

Rocky Mountain Power
Docket No. 21-035-42
Witness: Joelle R. Steward

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Joelle R. Steward

August 2021

1 **Q. Please state your name, business address, and current position with PacifiCorp**
2 **d/b/a Rocky Mountain Power (“Company”).**

3 A. My name is Joelle R. Steward. My business address is 1407 West North Temple, Suite
4 330, Salt Lake City, Utah 84116. My title is Vice President of Regulation for Rocky
5 Mountain Power.

6 **I. QUALIFICATIONS**

7 **Q. Please describe your education and professional background.**

8 A. I have a Bachelor of Arts degree in Political Science from the University of Oregon and
9 a Masters of Public Affairs from the Hubert Humphrey Institute of Public Policy at the
10 University of Minnesota. Between 1999 and March 2007, I was employed as a
11 Regulatory Analyst with the Washington Utilities and Transportation Commission.
12 I joined the Company in March 2007 as the Regulatory Manager responsible for all
13 regulatory filings and proceedings in Oregon. From February 2012 through May 2016,
14 I was a Director in charge of the work for the cost of service, pricing, and regulatory
15 operations groups for the Company. In 2016, I became the Director of Rates and
16 Regulatory Affairs and added the regulatory affairs for Rocky Mountain Power to my
17 responsibilities. In November 2017, I assumed my current position as Vice President
18 of Regulation for Rocky Mountain Power.

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

20 A. Yes. I have filed testimony in proceedings before the public utility commissions in
21 Idaho, Oregon, Utah, Washington, and Wyoming.

22 **II. PURPOSE OF TESTIMONY**

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

24 A. My testimony provides an overview of the Company’s application for alternative cost
25 recovery, in accordance with section 54-7-13.4 of the Utah Code, for the remaining
26 costs of the major plant additions—the Pryor Mountain and TB Flats wind projects—
27 that are not in rates following the 2020 General Rate Case, Docket No. 20-035-04
28 (“2020 GRC”).

29 **Q. What other witnesses are submitting testimony in support of the application?**

30 A. In addition to my testimony, the Company’s application is supported by the testimony
31 of the following witnesses:

32 **Mr. Steven R. McDougal**, Director of Revenue Requirement, provides the
33 Company’s revenue requirement associated with the major plant additions, including
34 the proposed change to the base net power costs and base production tax credits in the
35 Energy Balancing Account (“EBA”).

36 **Mr. Robert Van Engelenhoven**, Resource Development Director, provides
37 information on the Pryor Mountain wind project.

38 **Mr. Timothy J. Hemstreet**, Managing Director of Renewable Energy
39 Development, provides information on the TB Flats wind project.

40 **Ms. Nikki L. Kobliha**, Vice President, Chief Financial Officer and Treasurer,
41 provides information on the Company’s financing of the capital investments for the
42 Major Plant Additions as well as the discussions with rating agencies regarding the
43 projects.

65 delays, my rebuttal testimony proposed a two-step rate change to recover the revenue
66 requirement for the portion of the Pryor Mountain and TB Flats wind projects that were
67 projected to be in service during 2021.

68 **Q. Was the Company’s proposal for a two-step rate change approved by the**
69 **Commission?**

70 A. No. The Commission determined that Utah law precluded their ability to approve the
71 adjustment for the delayed portion of the projects and adopted the revenue requirement
72 in the case to include the projects using an average-of-test period value in the calendar
73 year 2021 test period of the case. Therefore, the Company is recovering only a portion
74 of the capital investments for the plants in current rates.

75 **IV. MAJOR PLANT ADDITIONS REQUEST**

76 **Q. What is the Company requesting in this application?**

77 A. The Company is seeking to recover the portion of the costs associated with the TB Flats
78 and Pryor Mountain wind projects that are not included in customer rates from the
79 2020 GRC.

80 **Q. Why should the Company be allowed to recover the remaining revenue**
81 **requirement not currently reflected in rates?**

82 A. Customers will receive the full benefits of the projects through the zero-fuel cost energy
83 and production tax credits (“PTCs”) that flow through the Company’s EBA. The
84 Company is seeking to recover the capital costs of the projects in order to match the
85 costs and benefits associated with the projects which the Commission has already found
86 to be prudent.

87 **Q. Do the investments in this application qualify for alternative cost recovery for**
88 **major plant additions as outlined in Utah Code Section 54-7-13.4?**

89 A. Yes. A “Major plant addition” is defined as “any single capital investment project of
90 ...an electrical corporation that in total exceeds 1% of the ...electrical corporation’s
91 rate base, based on the ...electrical corporation’s most recent general case
92 determination.”² Further, the Company may file for cost recovery of a major plant
93 addition if the Commission has entered a final order in a general rate case within
94 18 months of the in-service date of a major plant addition.³

95 The TB Flats and Pryor Mountain wind projects qualify under both conditions
96 to receive recovery of capital costs outside of the 2020 GRC. First, as demonstrated by
97 Mr. McDougal, each of the projects’ total costs exceeds the threshold. Second, the filing
98 is being made within 18 months of the final order in the 2020 GRC and the in-service
99 dates of the projects. As Mr. Van Engelenhoven and Mr. Hemstreet explain, both
100 projects are now fully in service.

101 **Q. What is the revenue requirement impact in this filing?**

102 A. The requested revenue requirement results in a net *decrease* to customers of
103 \$4.2 million in base rates, or 0.2 percent. The revenue requirement is comprised of the
104 capital cost recovery not currently in rates, net of the incremental value of the PTCs
105 and net power costs. As part of this filing the Company is proposing to modify the base
106 EBA to reflect the incremental PTC and net power cost savings. Mr. McDougal
107 provides the details on the revenue requirement calculation.

² Utah Code Section 54-7-13.4(1)(c).

³ Utah Code Section 54-7-13.4(2).

108 **Q. What is your recommendation for the Commission?**

109 A. The Company requests that the Commission approve the application for full recovery
110 of TB Flats and Pryor Mountain wind projects, effective January 1, 2022.

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

112 A. Yes.