

Rocky Mountain Power  
Docket No. 20-035-04  
Witness: Curtis B. Mansfield

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

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Surrebuttal Testimony of Curtis B. Mansfield

November 2020

1 **Q. Are you the same Curtis B. Mansfield that filed direct, rebuttal, and surrebuttal**  
2 **testimony in the revenue requirement phase of this proceeding and rebuttal**  
3 **testimony in the cost of service phase of this proceeding on behalf of PacifiCorp**  
4 **d/b/a Rocky Mountain Power (“Rocky Mountain Power” or the “Company”)?**

5 A. Yes.

6 **I. PURPOSE OF SURREBUTTAL TESTIMONY**

7 **Q. What is the purpose of your surrebuttal testimony?**

8 A. The purpose of my testimony is to respond to issues raised by Utah Clean Energy  
9 (“UCE”) witness Ms. Sarah Wright and Western Resource Advocates (“WRA”)  
10 witness Mr. Douglas J. Howe with respect to the Utah Advanced Meter Infrastructure  
11 (“AMI”) Project in their rebuttal testimonies in the cost of service and pricing phase of  
12 this proceeding.

13 **II. AMI PROJECT**

14 **Q. Please summarize the issues raised by UCE and WRA with respect to the AMI**  
15 **project in their cost of service rebuttal testimonies.**

16 A. UCE witness Ms. Wright and WRA witness Mr. Howe both agree with the following  
17 recommendations of Office of Consumer Services (“OCS”) witness Mr. Ron Nelson:

18 1. AMI project cannot and should not be justified solely on meter reading  
19 savings.<sup>1,2</sup>

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<sup>1</sup> Rebuttal Testimony of Sarah Wright at lines 105-113.

<sup>2</sup> Rebuttal Testimony of Douglas J. Howe at lines 46-48.

20           2. The Company should be required to create a clear plan or “advance design  
21           roadmap” prior to receiving cost recovery for the implementation of the AMI  
22           project.<sup>3,4</sup>

23           3. The Company should be required to implement additional process prior to the  
24           implementation of the AMI project, such as a stakeholder workshop<sup>5</sup>, to  
25           discuss various aspects of the AMI project.<sup>6</sup>

26           Additionally, Ms. Wright also claims:

27           1. The Company should update its customer service system in order to offer  
28           advanced rate designs enabled by AMI.<sup>7</sup>

29           2. The Commission should consider imposing a demand response target  
30           concurrently with its approval of the AMI project.<sup>8</sup>

31           3. The Company’s plan should evaluate strategies for Conservation Voltage  
32           Reduction and Volt/VAR optimization using AMI.<sup>9</sup>

33           4. The Commission should adopt the five requirements recommended by  
34           Mr. Nelson:<sup>10</sup>

35                   a. Provide consumers easy access to the best available information about  
36                   their energy usage.

37                   b. Provide customers and authorized third parties with access to historic  
38                   billing information in a machine-readable, automated manner.

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<sup>3</sup> Rebuttal Testimony of Sarah Wright at lines 105-113.

<sup>4</sup> Rebuttal Testimony of Douglas J. Howe at lines 8-16 and lines 65-66.

<sup>5</sup> Rebuttal Testimony of Sarah Wright at lines 310-313.

<sup>6</sup> Rebuttal Testimony of Douglas J. Howe at lines 63-65.

<sup>7</sup> Rebuttal Testimony of Sarah Wright at lines 120-129.

<sup>8</sup> *Id.* at lines 156-159.

<sup>9</sup> *Id.* at lines 161-163.

<sup>10</sup> *Id.* at lines 136-151.

- 39 c. Provide consumers and third parties with rate information in  
40 standardized, machine-readable formats.
- 41 d. The customer authorization process should be easy for consumers to  
42 use and require the least number of steps.
- 43 e. Provide a set of open data access standards that would create the ability  
44 for third parties to access sets of customer energy use data, either  
45 aggregated or anonymized.

46 Additionally, Mr. Howe also argues that:

- 47 1. The Company did not show that the AMI project is cost effective based on a  
48 net present value (“NPV”) calculation and the Company’s cost of capital, but  
49 does appear to have a positive Internal Rate of Return (“IRR”) over the 20 year  
50 life of the project.<sup>11</sup>
- 51 2. AMI cannot match the cost savings available by simply reducing manual meter  
52 reading frequency.<sup>12</sup>

53 **Q. Please respond to assertions of UCE and WRA that the AMI project cannot be**  
54 **justified on meter reading savings alone. Is the Company justifying the AMI**  
55 **project solely on meter reading savings?**

56 A. No. Meter reading savings is only one of the many project benefits. As I stated in my  
57 direct testimony, this project also includes environmental, safety and engineering  
58 benefits. It will lay the foundation for future smart grid investments including  
59 distribution automation systems, advanced outage management and/or customer facing  
60 energy efficiency applications and rate design. Contrary to the claims by UCE and

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<sup>11</sup> Rebuttal Testimony of Douglas J. Howe at lines 29-40.

<sup>12</sup> *Id.* at lines 50-52.

61 WRA, the AMI project is expected to deliver these benefits to customers and others  
62 upon installation, as stated in my direct testimony, which justify the project.<sup>13</sup> AMI is  
63 not a new technology. Over two-thirds of all electric meters in the United States are  
64 AMI meters.

