

Rocky Mountain Power  
Docket No. 22-035-01  
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

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Direct Testimony of Robert M. Meredith

March 2022

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 Tariff  
5 Policy.

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 17 years  
11 in various roles of increasing responsibility in the Customer Service, Regulation, and  
12 Integrated Resource Planning departments. I have over 11 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 February 2022, I assumed my present 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, 2021 (“2022 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 an increase of \$40.2 million, or 1.9 percent. This net  
28 change is the difference between the current collection level of \$37.5 million and the  
29 new proposed collection level of \$77.7 million for the 2022 EBA. Exhibit  
30 RMP\_\_\_(RMM-1), page 1, shows the net impact by rate schedule.

### 31 **Proposed EBA Rate Spread**

32 **Q. What is the 2022 EBA deferral amount in this case?**

33 A. The total 2022 EBA deferral is \$90.6 million, as shown in Table 1 of Mr. Painter’s  
34 testimony. As discussed in the Company’s advice filing in Docket No. 22-035-T05  
35 made on March 2, 2022, the Company proposes to recover this amount on an interim  
36 basis for the 14 month period from May 1, 2022 through June 30, 2023. To adjust this  
37 collection amount to set rates based on the Company’s billing determinants, the  
38 Company annualized the EBA deferral by multiplying by twelve fourteenths. This  
39 results in a \$77.7 million annual EBA collection from customers.

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

42 A. The Company proposes to spread the 2022 EBA deferral across customer rate schedules  
43 consistent with the base EBA amounts approved by the Commission in the 2020 general  
44 rate case, Docket No. 20-035-04 (“2020 GRC”). The allocators and allocations by rate  
45 schedule are shown on page 2 in Exhibit RMP\_\_\_(RMM-1). To develop EBA  
46 allocators by class, the Company allocated each FERC account used within the base

47 EBA on either the cost of service factor 10 or factor 30 used in the 2020 GRC, as  
48 appropriate. The FERC account level class allocation of the base EBA is shown on  
49 page 3 in Exhibit RMP\_\_\_(RMM-1).

50 **Q. How does the Company propose to allocate the 2022 EBA revenue to those**  
51 **customer classes that were not reflected in the EBA Allocators?**

52 A. There are two customer classes—Schedule 31 and Schedule 32—that are subject to the  
53 EBA but were not included in the Company’s cost of service studies in the 2020 GRC  
54 and therefore not reflected in the EBA Allocators. For these customer classes, the  
55 Company proposes to apply the same percentage change to these customer classes as  
56 Schedule 9.

57 **Q. How does the Company propose to allocate the 2022 EBA revenue to Contract**  
58 **Customer 1?**

59 A. Consistent with the terms of the contract approved by the Public Service Commission  
60 of Utah in Docket No. 17-035-72, the 2022 EBA revenue allocation for Contract  
61 Customer 1 is based on the overall 2022 EBA percentage to tariff customers in Utah.

62 **Q. How does the Company propose to collect the 2022 EBA deferral after these**  
63 **adjustments to the EBA Allocators?**

64 A. The results of the 2022 EBA deferral spread based on the EBA Allocator are then  
65 proportionally adjusted for all customer classes to collect a total target annual amount  
66 of \$77.7 million.

67 **Q. What present revenues and billing determinants is the Company proposing to use**  
68 **to allocate the 2022 EBA?**

69 A. The Company proposes using the Commission approved present revenues and billing  
70 determinants set forth in its 2020 GRC.

71 **Proposed Rates for Schedule 94**

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

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

80 **Q. Please describe Exhibit RMP\_\_\_(RMM-2).**

81 A. Exhibit RMP\_\_\_(RMM-2) contains the billing determinants and the calculations of the  
82 proposed EBA rates in this case.

83 **Q. Please describe Exhibit RMP\_\_\_(RMM-3).**

84 A. Exhibit RMP\_\_\_(RMM-3) contains the proposed tariff rate revisions for Schedule 94.

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

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

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

89 A. Yes.