

Rocky Mountain Power
Docket No. 22-035-07
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

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
4 Street, Suite 2000, Portland, Oregon 97232. My present position is Director,
5 Pricing and Tariff 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
10 have attended various industry-related seminars. I have worked for the Company
11 for 17 years in various roles of increasing responsibility in the Customer Service,
12 Regulation, and Integrated Resource Planning departments. I have over 11 years of
13 experience preparing cost of service and pricing related analyses for all of the six
14 states that PacifiCorp serves. In March 2016, I became Manager, Pricing and Cost
15 of Service. In February 2022, I was assumed my present position.

16 **Q. Have you appeared as a witness 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 the Company’s proposed rate spread and
22 rates in Schedule 98 to recover the deferred renewable energy credit (“REC”)
23 revenues in the REC Balancing Account (“RBA”).

24 **Q. Please summarize the rate impacts for the proposed change in rates to**
25 **Schedule 98 for this filing.**

26 A. The net change in Schedule 98 is a decrease of \$361 thousand, or 0.02 percent.
27 This net change is the difference between the current refund level of \$1.1 million
28 and the new proposed refund level of \$1.5 million for the 2022 RBA. Exhibit
29 RMP__(RMM-1), page 1, shows the net impact by rate schedule.

30 **Proposed RBA Rate Spread**

31 **Q. What is the total deferred RBA balance in this case and the requested annual**
32 **recovery amount in Schedule 98?**

33 A. The total deferred REC revenue balance is a surcredit to customers of \$1.5 million,
34 as shown in Mr. Justin B. Farr's Confidential Exhibit RMP__(JBF-1). The
35 Company proposes to recover the total deferral balance over one year, beginning
36 June 1, 2022.

37 **Q. How does the Company propose to allocate the 2022 RBA deferral revenue**
38 **across customer classes?**

39 A. The Company proposes to allocate the 2022 RBA deferral revenue across customer
40 classes based on the cost of service factor 10 used in the 2020 general rate case,
41 Docket No. 20-035-04 ("2020 GRC"). The Company proposes using this
42 allocation, because RECs are produced from renewable resources, and renewable
43 resources are allocated to customer classes on cost of service factor 10.

44 **Q. Did the Company make any other modifications to rate spread?**

45 A. Yes, the Company made two modifications which are consistent with modifications
46 made in past RBA filings.

47 First, consistent with the terms of the contract approved by the Public
48 Service Commission of Utah in Docket No. 17-035-72, the 2022 RBA revenue
49 allocation for Contract Customer 1 is based on the overall 2022 RBA percentage to
50 tariff customers in Utah. Second, consistent with the terms of the contract approved
51 by the Public Service Commission of Utah in Docket No. 16-035-33, Contract
52 Customer 3 is no longer subject to the RBA and therefore no share of the costs or
53 credits will be allocated to it. After these two modifications, the rest of the deferred
54 REC revenues are allocated to the other customer classes on cost of service factor
55 10. Exhibit RMP___ (RMM-1), page 2, contains the Company's proposed rate
56 spread. Based on the forecast test period 12-months ending December 2021 from
57 the 2020 GRC, this proposal would result in an overall decrease of 0.02 percent
58 from current rates.

59 **Proposed Rates for Schedule 98**

60 **Q. How were the proposed Schedule 98 rates developed for each rate schedule?**

61 A. Consistent with the previous RBA filings, the proposed rate for each schedule was
62 developed as a percentage surcharge to apply to customers' Monthly Power Charges
63 and Energy Charges. The percentage for each rate schedule is calculated by dividing
64 the allocated deferred REC revenue amount by the corresponding present revenues
65 approved in the 2020 GRC. Exhibit RMP___(RMM-2) contains the billing
66 determinants and the calculations of the proposed RBA rates in this case.

67 **Q. Please describe Exhibit RMP___(RMM-3).**

68 A. Exhibit RMP___(RMM-3) contains the proposed Schedule 98 reflecting the new
69 rates. The Company requests that the proposed Schedule 98 rates become effective

70 on June 1, 2022.

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

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

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

75 A. Yes.