BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER REQUESTING APPROVAL OF THE $16.7 MILLION NET POWER COST DEFERRAL AND AUTHORITY TO DECREASE RATES BY $9.0 MILLION	))))))	**CASE NO. PAC-E-16-05** **DIRECT TESTIMONY OF JOELLE R. STEWARD**

ROCKY MOUNTAIN POWER

CASE NO. PAC-E-16-05

February 2016

Q. Please state your name, business address and present position with PacifiCorp, dba Rocky Mountain Power (the "Company").

A. My name is Joelle R. Steward. My business address is 1407 West North Temple, Salt Lake City, Utah 84116. My present position is Director, Rates & Regulatory Affairs.

Qualifications

Q. Briefly describe your education and professional background.

A. I have a B.A. degree in Political Science from the University of Oregon and an M.A. in Public Affairs from the Hubert Humphrey Institute of Public Policy at the University of Minnesota. Between 1999 and March 2007, I was employed as a Regulatory Analyst with the Washington Utilities and Transportation Commission. I joined the Company in March 2007 as a Regulatory Manager, responsible for all regulatory filings and proceedings in Oregon. In February 2012, I assumed responsibilities overseeing cost of service and pricing for PacifiCorp. In May 2015, I assumed my current position, with broader oversight over Rocky Mountain Power's regulatory affairs in addition to the cost of service and pricing responsibilities.

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

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

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

A. My testimony presents the Company's proposed rates to recover the deferral

balances in Electric Service Schedule No. 94, Energy Cost Adjustment (Schedule 94).

Background

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

A. Schedule 94 is currently designed to collect approximately $23.4 million; $12.8 million for Tariff Contract 400, $1.0 million for Tariff Contract 401, and $9.6 million for the standard tariff customers based on Idaho loads from Case No. PAC-E-15-09.

Proposed Rate Change for Schedule 94

Q. Please describe the Company's proposed rate change in this case.

A. In this 2016 Energy Cost Adjustment Mechanism (ECAM) filing, the Company proposes to reduce the current ECAM collection rates to recover approximately $16.9 million from April 1, 2016 to May 31, 2017, (or about $14.5 million annualized), based on loads from Case No. PAC-E-15-09. This includes any carry-over balance from the 2014 Deferral and the 2015 Deferral, as shown in Table 2 and discussed in the direct testimony of Mr. Michael Wilding.

Q. Why is the Company proposing to collect the ECAM deferral over 14 months?

A. The Company is proposing a 14-month collection period to align the collection of the current ECAM deferral with the 2017 ECAM rate change. In Case No. PAC-E-15-09, the Company proposed and the Commission approved[1] changing the ECAM deferral period to align with the calendar year rather than the December through November deferral period currently used. Changing the deferral period

[1] Order No. 33440.

also necessitated changing the filing and rate effective dates. Historically the ECAM Application was filed on February 1 with an April 1 rate effective date. By modifying the deferral period from December through November to January through December it was necessary to delay the filing date to April 1 with a June 1 rate effective date.

Q. When is this change to the deferral period effective?

A. The deferral period changed with the current ECAM deferral which will cover a thirteen month period from December 2015 through December 2016. The next ECAM application will be filed April 1, 2017 with a June 1, 2017 rate effective date. Beginning in 2017 the deferral period aligns with the calendar year with the April 1 filing date and June 1 rate effective date.

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

A. Historically these tariff contract customers amortized the recovery of their ECAM balance over two to three years. Because of the amortization agreement these customers' deferral and collections were recorded in separate accounts. Beginning in 2015, these customers paid their ECAM balance over one year along with the prior period deferral. To assure the prior years' ECAM balance was zero by March 31, 2016, a fixed monthly amount was paid rather than a usage based rate. Starting in 2016, the proposed rate for Tariff Contracts 400 and 401 is the same as for standard tariff customers with transmission delivery service voltage.

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

A. As summarized in my Exhibit No. 2, these rate change proposals result in a decrease of 7.1 percent for Tariff Contract 400, and a decrease of 7.3 percent for

Tariff Contract 401. Standard tariff customers will see an average decrease of 0.7 percent, or $1.4 million.

Q. Why is the rate decrease so large for the tariff contract customers?

A. As mentioned, in 2015 the tariff contract customers were paying for their share of the 2014 deferral plus the amortization of three years of prior period deferrals. Beginning April 1, 2016, the amortization is completely paid off so all they are paying for is their share of the 2015 Deferral.

