

Rocky Mountain Power
Exhibit RMP___(RMM-8R)
Docket No. 14-035-114
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Rebuttal Testimony of Robert M. Meredith

Responses to RMP Data Requests

July 2017

14-035-114/ Rocky Mountain Power
February 27, 2017
OCS Data Request 6.8

OCS Data Request 6.8

In Comparing “Summary Table” tab, row 17 in Meredith work papers in “ACOS UT Dec 2015.xlsx” and “A COS UT Dec 2015 NEM Breakout.xlsx” please explain why the “Total Cost of Service” is the same, but the sub-categories “Production Cost of Service”, “Transmission Cost of Service,” etc. have changed. Please explain the billing determinants and/or allocation factors used to get these values to change based on the modeling of a NEM class, but still sum up to the same Total Cost of Service value.

Response to OCS Data Request 6.8

Total cost of service (COS) is the same for both the ACOS and NEM Breakout COS, because both COS studies use the same total level of revenue and calculate total revenue requirement (COS) at the earned rate of return which is based upon present revenues. Please refer to lines 363 through 517 of the Direct Testimony of Company witness, Robert M. Meredith, which provides a discussion of the differences in assumptions for the NEM Breakout COS study. The Company has identified two reasons for the difference in functional COS shown on the tab entitled “Summary Table” of the ACOS and NEM Breakout COS. First, the Company inadvertently used an inconsistent formula for its calculation of the PT and PTD functional factors in the ACOS study. The PT and PTD functional factors should have been based upon normalized results from the jurisdictional allocation model (JAM) instead of actual results from the JAM. Second, COS by function shown on the tab entitled “Summary” of the COS model is calculated by summing up the unbundled revenue requirements by class which incorporates calculations of unbundled revenue by class based upon each class’s earned rate of return and consequent unbundled federal and state income taxes by class. Since the ACOS and NEM Breakout COS contain different class delineations and different assumptions, COS by function as shown on the tab entitled “Summary Table” would still be slightly different after making the correction to the computation of the PT and PTD functional factors in the ACOS study.