

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NO. PAC-E-15-01  
OF ROCKY MOUNTAIN POWER FOR )  
AUTHORITY TO INCREASE RATES BY ) DIRECT TESTIMONY OF  
\$10.7 MILLION TO RECOVER ) JOELLE R. STEWARD  
DEFERRED NET POWER COSTS )  
THROUGH THE ENERGY COST )  
ADJUSTMENT MECHANISM )**

**ROCKY MOUNTAIN POWER**

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**CASE NO. PAC-E-15-01**

**February 2015**

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

3 A. My name is Joelle R. Steward. My business address is 825 NE Multnomah Street,  
4 Suite 2000, Portland, Oregon 97232. My present position is Director of Pricing,  
5 Cost of Service, and Regulatory Operations in the Regulation Department.

6 **Qualifications**

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

8 A. I have a B.A. degree in Political Science from the University of Oregon and an  
9 M.A. in 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  
12 Commission. I joined the Company in March 2007 as a Regulatory Manager,  
13 responsible for all regulatory filings and proceedings in Oregon. I assumed my  
14 current position in February 2012. I currently direct the work of the cost of  
15 service, pricing, and regulatory operations groups.

16 **Q. Have you appeared as a witness in previous regulatory proceedings?**

17 A. Yes. I have testified in regulatory proceedings in Idaho, Oregon, Utah,  
18 Washington and Wyoming.

19 **Q. What is the purpose of your testimony in this proceeding?**

20 A. My testimony presents the Company’s proposed rates to recover the deferral  
21 balances in Electric Service Schedule No. 94, Energy Cost Adjustment (Schedule  
22 94).

1 **Background**

2 **Q. What level of revenues is Schedule 94 currently designed to collect?**

3 A. Schedule 94 is currently designed to collect approximately \$12.6 million—\$5.9  
4 million for Tariff Contract 400, \$0.4 million for Tariff Contract 401, and \$6.3  
5 million for the standard tariff customers—based on Idaho loads from Case No.  
6 PAC-E-13-04.

7 **Proposed Rate Change for Schedule 94**

8 **Q. Please describe Rocky Mountain Power's proposed rate change in this case.**

9 A. In this 2015 Energy Cost Adjustment Mechanism ("ECAM") filing, the Company  
10 proposes to update the current ECAM collection rates to recover approximately  
11 \$23.3 million. This includes the outstanding deferral balances from prior years  
12 and the 2014 Deferral discussed in the direct testimony of Mr. Michael Wilding.  
13 For Tariff Contracts 400 and 401, the Company proposes to increase the Schedule  
14 94 rates to recover approximately \$12.7 million and \$1.0 million, respectively,  
15 through the rate effective period of April 1, 2015 to March 31, 2016. For standard  
16 tariff customers, the Company proposes to increase the Schedule 94 rates to  
17 recover approximately \$9.7 million from April 1, 2015 to March 31, 2016.

18 **Q. Why is the Company proposing to increase the ECAM collection rates for all**  
19 **customers?**

20 A. Based on the present rates authorized in Case No. PAC-E-14-01, the Company  
21 projects that the annual revenue collected from Schedule 94 for all customers  
22 would be approximately \$12.6 million, which is about \$10.7 million less than the  
23 \$23.3 million projected ECAM balance as of March 31, 2015, shown in my

1 Exhibit No. 3 and in Table 2 in Mr. Wilding's testimony. Therefore, the Company  
2 proposes to increase Schedule 94 rates to collect approximately \$23.3 million.

3 **Q. Please explain the proposed rate change for Tariff Contracts 400 and 401.**

4 A. The proposed rate for Tariff Contracts 400 and 401 is composed of two parts: the  
5 estimated combined balance of the prior deferrals that are being amortized over  
6 multiple years and the 2014 Deferral.

7 In the Company's 2011 general rate case, Case No. PAC-E-11-12, the  
8 parties stipulated and Commission Order No. 32432 approved a plan to phase-in  
9 the rate impact from the 2011, 2012, and 2013 ECAM deferrals for these tariff  
10 contracts. The proposed rate change for Tariff Contracts 400 and 401 recovers the  
11 final year of amortization for these prior ECAM deferral periods. The estimated  
12 balances of these prior ECAM deferral periods as of March 31, 2015, are  
13 approximately \$6.2 million or 0.441 cents/kWh for Tariff Contract 400, and  
14 approximately \$0.5 million or 0.433 cent/kWh for Tariff Contract 401. These  
15 balances and rates are shown in Exhibit No. 3.