65 **Q. What additional argument does Mr. Howe offer regarding why the project should**  
66 **not be justified on meter reading savings?**

67 A. Mr. Howe suggests that if the Company wants to reduce its expenses associated with  
68 meter reading, it should instead reduce the frequency of meter reads. He supports this  
69 by citing a lesson gleaned from the 1990s in the United Kingdom, which according to  
70 Mr. Howe resulted in the UK utilities implementing meter reading every two years.  
71 Mr. Howe uses this example to suggest that cost savings from meter reading associated  
72 with AMI is a minor benefit of the AMI project.

73 **Q. Do you agree?**

74 A. No. It's interesting to note that Mr. Howe highlights business practices from thirty years  
75 ago in the UK. Business practices and technologies have evolved in both the U.S. and  
76 UK since that time. Meter reading savings are certainly one benefit associated with  
77 AMI. Reading meters on an infrequent basis introduces a number of issues including,  
78 but not limited to, estimated bills, meter access issues, regulatory compliance, and  
79 degradation of the overall customer experience. Providing customers access to more  
80 information, rather than less, regarding their energy usage and cost has been the goal  
81 of the Company in order to support the ability of customers to make economic  
82 decisions. As I stated earlier, there are a number of other substantial tangible benefits,

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<sup>13</sup> Direct testimony of Curtis B. Mansfield at lines 555-575.

83 some of which will be immediately available to customers during the test year and as  
84 the project is rolled out over the next couple of years.

85 **Q. Please address their recommendations for some form of stakeholder process to**  
86 **develop the various aspects of AMI.**

87 A. The Company proposed a collaborative review in the rebuttal testimony of Mr. Robert  
88 M. Meredith, and expanded the collaborative review to include rate designs that  
89 leverage AMI in Mr. Meredith's surrebuttal testimony. However, the Company has  
90 already demonstrated sufficient customer benefits of the AMI project to justify cost  
91 recovery, even without a collaborative review or advanced rate design before allowing  
92 a portion of the project costs into rates.

93 **Q. What is your response to Ms. Wright's suggestion that the Company's customer**  
94 **service system must be updated in order for customers to receive benefits of**  
95 **advanced rate design?**

96 A. Updates to the Company's customer service system are not necessary for all advanced  
97 rate designs. Specifically, the AMI project will enable cost effective deployment of  
98 time-varying rates without requiring billing system changes. AMI allows for economic  
99 customer integrations and accurate accounting of revenue. For example, when a  
100 customer opts into a time-of-use option or when time-of-use periods on a tariff are  
101 changed, AMI saves the cost of a truck roll through remote meter re-programming.  
102 This feature makes it easier and less expensive to change the time-of-use periods. Other  
103 advanced rate designs, like critical-peak-pricing, would require both AMI and changes  
104 to the Company's billing system.

105                    Additionally, Mr. Meredith, in his rebuttal testimony,<sup>14</sup> stated the Company will  
106 explore future pricing designs through a collaborative review with stakeholders. The  
107 data made available through AMI will help the Company and other stakeholders, more  
108 accurately estimate billing determinants when designing new time varying rate options  
109 for Schedule 6A customers.

110 **Q.    What is your response to Ms. Wright’s proposal to require a demand response**  
111 **target?**

112 A.    As I stated in my rebuttal testimony in this phase and in response to Mr. Nelson’s  
113 proposal for a demand response target, the Company has already demonstrated a  
114 commitment to evaluating and developing demand response programs, so a new target  
115 or requirement is unnecessary. My rebuttal testimony provided examples of demand  
116 response programs that the Company has successfully implemented.

117 **Q.    Ms. Wright also recommends that the Company’s plan should evaluate strategies**  
118 **for Conservation Voltage Reduction and Volt/VAR optimization using AMI. Do**  
119 **you agree?**

120 A.    In concept, yes. The Company is looking at numerous solutions to leverage its  
121 investment in the AMI infrastructure, including conservation voltage and Volt/VAR  
122 optimization. Future projects will be reviewed diligently to maximize the benefits of  
123 its investment.

124 **Q.    How do you respond to Ms. Wright’s support for Mr. Nelson’s five**  
125 **recommendations listed earlier in your testimony?**

126 A.    My rebuttal testimony described the data access framework that customers will have

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<sup>14</sup> Rebuttal Testimony of Robert M. Meredith at lines 1292-1296.

127 once the AMI project is complete, including green button technology and other  
128 features. Customers will retain the ability to provide their data to third parties as they  
129 see fit. Providing direct third-party access to customer data is unacceptable for privacy  
130 reasons. It also increases the potential for cyber security threats.

131 **Q. Do you agree with Mr. Howe that the Company has not demonstrated that the**  
132 **AMI project is cost effective?**

133 A. No. The Company has provided numerous financial documents that demonstrate the  
134 project is cost effective. The complete AMI project delivers a positive NPV of  
135 \$8.9 million. Mr. Howe also acknowledged the positive IRR in his testimony.

136 **Q. Please summarize your testimony with respect to the AMI project.**

137 A. The AMI project is cost effective and will provide significant benefits to customers  
138 during the test year and into the future as described in my direct testimony. The  
139 Company's case contains only the portion of the project that is scheduled to be placed  
140 into service prior to the end of the test period. While it is true that the entire AMI project  
141 will not be completed until 2022, the project does not need to be complete in its entirety  
142 before the assets placed into service are used and useful and provide some of the  
143 benefits that I outlined in my direct testimony. Once the AMI project is complete and  
144 fully operational, delivering the stated benefits, the Company will begin implementing  
145 smart grid technologies that are currently being assessed for future enhancements. I  
146 respectfully request the Commission approve the Company's request to include these  
147 assets in the rate base included in this case.

148 **Q. Does this conclude your surrebuttal testimony?**

149 A. Yes.