

Application No. 11-08-____
Exhibit No. PPL/200
Witness: Judith M. Ridenour

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

PACIFICORP

Direct Testimony of Judith M. Ridenour

August 2011

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

3 A. My name is Judith M. Ridenour. My business address is 825 NE Multnomah
4 Street, Suite 2000, Portland, Oregon 97232. My present position is Consultant,
5 Pricing & Cost of Service, in the Regulation Department.

6 **Qualifications**

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

8 A. I hold a Bachelor of Arts degree in Mathematics from Reed College. I joined the
9 Company in the Regulation Department in October 2000.

10 **Q. Please describe your current duties.**

11 A. I am responsible for the preparation of rate spread and rate design used in retail
12 price filings and related analyses. Since 2001, with levels of increasing
13 responsibility, I have analyzed and implemented rate spread and rate design
14 proposals throughout the Company's six state service territory. I have presented
15 testimony on behalf of the Company in the states of California and Oregon.

16 **Introduction**

17 **Q. What is the purpose of your testimony?**

18 A. I present the Company's proposed Energy Cost Adjustment Clause (ECAC)
19 adjustments and sponsor the proposed revised tariffs.

20 **Q. What are the overall effects of this proposed rate change?**

21 A. The overall effects of the proposed rate change are shown in Exhibit PPL/201 and
22 are summarized in the following table:

<u>Customer Class</u>	<u>Proposed Price Change</u>
Residential	1.8 percent
Commercial and Industrial	2.1 percent
Irrigation	2.0 percent
<u>Lighting</u>	<u>1.3 percent</u>
Overall	1.96 percent

1 **Q. Please describe Exhibit PPL/201.**

2 A. Exhibit PPL/201 shows the effects of the proposed rate change by rate schedule.
3 Columns 5 through 9 show present revenues. Present base revenues are shown in
4 column 5. Present Projected ECAC revenues are shown in column 6. Column 7
5 adds columns 5 and 6 for total present base revenues including Projected ECAC.
6 The adders in column 8 include public purpose charges and the present Deferred
7 ECAC. Column 9 adds columns 7 and 8 to show present revenues net of all
8 adders. Pass through surcharges for S-99 (CPUC Fee Surcharge) and S-100
9 (Surcharge to Fund Residential California Alternative Rates for Energy (CARE))
10 and CARE discounts are excluded from revenues in this table.

11 Similarly for proposed revenues, columns 10 through 14 show the base
12 proposed revenues, proposed Projected ECAC revenues, proposed total base
13 revenues with Projected ECAC, proposed adders, including the proposed
14 Deferred ECAC and proposed net revenues. The proposed base rate change in
15 dollars and percentage is shown by rate schedule in columns 15 and 16. The
16 proposed net rate change in dollars and percentage is shown by rate schedule in
17 columns 17 and 18.

1 **Q. Please describe Exhibit PPL/202.**

2 A. Exhibit PPL/202 contains the Company's proposed revised tariff, Schedule
3 ECAC-94.

4 **ECAC Adjustment Rates**

5 **Q. What methodology was used to calculate the adjustments shown in revised**
6 **Schedule ECAC-94, Energy Cost Adjustment Clause Tariff Rate Rider?**

7 A. The revised Schedule ECAC-94 adjustment rates were calculated using the
8 Balancing Rate and Offset Rate for calendar year 2012 consistent with the
9 methodology first implemented in the Company's 2005 general rate case, A.05-
10 11-022, D.06-12-011. This is the same methodology used in the Company's
11 previous ECAC filings.

12 **Q. What are the Offset Rate and the Balancing Rate in this case?**

13 A. As discussed in the direct testimony of Dr. Hui Shu, the Balancing Rate is \$0.82
14 per megawatt-hour or 0.082 cents per kilowatt-hour; the Offset Rate is \$31.26 per
15 megawatt-hour or 3.126 cents per kilowatt-hour.

16 **Q. Please explain how the adjustment rates in revised Schedule ECAC-94 were**
17 **calculated.**

18 A. The Deferred ECAC rates in the tariff were derived by first multiplying the
19 Balancing Rate by the total forecast kilowatt-hours for each schedule. Those
20 revenues were allocated between demand and energy consistent with the
21 December 2011 Results of Operations from the Company's most recent general
22 rate case, A.09-11-015. Finally, demand and energy rates for each rate schedule
23 were calculated by dividing the appropriate revenue for each function by its

1 corresponding billing quantities, adjusted to account for tariff discounts.

2 In a similar fashion, the Projected ECAC rates in the tariff were derived
3 by multiplying the Offset Rate by the total forecast kilowatt-hours for each
4 schedule. Revenues were then allocated between demand and energy consistent
5 with the December 2011 Results of Operations from A.09-11-015. Finally,
6 demand and energy rates for each rate schedule were calculated by dividing the
7 appropriate revenue for each function by its corresponding billing quantities,
8 again adjusted to account for discounts.

9 The Deferred ECAC and Projected ECAC rates were then summed by
10 schedule to result in the Total ECAC Adjustment rates shown in Schedule ECAC-
11 94.

12 **Q. Have you prepared an exhibit showing the calculation of the proposed ECAC**
13 **Adjustments?**

14 A. Yes. Exhibit PPL/203 shows the calculation of the demand and energy based
15 ECAC adjustments by rate schedule.

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

17 A. Yes.