

Docket No. 20000-520-EA-17
Witness: Joelle R. Steward

BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

Supplemental Direct Testimony of Joelle R. Steward

January 2018

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

4 A. Yes.

5 **PURPOSE AND SUMMARY OF TESTIMONY**

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

7 A. My testimony supports the Company’s application to the Wyoming Public Service
8 Commission (“Commission”) requesting Certificates of Public Convenience and
9 Necessity (“CPCNs”) and nontraditional ratemaking treatment for new wind resources
10 (“Wind Projects”) and the Aeolus-to-Bridger/Anticline line and network upgrades
11 (“Transmission Projects”), as reflected in this supplemental filing (collectively, the
12 “Combined Projects”). In my supplemental direct testimony, I update the expected
13 costs and benefits proposed to be recovered through the Resource Tracking Mechanism
14 (“RTM”) associated with the Combined Projects based on the Company’s 2017R
15 Request for Proposals (“2017R RFP”) final shortlist.

16 **Q. Please summarize your testimony.**

17 A. The lower rate impact of the Combined Projects reflects the reduction in costs and
18 increase in benefits in the Company’s updated economic analysis provided by
19 Company witness Mr. Rick T. Link. It also reflects the effects of federal tax reform.
20 The first year revenue requirement of the Combined Projects is reduced nearly 20
21 percent from the initial filing. The Company’s request for resource approval and
22 recovery through the RTM is reasonable and in the public interest. The Combined
23 Projects are the least cost alternative to meet customers’ needs today and into the future.

1 SUPPLEMENTAL DIRECT TESTIMONY

2 **Q. Have you updated the exhibits from your direct testimony to reflect the updated**
3 **economic analysis for the Combined Projects, including the Wind Projects**
4 **selected to the 2017R RFP final shortlist, as reflected in this supplemental direct**
5 **filing?**

6 A. Yes. My original exhibits have been updated and are presented as Exhibit
7 RMP__(JRS-1SD), Exhibit RMP__(JRS-2SD), Exhibit RMP__(JRS-3SD) and
8 Exhibit RMP__(JRS-4SD).¹ These exhibits are revised with the updated economic
9 analysis in Mr. Link’s supplemental direct testimony, which reflects results from the
10 2017R RFP final shortlist. The exhibits are in the same format as in the initial filing,
11 and calculate the monthly and annual revenue requirements and the overall rate impact
12 of the Combined Projects that would be reflected in the proposed RTM.

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

14 A. The updates include changes in Wyoming’s allocated share of the updated Combined
15 Projects’ construction costs, return, depreciation, Production Tax Credits (“PTCs”),
16 taxes, and operating costs and benefits. Updated net power costs associated with the
17 2017R RFP final shortlist, an updated load forecast, system dispatch, and revised wind
18 generation projections have also been included in the Energy Cost Adjustment
19 Mechanism (“ECAM”) pass-through calculation. Overall, these changes show a
20 reduction in revenue requirement of nearly 20 percent from the initial filing.

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

1 **Q. Does the updated revenue requirement analysis incorporate the federal income**
2 **tax rate change from 35 percent to 21 percent, as passed under the Tax Act of**
3 **2017?**

4 A. Yes. As shown in Exhibit RMP____(JRS-4SD), line 5, the consolidated federal and state
5 income tax rate has changed from the 37.951 percent used in my direct testimony to
6 24.587 percent, reflecting the change in the federal tax rate. Also, on line 6 of Exhibit
7 RMP____(JRS-4SD), the PTC tax gross-up factor has been updated from 1.6116 in my
8 direct testimony to 1.3260. These changes are incorporated in the revenue requirement
9 results shown in Exhibit RMP____(JRS-2SD) and Exhibit RMP____(JRS-3SD).

10 **Q. What is the updated, estimated rate impact associated with the Combined**
11 **Projects, which would be reflected in rates through the RTM, in conjunction with**
12 **the ECAM?**

13 A. The Company is projecting the Combined Projects' updated, annual revenue
14 requirement impact for the years 2020 to 2023 to be in the range of (\$1) million to \$11
15 million in Wyoming, as shown in Table 1 of Exhibit RMP____(JRS-2SD). The net rate
16 impact would now be less than 1.6 percent for the first full year of operation.

17 **Q. As a result of this updated economic analysis, has the Company's proposed**
18 **ratemaking treatment for interim recovery of costs through the RTM changed?**

19 A. No. As discussed in my rebuttal testimony filed on December 18, 2017, the Company
20 continues to propose recovery of costs through the RTM in order to match benefits and
21 costs in rates.

22 **Q. Does this conclude your supplemental direct testimony?**

23 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

**IN THE MATTER OF THE)
APPLICATION OF ROCKY MOUNTAIN)
POWER FOR CERTIFICATES OF)
PUBLIC CONVENIENCE AND)
NECESSITY AND NONTRADITIONAL)
RATEMAKING FOR WIND AND)
TRANSMISSION FACILITIES)**

DOCKET NO. 20000-520-EA-17
(RECORD NO. 14781)

AFFIDAVIT, OATH AND VERIFICATION

Joelle Steward (Affiant) being of lawful age and being first duly sworn, hereby deposes and says that:

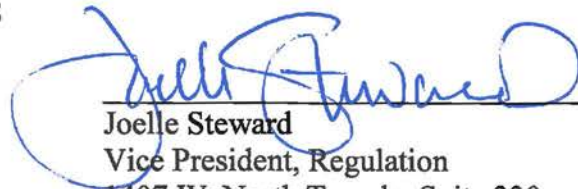
Affiant is the Vice President, Regulation for PacifiCorp, which is a party in this matter.

Affiant prepared and caused to be filed the foregoing testimony. Affiant has, by all necessary action, been duly authorized to file this testimony and make this Oath and Verification.

Affiant hereby verifies that, based on Affiant's knowledge, all statements and information contained within the testimony and all of its associated attachments are true and complete and constitute the recommendations of the Affiant in her official capacity as Vice President, Regulation.

Further Affiant Sayeth Not.

Dated this 16th day of January, 2018



Joelle Steward
Vice President, Regulation
1407 W. North Temple, Suite 330
Salt Lake City, UT 84116
(801)220-4705

STATE OF Utah)
COUNTY OF Salt Lake) SS:

The foregoing was acknowledged before me by Joelle Steward on this 16th day of January, 2018. Witness my hand and official seal.

Melanie R Allen
Notary Public

My Commission Expires: 9/11/18