16 The proposed rate for Tariff Contracts 400 and 401 for the 2014 Deferral  
17 is 0.467 cents/kWh, which is the same rate proposed for all the transmission  
18 customers as required by Order No. 32910. This rate is shown in Exhibit Nos. 2  
19 and 3.

20 Accordingly, the proposed Schedule 94 rate for Tariff Contract 400 of  
21 0.908 cents/kWh is the combination of these two rates—0.441 cents/kWh for the  
22 prior deferral balances and 0.467 cents/kWh for the 2014 Deferral. Similarly, the  
23 proposed Schedule 94 rate for Tariff Contract 401 of 0.900 cents/kWh is the

1 combination of these two rates—0.433 cents/kWh for the prior deferral balances  
2 and 0.467 for the 2014 Deferral. The Company will track the recovery of the  
3 balance of the prior deferral amounts by proportioning the monthly collections  
4 based on the percentages shown in Exhibit No. 3. For example, 46.0 percent of  
5 the collections from Tariff Contract 400 will be applied against the balance for the  
6 2014 deferral and 54.0 percent of the collections will be applied against the  
7 balance of the prior deferrals. The percentages in Exhibit No. 3 recognize that  
8 10.5 percent, or \$1.7 million, of the 2014 deferral is related to the outstanding  
9 balance from standard tariff customers. Therefore, to avoid having the Tariff  
10 Contract customers pay the portion of the 2014 Deferral related to the under-  
11 collection from the standard tariff customers from the prior year, the percentage  
12 of collections allocated to the 2014 Deferral for Tariff Contract 400 and 401 is  
13 correspondingly reduced. The remaining collections will be applied against the  
14 balance of the prior deferrals.

15 **Q. What is the impact of the proposed ECAM rates?**

16 A. As summarized in my Exhibit No. 2, these rate change proposals result in an  
17 increase of 8.1 percent for Tariff Contract 400, and an increase of 8.0 percent for  
18 Tariff Contract 401. Standard tariff customers will see an increase of 1.8 percent,  
19 or \$3.3 million.

20 **Calculation of Proposed Rates for Schedule 94**

21 **Q. How were the proposed Schedule 94 rates developed for standard tariff**  
22 **customers?**

23 A. The proposed rates for standard tariff customers were developed in three steps.

1 First, their kWh consumption at the generation level was developed by multiplying  
2 their retail loads at the delivery service voltage level with the corresponding line  
3 loss factors. Next, an overall average rate at the generation level was developed by  
4 dividing their total collection target identified above with their kWh consumption  
5 at the generation level. Last, the proposed rates by delivery voltage level were  
6 developed by multiplying the above overall average rate at the generation level  
7 with the corresponding line loss factors. As a result, the Company proposes  
8 Schedule 94 rates of 0.496, 0.479 and 0.467 cents per kWh for secondary, primary,  
9 and transmission delivery service voltages, respectively, for standard tariff  
10 customers.

11 **Q. How were the proposed Schedule 94 rates developed for Tariff Contract 400  
12 and Tariff Contract 401?**

13 A. The proposed rates for these two customers were developed in two steps. First,  
14 their collection targets for the prior deferral period balances identified above were  
15 divided by their 2012 kWh consumption at the transmission voltage level to  
16 develop a rate to recover these outstanding balances. Second, as described above,  
17 the transmission voltage rate developed for recovering the 2014 Deferral was  
18 added to the rate for the prior deferral period. This results in the proposed Schedule  
19 94 rates of 0.908 cents per kWh for Tariff Contract 400 and 0.900 cents per kWh  
20 for Tariff Contract 401.

21 **Q. Please describe Exhibit No. 2.**

22 A. Exhibit No. 2 shows the 2012 loads used to develop rates, the line loss adjusted  
23 loads, the allocation of the ECAM price change, and the percentage change by rate

1 schedule.

