhibit RMP___(JRS-2) contains the billing determinants and the calculations of
80 the proposed RBA rates in this case.

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

82 A. Exhibit RMP___(JRS-3) contains the proposed Schedule 98 reflecting the new
83 rates. The Company requests that the proposed Schedule 98 rates become effective
84 on June 1, 2015.

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

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

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

89 A. Yes, it does.