

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**IN THE MATTER OF THE APPLICATION OF
ROCKY MOUNTAIN POWER, A DIVISION OF
PACIFICORP, FOR AUTHORITY TO CHANGE ITS
DEPRECIATION RATES EFFECTIVE JANUARY 1,
2021**

&

)
)
)
)
)
)
)
)
)
)

**DOCKET NOS. 18-035-36 & 20-035-04
Exhibit No. DPU 9.0 R**

**APPLICATION OF ROCKY MOUNTAIN POWER
FOR AUTHORITY TO INCREASE ITS RETAIL
ELECTRIC UTILITY SERVICE RATES IN UTAH
AND FOR APPROVAL OF ITS PROPOSED
ELECTRIC SERVICE SCHEDULES AND
ELECTRIC SERVICE REGULATIONS**

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

Rebuttal Testimony of

Gary L. Smith

October 5, 2020

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, EMPLOYER, AND BUSINESS ADDRESS.

A. My name is Gary L. Smith. I am employed by the Division of Public Utilities (Division), State of Utah. My business address is 160 East 300 South Salt Lake City, UT 84114.

Q. ARE YOU THE GARY L. SMITH THAT PREFILED DIRECT TESTIMONY FOR THE DIVISION IN THIS PROCEEDING?

A. Yes.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. The Division.

II. SUMMARY

Q. PLEASE SUMMARIZE THE PURPOSE OF YOUR REBUTTAL TESTIMONY.

A. The purpose of my rebuttal testimony is to adopt the position of UAE related to the continued depreciation of the repowered wind projects as presented in Kevin Higgins' Direct Testimony filed in this docket.

III. RECOMMENDATION

Q. WHAT HAS UAE RECOMMENDED IN KEVIN HIGGINS' TESTIMONY REGARDING THE RETIRED WIND ASSETS OF THE 11 REPOWERED PROJECTS APPROVED BY THE COMMISSION IN DOCKET NO. 17-035-39 AND THE LEANING JUNIPER REPOWERING PROJECTS?

21 A. Mr. Higgins recommends the retired wind assets of the 11 repowered wind projects
22 approved by the Commission in Docket No. 17-035-39, plus the Leaning Juniper
23 repowering project continue to be depreciated through December 31, 2020. The
24 recommended adjustment results in a reduction to the Utah revenue requirement
25 deficiency of \$1,943,228 ¹.

26 **Q. DOES THE DIVISION AGREE WITH AND SUPPORT THE**
27 **RECOMMENDATION OF KEVIN HIGGINS?**

28 A. Yes. The continued depreciation of the 11 repowered wind projects and the Leaning
29 Juniper repowering project through December 31, 2020, would be correct and in the
30 public interest. The proposed adjustment would ensure customers receive the benefit
31 from the continued depreciation included in current rates between the retirement date of
32 these repowered wind projects and the rate effective date commencing January 1, 2021.

33 **Q. IS THIS THE ONLY CHANGE TO YOUR PREFILED DIRECT TESTIMONY?**

34 A. Yes. The Division continues to believe the remaining balance of the retired wind assets
35 as of December 31, 2020 should be depreciated over the next ten years corresponding
36 with the timeframe for which the new PTC credits are earned. This will minimize any
37 adverse intergenerational inequity issues discussed in my direct testimony.

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

39 A. Yes.

¹ Docket No. 20-035-04, Prefiled Confidential Direct Testimony of Kevin C. Higgins, line 225 through line 294.