

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Plan Act	)	Docket No. 16-035-36 DPU Exhibit PIII 1.0 SUR
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**SURREBUTTAL TESTIMONY – PHASE III**

**OF**

**ROBERT A. DAVIS**

**ON BEHALF OF THE**

**UTAH DIVISION OF PUBLIC UTILITIES**

**May 16, 2017**

1 **Introduction and Purpose of Testimony**

2 **Q: Please state your name and occupation.**

3 **A:** My name is Robert A. Davis. I am employed by the Division of Public Utilities (Division)  
4 at the Utah Department of Commerce as a Utility Analyst in the Energy Section.

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6 **Q: Are you the same Robert A. Davis who testified in Phase One, Phase Two and provided**  
7 **testimony in Phase Three in this docket on behalf of the Division?**

8 **A:** Yes. I provided direct and rebuttal testimony in Phase One, direct and surrebuttal  
9 testimony in Phase Two, and direct and rebuttal testimony in Phase Three of this same  
10 docket.

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12 **Q: What is the purpose of your surrebuttal testimony in this phase of the proceeding?**

13 **A:** The Division has not previously taken a firm position in this phase of the docket. In my  
14 direct and rebuttal testimony, I raised the Division's concerns surrounding the parties'  
15 proposed TOU rate options and stated the Division would consider the other parties'  
16 options in an effort to come to agreement on two options that will fulfill the pilot  
17 study.<sup>1</sup> In consideration of the parties' direct and rebuttal testimony, I will offer the  
18 Division's recommendation to the Commission for the EV Incentive Pilot program.

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<sup>1</sup> DPU witness Robert A. Davis, Direct and Rebuttal Testimony, lines 120-121 and 158-163, respectively.

20 **Q: Why has the Division not offered its own TOU rate design or load study parameters?**

21 **A:** In my direct and rebuttal testimony, I stated that designing rates requires balancing  
22 several, often opposing, objectives or principles while trying to address all the parties'  
23 expectations for a program such as the EV Incentive Pilot program.<sup>2</sup> Prior to filing  
24 testimony, the parties, including the Division, discussed several potential rate designs  
25 for the pilot program. The Division has not previously offered its own TOU rate design  
26 options because its rate designs were not significantly different than the other parties'.  
27 Rather, the Division attempted to find a balance between the rate design options  
28 proposed by the other parties in an attempt to meet the requirements necessary to  
29 make the EV Incentive Pilot program in the public interest.

30  
31 The parties have put forth several ideas to consider for two TOU rate designs that will  
32 hopefully promote energy efficiency and off-peak charging with the end result leading  
33 to a helpful load study.

34  
35 **Q: In your rebuttal testimony, you supported a TOU option with a 3:1 up to a 4:1 ratio**  
36 **such as that proposed by the Company or the Office of Consumer Services (Office).**  
37 **You also supported another TOU option, Utah Clean Energy's (UCE) proposed TOU**  
38 **Option 1 with a different tier structure. Do you still recommend those rate structures?**

39 **A:** Yes. All things considered, the Division remains confident that the Company's TOU

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<sup>2</sup>Id., lines 123-125 and 131-136, respectively.

40 Option 1 with an on-peak to off-peak price ratio of 3:1 will result in data that will be  
41 helpful for a favorable pilot outcome. The Division is also supportive of a tiered  
42 structure for TOU Option 2 similar to UCE's proposal Option 1 but with different  
43 blocking for the tiers and with the Company's defined on and off peaks hours.

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45 **Q: Does the Division have a recommendation for a tiered TOU Option?**

46 **A:** Not specifically. However, since rebuttal testimony, the Division has worked  
47 cooperatively with UCE and the Office in developing such a rate. The parties discussed a  
48 tiered TOU design using: (1) the Company's defined on and off peak periods; (2) two  
49 tiers for summer and winter using 200 kWh blocking for on peak and 800 kWh blocking  
50 for off peak; and (3) approximately a 3:1 ratio for on to off peak pricing. It is the  
51 Division's understanding that the UCE and the Office plan to provide details, including  
52 the rates and bill impact analysis in their surrebuttal testimony. If the final analysis  
53 shows that the pricing appears reasonable and provide price signals that will incent  
54 customers to charge during off-peak periods, then the Division would support this rate  
55 structure in the pilot program.

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57 The Division's underlying goal for this phase of the STEP docket has been to find rate  
58 designs that are cost based and potentially could be used or adapted going forward  
59 after the EV Incentive Pilot ends. One of the key points to that end is an attempt to  
60 better understand customer behavior. The TOU rates need to answer questions such as

61 what will incent customers to charge their EVs during off-peak hours and what rate  
62 design will incent customers to change other energy consumption behavior? The  
63 challenge in trying to study these behaviors is designing rates that will optimally incent  
64 customers to change their behavior while addressing the cost/causality requirements of  
65 rate design.

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67 **Q: Given what you have said in your surrebuttal testimony, what conclusions can you**  
68 **draw?**

69 **A:** Attempting to design two TOU rate designs that meet the expectations of all parties for  
70 a program such as the EV Incentive initiative as outlined in Section 54-20-103 is difficult  
71 and has been iterative. From this process, the Division offers the following conclusions  
72 and recommendations:

- 73 1) The Division supports the Company's proposed TOU time windows for both  
74 proposed TOU options of 3:00 p.m. to 8:00 p.m. during summer and winter  
75 months with an additional winter month window from 8:00 a.m. to 10:00 a.m.,  
76 excluding weekends and holidays, as this will capture a higher percentage of  
77 system peaks than those offered by the other parties.
- 78 2) The Division supports the Company's proposed TOU Option 1 with a 3:1 on-peak  
79 to off-peak ratio.
- 80 3) The Division supports the Office's and UCE's plan to use a tiered structure for  
81 TOU Option 2 based on two tiers for summer and winter using 200 kWh blocking  
82 for on-peak and 800 kWh blocking for off-peak, and an approximate 3:1 ratio for  
83 on to off peak pricing. The Division's support is contingent upon the final pricing  
84 analysis being favorable and providing price signals that incent customers to  
85 charge during off-peak periods.

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87 **Q: Given your direct, rebuttal and surrebuttal testimony in Phase Three of this**  
88 **proceeding, does the Division recommend that the Commission approve the EV**  
89 **Incentive Pilot program as defined in Phase Three of Docket No. 16-035-36?**

90 **A:** Yes. This recommendation is based on the Company's commitment to update the  
91 stakeholders annually on the progress of the EV Incentive Pilot program, treatment of  
92 OMAG expenses which may occur as discussed in prior Phases of this Docket, and  
93 reporting requirements. The Division finds the EV Incentive Pilot program to be in the  
94 public interest and recommends the Commission approve the program as outlined in  
95 Phase Three of this docket, with the earlier-identified contingency.

96 **Q: Does this conclude your surrebuttal testimony?**

97 **A:** Yes it does.