

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH



In the Matter of the Voluntary Request)	Docket No. 17-035-39
Of Rocky Mountain Power for Approval)	
Of Resource Decision to Repower)	Response Testimony
Wind Facilities)	of Cheryl Murray
)	For the Office of
)	Consumer Services



RESPONSE TESTIMONY

OF

CHERYL MURRAY

FOR THE OFFICE OF CONSUMER SERVICES

APRIL 2, 2018

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INTRODUCTION2 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.**3 A. My name is Cheryl Murray; I am a Utility Analyst for the Office of Consumer
4 Services (Office). My business address is 160 East 300 South, Salt Lake City, Utah
5 84111.6 **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN THIS DOCKET?**7 A. No, I have not; however, I am adopting the direct and surrebuttal testimonies of
8 Gavin Mangelson previously filed in this docket.9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**10 A. The purpose of my testimony is to reintroduce the other witnesses testifying on behalf
11 of the Office in this docket, as well as to provide a summary of the Office's positions,
12 which are described in greater detail by the Office's other witnesses.13 **Q. PLEASE IDENTIFY THE OTHER WITNESSES TESTIFYING ON BEHALF**
14 **OF THE OFFICE, AND DESCRIBE THE SUBJECT OF THEIR**
15 **RESPECTIVE TESTIMONIES.**16 A. Consistent with prior rounds of testimony in this docket, Mr. Philip Hayet of J.
17 Kennedy and Associates, Inc., and Ms. Donna Ramas of Ramas Regulatory
18 Consulting, LLC will provide Response testimony on behalf of the Office. In general
19 both Mr. Hayet and Ms. Ramas will address Rocky Mountain Power's (Company)
20 Supplemental Direct Testimony filed on February 1, 2018, which provides the
21 Company's updated analyses and projections regarding the wind repowering projects.
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23 Mr. Hayet’s testimony will address the various methodologies and assumptions used
24 by the Company in this latest round of testimony to provide an updated estimate of
25 the costs and benefits of the proposed wind repowering projects. He will also identify
26 certain risks associated with the Company’s proposal. Ms. Ramas will testify
27 regarding cost recovery of the project and the proposed Revenue Tracking
28 Mechanism (RTM).

29 **Q. PLEASE SUMMARIZE THE POSITION AND RECOMMENDATIONS OF**
30 **THE OFFICE.**

31 A. The Office maintains its recommendation that the Commission should reject the
32 Company’s request for approval for the wind repowering project in its entirety. The
33 Company has still not proven in accordance with Utah Code Ann. § 54-17-402, that
34 repowering its wind resources will most likely result in the “acquisition, production
35 and delivery” of electricity to its customers at the lowest reasonable cost considering
36 risk.

37
38 However, if the Commission decides not to reject the Company’s request for approval
39 of the wind repowering project, it should grant approval of only the six projects
40 identified at lines 734 and 735 of Mr. Hayet’s Response Testimony. As Mr. Hayet
41 explains, of the twelve units included in the Company’s repowering proposal, this
42 subset provides a net benefit similar to the whole portfolio, at a reduced cost, and
43 reduced risk to ratepayers.

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45 If the Commission decides to approve the six wind resources identified by Mr. Hayet,
46 then the Company should be held to the capital cost, operations and maintenance
47 costs, and energy benefits, including production tax credits, assumed in the economic
48 evaluations, as described by Mr. Hayet. In any case, the RTM should be rejected for
49 the following reasons (as further described in Ms. Ramas' testimony):

- 50 • The RTM is unnecessary for fair cost recovery as adequate means exist to
51 address the revenue requirements associated with the projects should the
52 projects cause the Company to be unable to earn its authorized rate of return.
- 53 • The RTM would shift risks to ratepayers, add burdensome complexity to the
54 regulatory process, and would not be in the public interest.
- 55 • The specific method of calculation proposed by the Company for the RTM
56 contains many problems including:
 - 57 ○ not knowing with specificity the amount included in current base rates
58 for the existing wind resources to track cost changes to;
 - 59 ○ proposed inclusion of labor costs when employee complement has
60 declined;
 - 61 ○ ignoring the reduction in property taxes being paid on existing wind
62 resources;
 - 63 ○ and the loss of incentive to control costs.

64

65 **Q. DO YOU HAVE ANY OTHER CONCERNS WITH THIS PROPOSAL?**

66 A. Yes, uncertainty remains regarding the Multi State Process (MSP) and the allocation
67 of costs and perhaps resources among PacifiCorp's six states. In order to mitigate the

68 uncertainty, if the Commission decides to approve all or part of the wind repowering
69 projects it should clearly specify the maximum dollar amount of the project's costs
70 for which Utah ratepayers would be responsible under pre-approval as identified in
71 Ms. Ramas' testimony.

72 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

73 A. Yes.