2 **Q. Please describe Exhibit No. 3.**

3 A. Exhibit No. 3 shows the expected deferral balance as of April 1, 2015, by customer  
4 group and the proposed rate components for Tariff Contract 400 and Tariff  
5 Contract 401.

6 **Q. Please describe Exhibit No. 4.**

7 A. Exhibit No. 4 contains clean and legislative copies of the proposed Electric Service  
8 Schedule No. 94, Energy Cost Adjustment. Consistent with the ECAM, the  
9 Company proposes the new rates become effective April 1, 2015.

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

11 A. Yes.

Case No. PAC-E-15-01  
Exhibit No. 2  
Witness: Joelle R. Steward

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

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Exhibit Accompanying Direct Testimony of Joelle R. Steward

February 2015

**EXHIBIT NO. 2**  
**ESTIMATED IMPACT OF PROPOSED ECAM ADJUSTMENT**  
**FROM ELECTRIC SALES TO ULTIMATE CONSUMERS**  
**DISTRIBUTED BY RATE SCHEDULES IN IDAHO**  
**HISTORIC 12 MONTHS ENDED DECEMBER 2012**

Line No.	Description (1)	Average			Present			At Meter			Generation			ECAM Proposal			Present		
		Sch. (2)	Cust (3)	MWH (4)	Rev (\$000) (5)	S (6)	P (7)	T (8)	MWh <sup>1</sup> (9)	Rev (\$000) (10)	S (11)	P (12)	T (13)	ECAM Rev (\$000) <sup>3</sup> (14)	Net Change (\$000) (15)	% (16)			
<b>Residential Sales</b>																			
1	Residential Service	1	43,685	424,866	\$46,305	424,866		467,981	\$2,107	0.496	0.479	0.467	\$1,377	\$731	1.5%				
2	Residential Optional TOD	36	14,279	260,612	\$24,053	260,612		287,059	\$1,293	0.496	0.479	0.467	\$844	\$448	1.8%				
3	AGA Revenue				\$3														
4	Total Residential		57,964	685,477	\$70,361	685,477	0	755,040	\$3,400				\$2,221	\$1,179	1.6%				
<b>Commercial &amp; Industrial</b>																			
5	General Service - Large Power	6	1,048	281,899	\$21,796	235,944	45,956	308,818	\$1,391	0.496	0.479	0.467	\$908	\$482	2.1%				
6	General Svc. - Lg. Power (R&F)	6A	219	32,396	\$2,739	32,396		35,683	\$161	0.496	0.479	0.467	\$105	\$56	2.0%				
7	Subtotal-Schedule 6		1,267	314,295	\$24,535	268,339	45,956	344,501	\$1,551				\$1,013	\$538	2.1%				
8	General Service - High Voltage	9	15	118,837	\$7,145		118,837	123,122	\$554	0.496	0.479	0.467	\$361	\$193	2.6%				
9	Irrigation	10	4,894	658,325	\$56,316	658,325		725,131	\$3,265	0.496	0.479	0.467	\$2,133	\$1,132	1.9%				
10	Comm. & Ind. Space Heating	19	116	8,559	\$672	8,559		9,428	\$42	0.496	0.479	0.467	\$28	\$15	2.1%				
11	General Service	23	6,841	145,173	\$13,776	143,798	1,376	159,855	\$720	0.496	0.479	0.467	\$470	\$250	1.8%				
12	General Service (R&F)	23A	1,823	24,281	\$2,413	24,281		26,745	\$120	0.496	0.479	0.467	\$79	\$42	1.7%				
13	Subtotal-Schedule 23		8,664	169,454	\$16,189	168,079	1,376	186,600	\$840				\$549	\$291	1.7%				
14	General Service Optional TOD	35	3	1,144	\$91	1,144		1,260	\$6	0.496	0.479	0.467	\$4	\$2	2.1%				
15	Contract 1 <sup>4</sup>	400	1	1,400,114	\$78,233		1,400,114	1,450,588	\$12,707			0.908	\$5,894	\$6,813	8.1%				
16	Contract 2 <sup>4</sup>	401	1	106,646	\$5,923		106,646	110,491	\$959			0.900	\$447	\$512	8.0%				
17	AGA Revenue				\$599														
18	Total Commercial & Industrial		14,961	2,777,374	\$189,703	1,104,445	47,331	2,951,120	\$19,926				\$10,429	\$9,497	4.7%				
<b>Public Street Lighting</b>																			
19	Security Area Lighting	7	194	256	\$96	256		282	\$1	0.496	0.479	0.467	\$1	\$0	0.5%				
20	Security Area Lighting (R&F)	7A	134	108	\$44	108		119	\$1	0.496	0.479	0.467	\$0	\$0	0.4%				
21	Street Lighting - Company	11	30	71	\$31	71		78	\$0	0.496	0.479	0.467	\$0	\$0	0.4%				
22	Street Lighting - Customer	12	276	2,444	\$429	2,444		2,691	\$12	0.496	0.479	0.467	\$8	\$4	1.0%				
23	AGA Revenue				\$0														
24	Total Public Street Lighting		634	2,878	\$600	2,878	0	3,170	\$14				\$9	\$5	0.8%				
25	Total Sales to Ultimate Customers		73,559	3,465,729	\$260,664	1,792,800	47,331	3,709,330	\$23,341				\$12,659	\$10,681	3.9%				
26	Total (Excluding Sch 400, 401)		73,557	1,958,969	\$176,509	1,792,800	47,331	2,148,251	\$9,674				\$6,318	\$3,356	1.8%				
27	Equal to MWh sales by voltage times the corresponding loss factors in this line:																		
28	Total Proposed ECAM Revenue (\$000) and Rate by Voltage (cents/kWh):																		
29	Equal to MWh sales by voltage times the corresponding present rate in this line:																		
30	Rates designed to amortize the ECAM Balances for Schedules 400 and 401 in one year plus the 2014 deferrals.																		