Calculation of Proposed Rates for Schedule 94

Q. How were the proposed Schedule 94 rates developed for all customers?

A. The proposed rates for all customers were developed in three steps. First, their kWh consumption at the generation level was developed by multiplying their retail loads at the delivery service voltage level with the corresponding line loss factors. Next, an overall average rate at the generation level was developed by dividing their total collection target identified above with their kWh consumption at the generation level. Last, the proposed rates by delivery voltage level were developed by multiplying the above overall average rate at the generation level with the corresponding line loss factors. As a result, the Company proposes Schedule 94 rates of 0.428, 0.413 and 0.402 cents per kWh for secondary, primary, and transmission delivery service voltages, respectively, for all customers.

Q. Please describe Exhibit No. 2.

A. Exhibit No. 2 shows the 2014 loads, from Case No. PAC-E-15-09, used to develop rates, the line loss adjusted loads, the allocation of the ECAM price change, and the percentage change by rate schedule.

Q. Please describe Exhibit No. 3.

A. Exhibit No. 3 contains clean and legislative copies of the proposed Electric Service Schedule No. 94, Energy Cost Adjustment. Consistent with the ECAM, the Company proposes the new rates become effective April 1, 2016.

Q. Does this conclude your direct testimony?

A. Yes.

Case No. PAC-E-16-05
Exhibit No. 2
Witness: Joelle R. Steward

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Joelle R. Steward

February 2016

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 2014

Line No.	Description	Sch.	Average Cust	MWH	Present Rev ($000)	At Meter MWh by Voltage S	P	T	At Generation MWh	ECAM Proposal Rev ($000)	Rate ¢/kWh S	P	T	Present ECAM Rev ($000)	Net Change ($000)	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Residential Sales															
1	Residential Service	1	46,059	442,589	$49,602	442,589			487,503	$1,892	0.428	0.413	0.402	$2,213	($321)	-0.6%
2	Residential Optional TOD	36	13,484	235,152	$22,484	235,152			259,016	$1,005	0.428	0.413	0.402	$1,176	($170)	-0.7%
3	AGA Revenue				$3											
4	Total Residential		59,543	677,741	$72,090	677,741	0	0	746,519	$2,897				$3,389	($491)	-0.7%
5	**Commercial & Industrial**															
6	General Service - Large Power	6	1,036	303,011	$23,667	258,477	44,534		332,125	$1,289	0.428	0.413	0.402	$1,507	($218)	-0.9%
7	General Svc. - Lg. Power (R&F)	6A	214	30,600	$2,616	30,600			33,705	$131	0.428	0.413	0.402	$153	($22)	-0.8%
8	*Subtotal-Schedule 6*		*1,250*	*333,611*	*$26,283*	*289,077*	*44,534*	*0*	*365,830*	*$1,420*				*$1,660*	*($241)*	*-0.9%*
9	General Service - High Voltage	9	17	121,001	$7,626			121,001	125,363	$487	0.428	0.413	0.402	$569	($82)	-1.0%
10	Irrigation	10	4,969	602,488	$54,316	602,488			663,629	$2,576	0.428	0.413	0.402	$3,012	($437)	-0.8%
11	Comm. & Ind. Space Heating	19	103	5,151	$438	5,151			5,674	$22	0.428	0.413	0.402	$26	($4)	-0.8%
12	General Service	23	6,634	153,848	$14,913	152,484	1,364		169,411	$658	0.428	0.413	0.402	$769	($111)	-0.7%
13	General Service (R&F)	23A	2,314	33,450	$3,376	32,839	611		36,822	$143	0.428	0.413	0.402	$167	($24)	-0.7%
14	*Subtotal-Schedule 23*		*8,948*	*187,299*	*$18,289*	*185,323*	*1,975*	*0*	*206,233*	*$800*				*$936*	*($136)*	*-0.7%*
15	General Service Optional TOD	35	3	1,893	$123	1,893			2,085	$8	0.428	0.413	0.402	$9	($1)	-1.0%
16	Special Contract 1	400	1	1,443,926	$86,967			1,443,926	1,495,980	$5,806			0.402	$12,851	($7,045)	-7.1%
17	Special Contract 2	401	1	107,486	$6,264			107,486	111,361	$432			0.402	$958	($526)	-7.3%
18	AGA Revenue				$478											
19	Total Commercial & Industrial		15,293	2,802,855	$200,786	1,083,932	46,510	1,672,413	2,976,154	$11,551				$20,022	($8,471)	-3.8%
20	**Public Street Lighting**															
21	Security Area Lighting	7	193	267	$102	267			294	$1	0.428	0.413	0.402	$1	($0)	-0.2%
22	Security Area Lighting (R&F)	7A	136	107	$44	107			117	$0	0.428	0.413	0.402	$1	($0)	-0.2%
23	Street Lighting - Company	11	37	87	$40	87			95	$0	0.428	0.413	0.402	$0	($0)	-0.2%
24	Street Lighting - Customer	12	234	2,424	$436	2,424			2,670	$10	0.428	0.413	0.402	$12	($2)	-0.4%
25	AGA Revenue				$0											
26	Total Public Street Lighting		600	2,884	$621	2,884	0	0	3,177	$12				$14	($2)	-0.3%
27	**Total Sales to Ultimate Customers**		75,435	3,483,480	$273,497	1,764,558	46,510	1,672,413	3,725,850	$14,461				$23,425	($8,964)	-3.0%
28	**Total (w/o Sch 400, 401)**		75,433	1,932,068	$180,265	1,764,558	46,510	121,001	2,118,509	$8,223				$9,616	($1,394)	-0.7%

