

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 1407 West North Temple,
4 Salt Lake City, Utah 84116. My present position is Director, Rates & Regulatory
5 Affairs for the Company.

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 a Regulatory Manager, responsible for all
13 regulatory filings and proceedings in Oregon. In February 2012, I assumed
14 responsibilities overseeing cost of service and pricing for PacifiCorp. In May 2015,
15 I assumed my current position, with broader oversight over Rocky Mountain
16 Power’s regulatory affairs in addition to the cost of service and pricing
17 responsibilities.

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

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

21 **Purpose and Summary of Testimony**

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

23 A. The purpose of my testimony is to present the Company’s proposed rate spread and

24 rates in Schedule 94 to recover the requested Energy Balancing Account (“EBA”)
25 deferral amount identified by Company witness Mr. Michael G. Wilding for the 12-
26 months ended December 31, 2015 (“2016 EBA”).

27 **Q. Please summarize the rate impacts for the proposed change to Schedule 94 for**
28 **this filing.**

29 A. The net change in Schedule 94 is a decrease of \$13.0 million, or 0.7 percent. This
30 net change is the difference between the current collection level of \$29.8 million
31 and the new proposed collection level of \$16.7 million for the 2016 EBA. Exhibit
32 RMP___(JRS-1), page 1, shows the net impact by rate schedule.

33 **Proposed EBA Rate Spread**

34 **Q. What is the 2016 EBA deferral amount in this case?**

35 A. The total 2016 EBA deferral is \$18.9 million, as shown in Table 1 of Mr. Wilding’s
36 testimony. Additionally, the Company currently estimates a net over-collection of
37 \$2.2 million as of October 31, 2016, for the 2014 deferral currently being collected
38 in Schedule 94.¹ The Company proposes to include this estimated over-collection
39 in the 2016 EBA deferral, which results in a total target collection of \$16.7 million
40 in Schedule 94 beginning November 1, 2016. The Company proposes to recover
41 this amount over one year, consistent with the EBA Rate Effective Period defined
42 in Schedule 94. In October 2016, the Company will update the estimated under-
43 collection or over-collection for the current deferral balances based on actual
44 collections through September 2016 and will update the proposed rates accordingly.

¹ The 2014 EBA deferral amounts were authorized in Docket No. 15-035-03 for the 2014 deferral (“2015 EBA”).

45 **Q. How does the Company propose to allocate the 2016 EBA deferral balance**
46 **across customer classes?**

47 A. The Company proposes to spread the 2016 EBA deferral across customer rate
48 schedules consistent with the NPC Allocators agreed to by the parties and approved
49 by the Commission in the 2014 general rate case, Docket No. 13-035-184 (“2014
50 GRC”). The allocators and allocations by rate schedule are shown on page 2 in
51 Exhibit RMP___(JRS-1).

52 **Q. How does the Company propose to allocate the 2016 EBA revenue to those**
53 **customer classes that were not reflected in the NPC Allocators?**

54 A. Three customer classes—Schedule 21, Schedule 31 and Contract Customer 3—
55 were not included in the Company’s cost of service studies in the 2014 GRC and
56 therefore not reflected in the NPC Allocators.

57 The Company proposes to apply the same percentage change to customers
58 taking service under Schedules 21 and 31, and for Contract Customer 3, as those
59 taking service under Schedule 9 because: (1) the Schedule 21 and Schedule 31
60 customers are more similar to Schedule 9 customers than the other customer
61 classes; and (2) the terms of the contract for Contract Customer 3 require that the
62 customer pay the same EBA rate as Schedule 9 customers. This treatment is
63 consistent with the rate spread approved in the 2015 EBA.

64 **Q. How does the Company propose to allocate the 2016 EBA revenue to Contract**
65 **Customer 1?**

66 A. Consistent with the terms of the contract approved by the Public Service
67 Commission of Utah in Docket No. 15-035-81, the 2016 EBA revenue allocation

68 for Contract Customer 1 is based on the overall 2016 EBA percentage to tariff
69 customers in Utah.

70 **Q. How does the Company propose to collect the 2016 EBA deferral after these**
71 **adjustments to the NPC Allocators?**

72 A. The results of the 2016 EBA deferral spread based on the NPC Allocator are then
73 proportionally adjusted for all customer classes to collect a total target amount of
74 \$16.7 million.

75 **Q. What present revenues and billing determinants is the Company proposing to**
76 **use to allocate the 2016 EBA?**

77 A. The Company has developed the rate spread using the Step 2 present revenues and
78 the billing determinants from the 2014 GRC Stipulation approved by the
79 Commission.

80 **Proposed Rates for Schedule 94**

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

82 A. Consistent with the EBA Rate Determination provision in Schedule 94, the
83 proposed rates for each customer class were determined by dividing the allocated
84 EBA deferral amount to each rate schedule and applicable contract by the
85 corresponding 2014 GRC Step 2 forecast Power Charge and Energy Charge
86 revenues. The EBA rate is a percentage applied to the monthly Power Charges and
87 Energy Charges.

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

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

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

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

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

97 A. Yes. Workpapers that detail the calculations shown in my exhibits have been
98 included.

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

100 A. Yes, it does.