

Rocky Mountain Power
Docket No. 17-035-40
Witness: Joelle R. Steward

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Second Supplemental Direct Testimony of Joelle R. Steward

February 2018

1 **Q. Are you the same Joelle R. Steward who previously submitted testimony in this**
2 **proceeding on behalf of Rocky Mountain Power (“the Company”), a division of**
3 **PacifiCorp?**

4 A. Yes.

5 **PURPOSE OF TESTIMONY**

6 **Q. What is the purpose of your second supplemental direct testimony?**

7 A. I update the expected costs and benefits proposed to be recovered through the Resource
8 Tracking Mechanism (“RTM”) to reflect the updated 2017R Request for Proposals
9 (“2017R RFP”) final shortlist described in the second supplemental direct testimony of
10 Company witness Mr. Rick T. Link. The Company proposed the RTM as part of its
11 request for approval of the Company’s energy resource decisions for new wind
12 resources (“Wind Projects”) and for the Aeolus-to-Bridger/Anticline line and network
13 upgrades (“Transmission Projects”) (collectively, the “Combined Projects”).

14 **SECOND SUPPLEMENTAL DIRECT TESTIMONY**

15 **Q. Have you updated the exhibits from your first supplemental testimony to reflect**
16 **the updated economic analysis for the Combined Projects summarized in Mr.**
17 **Link’s testimony?**

18 A. Yes. My original exhibits have been updated and are presented as Exhibit
19 RMP__(JRS-1SS),¹ Exhibit RMP__(JRS-2SS), Exhibit RMP__(JRS-3SS) and
20 Exhibit RMP__(JRS-4SS). These exhibits reflect the updated costs and benefits in the
21 economic analysis in Mr. Link’s testimony based on the updated 2017R RFP final
22 shortlist. The exhibits are in the same format used in my previous testimony. They

¹ Exhibit RMP__(JRS-1SS) is included but is the same as Exhibit RMP__(JRS-1SD) presented in supplemental direct testimony.

23 calculate the monthly and annual revenue requirements and show the overall net impact
24 for the Combined Projects that would be reflected in rates, including the proposed
25 RTM.

26 **Q. Please provide a summary of the updates in your revised exhibits.**

27 A. As in my previous supplemental update, my updated exhibits include changes in Utah's
28 allocated share of the updated Combined Projects' capital costs, return, depreciation,
29 Production Tax Credits ("PTCs"), taxes, and operating costs and benefits. Updated net
30 power costs associated with the updated 2017R RFP final shortlist, system dispatch,
31 and revised wind generation projections have also been included in the Energy
32 Balancing Account ("EBA") pass-through calculation.

33 **Q. What are the updated annual estimated rate impacts associated with the**
34 **Combined Projects that would be reflected in rates through the RTM, in**
35 **conjunction with the EBA?**

36 A. The Company is projecting the Combined Projects' updated annual revenue
37 requirement impact for the years 2020 to 2023 to be in the range of (\$2) million to
38 \$33 million in Utah, as shown in Table 1 of Exhibit RMP__(JRS-2SS). The net rate
39 impact would be less than 1.7 percent for the first full year of operation.

40 **Q. Has the Company's proposed ratemaking treatment for interim recovery of costs**
41 **through the RTM changed?**

42 A. No. The Company continues to propose recovery of costs through the RTM to
43 concurrently match benefits and costs in rates. Absent recovery through the RTM, the
44 Company continues to recommend symmetrical treatment of the costs and benefits of
45 the Combined Projects by excluding net power cost benefits from the EBA if costs are

46 not deferred or otherwise reflected in rates.

47 **FILING REQUIREMENTS**

48 **Q. The 2017R RFP shortlist is now final and additional information on RFP results**
49 **is available. Has the Company supplemented its filing to ensure compliance with**
50 **the filing requirements of the Act?**

51 A. Yes. Included with the filing letter is an update to Attachment A to the Application in
52 the initial filing, which is a matrix that explains, in detail, where the information to
53 demonstrate compliance with the requirements of the Act and Commission rules, as
54 required by Utah Admin. Code Rule R746-430-2(1)(a) is located in the Company's
55 filing.

56 **Q. Does this conclude your second supplemental direct testimony?**

57 A. Yes.