

Rocky Mountain Power
Docket No. 21-035-01
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Robert M. Meredith

March 2021

1 **Q. Please state your name, business address and present position with PacifiCorp,**
2 **dba Rocky Mountain Power (“the Company”).**

3 A. My name is Robert M. Meredith. My business address is 825 NE Multnomah Street,
4 Suite 2000, Portland, Oregon 97232. My present position is Director, Pricing and Cost
5 of Service.

6 **Qualifications**

7 **Q. Briefly describe your educational and professional background.**

8 A. I have a Bachelor of Science degree in Business Administration and a minor in
9 Economics from Oregon State University. In addition to my formal education, I have
10 attended various industry-related seminars. I have worked for the Company for 16 years
11 in various roles of increasing responsibility in the Customer Service, Regulation, and
12 Integrated Resource Planning departments. I have over ten years of experience
13 preparing cost of service and pricing related analyses for all of the six states that
14 PacifiCorp serves. In March 2016, I became Manager, Pricing and Cost of Service. In
15 June 2019, I was promoted to my current position.

16 **Q. Have you testified in previous regulatory proceedings?**

17 A. Yes. I have previously filed testimony on behalf of the Company in regulatory
18 proceedings in Utah, Wyoming, Idaho, Oregon, Washington and California.

19 **Purpose and Summary of Testimony**

20 **Q. What is the purpose of your testimony?**

21 A. The purpose of my testimony is to present and support the Company’s proposed rate
22 spread and rates in Schedule 94 to recover the requested Energy Balancing Account
23 (“EBA”) deferral amount identified by Company witness Mr. Jack Painter for the 12-

24 months ended December 31, 2020 (“2021 EBA”).

25 **Q. Please summarize the rate impacts for the proposed change to Schedule 94 for this**
26 **filing.**

27 A. The change in Schedule 94 is a decrease of \$36.1 million, or 1.7 percent. This net
28 change is the difference between the current collection level of \$37.8 million and the
29 new proposed collection level of \$1.7 million for the 2021 EBA.
30 Exhibit RMP___(RMM-1), page 1, shows the net impact by rate schedule.

31 **Proposed EBA Rate Spread**

32 **Q. What is the 2021 EBA deferral amount in this case?**

33 A. The total 2021 EBA deferral is \$1.7 million, as shown in Table 1 of Mr. Painter’s
34 testimony. The Company proposes to recover this amount over one year with rates
35 effective March 1, 2022.

36 **Q. How does the Company propose to allocate the 2021 EBA deferral balance across**
37 **customer classes?**

38 A. The Company proposes to spread the 2021 EBA deferral across customer rate schedules
39 consistent with the NPC Allocators agreed to by the parties and approved by the
40 Commission in the 2014 general rate case, Docket No. 13-035-184 (“2014 GRC”). The
41 allocators and allocations by rate schedule are shown on page 2 in
42 Exhibit RMP___(RMM-1).

43 **Q. How does the Company propose to allocate the 2020 EBA revenue to those**
44 **customer classes that were not reflected in the NPC Allocators?**

45 A. There are two customer classes—Schedule 31 and Schedule 32—that are subject to the
46 EBA but were not included in the Company’s cost of service studies in the 2014 GRC

47 and therefore not reflected in the NPC Allocators. For these customer classes, the
48 Company proposes to apply the same percentage change to these customer classes as
49 Schedule 9.

50 **Q. How does the Company propose to allocate the 2021 EBA revenue to Contract**
51 **Customer 1?**

52 A. Consistent with the terms of the contract approved by the Public Service Commission
53 of Utah in Docket No. 17-035-72, the 2021 EBA revenue allocation for Contract
54 Customer 1 is based on the overall 2021 EBA percentage to tariff customers in Utah.

55 **Q. How does the Company propose to collect the 2021 EBA deferral after these**
56 **adjustments to the NPC Allocators?**

57 A. The results of the 2021 EBA deferral spread based on the NPC Allocator are then
58 proportionally adjusted for all customer classes to collect a total target amount of
59 \$1.7 million.

60 **Q. What present revenues and billing determinants is the Company proposing to use**
61 **to allocate the 2021 EBA?**

62 A. The Company proposes using the Commission-approved present revenues and billing
63 determinants set forth in its 2020 general rate case, Docket No. 20-035-04
64 (“2020 GRC”).

65 **Q. Why is the Company proposing to use allocators from the 2014 GRC to assign the**
66 **2021 EBA by class, but also proposing to calculate prices using billing**
67 **determinants from the 2020 GRC?**

68 A. The 2021 EBA deferral occurred during calendar year 2020, which is prior to rates
69 becoming effective in the 2020 GRC on January 1, 2021. It is therefore appropriate to

70 use allocators from the previous 2014 GRC, since the base rates from the 2014 GRC
71 were in effect during the 2021 EBA deferral period. At the same time, it is appropriate
72 to calculate prices using billing determinants from the 2020 GRC, since the actual price
73 change for the 2021 EBA will occur in March 2022 and the 2020 GRC billing
74 determinants are an estimate that is closer in time to the 2021 EBA price change. In
75 the Company's next EBA filing, the Company plans to use both billing determinants
76 and allocators from the 2020 GRC.

77 **Proposed Rates for Schedule 94**

78 **Q. How were the proposed Schedule 94 rates developed for each customer class?**

79 A. Consistent with the EBA Rate Determination provision in Schedule 94, the proposed
80 rates for each customer class were determined by dividing the allocated EBA deferral
81 amount to each rate schedule and applicable contract by the corresponding 2020 GRC
82 forecast Power Charge and Energy Charge revenues. Charges for energy enrolled in the
83 Subscriber Solar program were excluded from this calculation, since loads enrolled in
84 the program no longer pay for the EBA. The EBA rate is a percentage applied to the
85 monthly Power Charges and Energy Charges.

86 **Q. Please describe Exhibit RMP ___(RMM-2).**

87 A. Exhibit RMP ___(RMM-2) contains the billing determinants and the calculations of the
88 proposed EBA rates in this case.

89 **Q. Please describe Exhibit RMP ___(RMM-3).**

90 A. Exhibit RMP ___(RMM-3) contains the proposed tariff rate revisions for Schedule 94.

91 **Q. Did you include workpapers with this filing?**

92 A. Yes. Workpapers have been included with this filing that detail the calculations shown
93 in my exhibits.

94 **Q. Does this conclude your direct testimony?**

95 A. Yes.