		Rev. Rqmt	Unallocated	Allocated S	Allocated P	Allocated T
29	Voltage Line Loss Factors applied to rates:			1.10148	1.06475	1.03605
30	Total Company Current Deferral Rate(cents/kWh):	$14,461	0.388	0.428	0.413	0.402

		Proposed Rates S	P	T	Current Rates S	P	T
31	Total Tariff Customer Rate	0.428	0.413	0.402	0.500	0.483	0.470
32	Total Schedule 400 Rate			0.402		$6,137	0.465
33	Total Schedule 401 Rate			0.402		$458	0.465

Rocky Mountain Power
Exhibit No. 2 Page 1 of 1
Case No. PAC-E-16-05
Witness: Joelle R. Steward

Case No. PAC-E-16-05
Exhibit No. 3
Witness: Joelle R. Steward

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Joelle R. Steward

February 2016

ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

Sixth Revision of Sheet No. 94.1
I.P.U.C. No. 1 **Canceling Fifth 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	0.428¢ per kWh		
Schedule	6	0.428¢ per kWh	0.413¢ per kWh	
Schedule	6A	0.428¢ per kWh	0.413¢ per kWh	
Schedule	7	0.428¢ per kWh		
Schedule	7A	0.428¢ per kWh		
Schedule	9			0.402¢ per kWh
Schedule	10	0.428¢ per kWh		
Schedule	11	0.428¢ per kWh		
Schedule	12	0.428¢ per kWh		
Schedule	19	0.428¢ per kWh		
Schedule	23	0.428¢ per kWh	0.413¢ per kWh	
Schedule	23A	0.428¢ per kWh	0.413¢ per kWh	
Schedule	24	0.428¢ per kWh	0.413¢ per kWh	
Schedule	35	0.428¢ per kWh	0.413¢ per kWh	
Schedule	35A	0.428¢ per kWh	0.413¢ per kWh	
Schedule	36	0.428¢ per kWh		
Schedule	400			0.402¢ per kWh
Schedule	401			0.402¢ per kWh

ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

Sixth ~~Fifth~~ Revision of Sheet No. 94.1
I.P.U.C. No. 1 Canceling Fifth~~Fourth~~ Revision of Sheet No. 94.1

ROCKY MOUNTAIN POWER

ELECTRIC SERVICE SCHEDULE NO. 94

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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	0.428~~500~~¢ per kWh		
Schedule	6	0.428~~500~~¢ per kWh	0.4183¢ per kWh	
Schedule	6A	0.428~~500~~¢ per kWh	0.4183¢ per kWh	
Schedule	7	0.428~~500~~¢ per kWh		
Schedule	7A	0.428~~500~~¢ per kWh		
Schedule	9			0.4027~~0~~¢ per kWh
Schedule	10	0.428~~500~~¢ per kWh		
Schedule	11	0.428~~500~~¢ per kWh		
Schedule	12	0.428~~500~~¢ per kWh		
Schedule	19	0.428~~500~~¢ per kWh		
Schedule	23	0.428~~500~~¢ per kWh	0.4183¢ per kWh	
Schedule	23A	0.428~~500~~¢ per kWh	0.4183¢ per kWh	
Schedule	24	0.428~~500~~¢ per kWh	0.4183¢ per kWh	
Schedule	35	0.428~~500~~¢ per kWh	0.4183¢ per kWh	
Schedule	35A	0.428~~500~~¢ per kWh	0.4183¢ per kWh	
Schedule	36	0.428~~500~~¢ per kWh		
Schedule	400~~*~~			0.4026~~5~~¢ per kWh
Schedule	401~~**~~			0.4026~~5~~¢ per kWh

~~* Plus equal monthly payment of $511,413.50 from April 2015 to March 2016 to amortize the corresponding 2013 ECAM Balance.~~
~~** Plus equal monthly payment of $38,176.47 from April 2015 to March 2016 to amortize the corresponding 2013 ECAM Balance.~~

Submitted Under Case No. PAC-E-16~~5~~-05~~4~~

ISSUED: ~~April 2~~February 1, 2016~~5~~ **EFFECTIVE**: April 1, 2016~~5~~