Present	< Idaho
0.421	< Sch 400
0.419	< Sch 401

\$16,704	< Idaho
\$6,175	< Sch 400
\$462	< Sch 401

Case No. PAC-E-15-01  
Exhibit No. 3  
Witness: Joelle R. Steward

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

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Exhibit Accompanying Direct Testimony of Joelle R. Steward

February 2015

**EXHIBIT NO. 3**  
**Estimated Deferred ECAM Balance**

	Total	Sch 400	Sch 401	Net
<b>Total Company Recovery for NPC Deferral</b>	<b>\$16,634,562.41</b>	Balance Account		<b>\$16,634,562</b>
Unamortized Previous Balance	\$23,703,774	\$13,170,906	\$997,651	\$9,535,217
ECAM Rider Revenues	(\$13,546,360)	(\$5,392,477)	(\$393,865)	(\$7,760,018)
Interest*	\$169,085	\$170,621	\$12,698	(\$14,233)
<b>November 30, 2014 Balance For Collection</b>	<b>\$26,961,062</b>	<b>\$7,949,050</b>	<b>\$616,484</b>	<b>\$18,395,528</b>
Sch 94 Collection - Dec 2014 - March 2015	(\$3,648,846)	(\$1,797,427)	(\$156,693)	(\$1,694,726)
Interest	\$28,348	\$23,624	\$1,785	\$2,938
<b>Expected Balance as of April 1, 2015</b>	<b>\$23,340,564</b>	<b>\$6,175,247</b>	<b>\$461,577</b>	<b>\$16,703,740</b>
% of Balance Account to Total Deferral				10.5%
Revised Balance Account Rate (cents/kWh)		0.441	0.433	
2014 Deferral Rate (cents/kWh)		0.467	0.467	
Total Rate (cents/kWh) - Schedule 94		0.908	0.9	
2014 Deferral %		46.0%	46.4%	
Balance Account %		54.0%	53.6%	

\* Including WLA Adjustment per Stipulated Agreement Order 33094.

Case No. PAC-E-15-01  
Exhibit No. 4  
Witness: Joelle R. Steward

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

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Exhibit Accompanying Direct Testimony of Joelle R. Steward

February 2015

I.P.U.C. No. 1

**Fifth Revision of Sheet No. 94.1  
Canceling Fourth Revision of Sheet No. 94.1**

**ROCKY MOUNTAIN POWER**

**ELECTRIC SERVICE SCHEDULE NO. 94**

**STATE OF IDAHO**

**Energy Cost Adjustment**

**AVAILABILITY:** At any point on the Company's interconnected system.

**APPLICATION:** This Schedule shall be applicable to all retail tariff Customers taking service under the Company's electric service schedules.

