

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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	)	<b>DOCKET NO. 17-035-01</b>
	)	
<b>IN THE MATTER OF THE</b>	)	
<b>APPLICATION OF ROCKY</b>	)	
<b>MOUNTAIN POWER TO DECREASE</b>	)	<b>Exhibit No. DPU 1.0 R</b>
<b>THE DEFERRED EBA RATE</b>	)	
<b>THROUGH THE ENERGY</b>	)	
<b>BALANCING ACCOUNT</b>	)	<b>Rebuttal Testimony</b>
<b>MECHANISM.</b>	)	<b>David Thomson</b>
	)	

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**FOR THE DIVISION OF PUBLIC UTILITIES  
DEPARTMENT OF COMMERCE  
STATE OF UTAH**

**Rebuttal Testimony of**

**David Thomson**

**January 11, 2018**

1 **Q. Please state your name and occupation?**

2 A. My name is David Thomson. I am employed by the Utah Division of Public Utilities  
3 (“Division”) as a Utility Technical Consultant.

4 **Q. What is your business address?**

5 A. Heber M. Wells Office Building, 160 East 300 South, Salt Lake City, Utah, 84111.

6 **Q. Did you previously file Direct Testimony in this Docket?**

7 A. Yes.

8 **Q. What is the purpose of your rebuttal testimony?**

9 A. The purpose of my rebuttal testimony is to comment on the response testimony of Rocky  
10 Mountain Power (Company) witness Michael G. Wilding wherein he addresses the  
11 Division’s request to revise certain language in Tariff Schedule 94. In its audit report, the  
12 Division requested that the tariff language provided in the Company’s filing be revised to  
13 reflect the more precise language from the Utah Public Service Commission’s (Commission)  
14 Order (Order) in Docket No. 09-035-15 issued February 16, 2017. This request can be found  
15 on page 36 of the Division’s audit report. I also revised the Division’s refund  
16 recommendation based on the Company’s response testimony and Daymark Energy  
17 Advisors, Inc.’s (Daymark) revisions.

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19 My silence on any recommendations given in either Direct or Rebuttal Testimony of those  
20 involved in this Docket should not be interpreted as support or disagreement.

21 **Q. What was the result of the Division’s request?**

22 A. In accordance with the Division's request, Mr. Wilding's response testimony has an attached  
23 Exhibit RMP\_\_ (MGW-1R) that is a first revision of Tariff Schedule No. 94.3 - 94.10,  
24 revising the language consistent with the Order. Mr. Wilding testified that this first revision  
25 includes the original modifications made by Company witness Mr. Robert M. Meredith in his  
26 filed testimony (Exhibit RMP\_\_ (RMM-3) as well as the Division's request to use language  
27 from the Commission's order.

28 **Q. What were the results of the Division review of this first revision?**

29 A. The first revision provided in the Exhibit RMP\_\_ (MGW-1R) includes language consistent  
30 with the Order and will satisfy the Division's revision request. The Division verified the  
31 revision includes the modifications made by Mr. Meredith in his filed exhibit.

32 However, the Division requests that the following language be added to lines 3 and 5 of the  
33 revisions.

34 3. On or before May 1, the Public Service Commission of Utah (PSC) will determine  
35 whether to approve interim rates with an amortization period through April of the  
36 following year, effective May 1.

37 5. The PSC will hold a hearing on or about February 1 of the following year after which a  
38 true-up of rates could be ordered.

39

40 **Q. Has the Division updated its recommended combined adjustments computation for**  
41 **Utah Allocated EBA Deferral amount due to Daymark's revised outage amount as**  
42 **explained in its rebuttal testimony?**

43 A. Yes. In DPU Exhibit 1.5 R the Division provides its updated recommended combined  
44 computation for the revised disallowed replacement power costs from outages as explained in

45 Daymark's rebuttal testimony. The Division's recommended adjustment for the Joy  
46 Longwall abandonment expense as originally filed in its EBA audit report is not changed.

47 **Q. What were the results of the computation of the revised power costs?**

48 A. Daymark's estimated net replacement power costs as revised are now \$449,715. The Utah  
49 allocated amount for this adjustment is \$176,069 including the carrying interest charge. The  
50 revised combined adjustments for outages with carrying charges and the Joy Longwall on a  
51 Utah allocated basis are now \$8,596,779. Combining this with the Company's proposed  
52 refund of \$6,542,837 results in revised Division recommended refunds of \$15,139,616. This  
53 is \$34,415 less than the original recommended combined refunds totaling \$15,174,032 that  
54 were reported in the Division's Audit Report.

55 **Q. Does this conclude your rebuttal testimony?**

56 A. Yes.