**ENERGY COST ADJUSTMENT:** The Energy Cost Adjustment is calculated to collect the accumulated difference between total Company Base Net Power Cost and total Company Actual Net Power Cost calculated on a cents per kWh basis.

**MONTHLY BILL:** In addition to the Monthly Charges contained in the Customer's applicable schedule, all monthly bills shall have applied the following cents per kilowatt-hour rate by delivery voltage.

		Delivery Voltage		
		Secondary	Primary	Transmission
Schedule	1	0.496¢ per kWh		
Schedule	6	0.496¢ per kWh	0.479¢ per kWh	
Schedule	6A	0.496¢ per kWh	0.479¢ per kWh	
Schedule	7	0.496¢ per kWh		
Schedule	7A	0.496¢ per kWh		
Schedule	9			0.467¢ per kWh
Schedule	10	0.496¢ per kWh		
Schedule	11	0.496¢ per kWh		
Schedule	12	0.496¢ per kWh		
Schedule	19	0.496¢ per kWh		
Schedule	23	0.496¢ per kWh	0.479¢ per kWh	
Schedule	23A	0.496¢ per kWh	0.479¢ per kWh	
Schedule	24	0.496¢ per kWh	0.479¢ per kWh	
Schedule	35	0.496¢ per kWh	0.479¢ per kWh	
Schedule	35A	0.496¢ per kWh	0.479¢ per kWh	
Schedule	36	0.496¢ per kWh		
Schedule	400			0.908¢ per kWh
Schedule	401			0.900¢ per kWh

Submitted Under Case No. PAC-E-15-01

**ISSUED:** February 2, 2015

**EFFECTIVE:** April 1, 2015

I.P.U.C. No. 1

~~Fourth~~ Fifth Revision of Sheet No. 94.1  
Cancelling ~~Fourth~~ Third Revision of Sheet No. 94.1

**ROCKY MOUNTAIN POWER**

**ELECTRIC SERVICE SCHEDULE NO. 94**

**STATE OF IDAHO**

**Energy Cost Adjustment**

**AVAILABILITY:** At any point on the Company's interconnected system.

**APPLICATION:** This Schedule shall be applicable to all retail tariff Customers taking service under the Company's electric service schedules.

**ENERGY COST ADJUSTMENT:** The Energy Cost Adjustment is calculated to collect the accumulated difference between total Company Base Net Power Cost and total Company Actual Net Power Cost calculated on a cents per kWh basis.

**MONTHLY BILL:** In addition to the Monthly Charges contained in the Customer's applicable schedule, all monthly bills shall have applied the following cents per kilowatt-hour rate by delivery voltage.

	Delivery Voltage		
	Secondary	Primary	Transmission
Schedule 1	0.496324¢ per kWh		
Schedule 6	0.496324¢ per kWh	0.479313¢ per kWh	
Schedule 6A	0.496324¢ per kWh	0.479313¢ per kWh	
Schedule 7	0.496324¢ per kWh		
Schedule 7A	0.496324¢ per kWh		
Schedule 9			0.467304¢ per kWh
Schedule 10	0.496324¢ per kWh		
Schedule 11	0.496324¢ per kWh		
Schedule 12	0.496324¢ per kWh		
Schedule 19	0.496324¢ per kWh		
Schedule 23	0.496324¢ per kWh	0.479313¢ per kWh	
Schedule 23A	0.496324¢ per kWh	0.479313¢ per kWh	
Schedule 24	0.496324¢ per kWh	0.479313¢ per kWh	
Schedule 35	0.349624¢ per kWh	0.479313¢ per kWh	
Schedule 35A	0.496324¢ per kWh	0.479313¢ per kWh	
Schedule 36	0.496324¢ per kWh		
Schedule 400			0.908424¢ per kWh
Schedule 401			0.900419¢ per kWh

Submitted Under Case No. PAC-E-154-01

**ISSUED:** April ~~February~~ 2, 20154

**EFFECTIVE:** April 1, 20154