

Docket No. UE 352
Exhibit PAC/500
Witness: Judith M. Ridenour

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

PACIFICORP

Direct Testimony of Judith M. Ridenour

December 2018

DIRECT TESTIMONY OF JUDITH M. RIDENOUR

TABLE OF CONTENTS

QUALIFICATIONS1
PURPOSE OF TESTIMONY1
SUMMARY OF TESTIMONY1
RATES AND TARIFF2
COMPARISON OF PRESENT AND PROPOSED RATES4

ATTACHED EXHIBITS

- Exhibit PAC/501—Renewable Adjustment Clause, Rate Spread and Rate Calculation
Exhibit PAC/502—Proposed Tariff Schedule 202, Renewable Adjustment Clause
Exhibit PAC/503—Estimated Effect of Proposed Price Changes
Exhibit PAC/504—Monthly Billing Comparisons for October 1
Exhibit PAC/505—Monthly Billing Comparisons for December 1

1 **Q. Please state your name, business address, and present position with PacifiCorp.**

2 A. My name is Judith M. Ridenour. My business address is 825 NE Multnomah Street,
3 Suite 2000, Portland, Oregon 97232. My current position is Specialist, Pricing and
4 Cost of Service, in the regulation department.

5 **QUALIFICATIONS**

6 **Q. Briefly describe your education and professional experience.**

7 A. I have a Bachelor of Arts degree in Mathematics from Reed College. I joined the
8 company in the regulation department in October 2000. I assumed my present
9 responsibilities in May 2001. In my current position, I am responsible for the
10 preparation of rate design used in retail price filings and related analyses. Since 2001,
11 with levels of increasing responsibility, I have analyzed and implemented rate design
12 proposals throughout the company's six-state service territory.

13 **PURPOSE OF TESTIMONY**

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

15 A. I present the company's proposed Renewable Adjustment Clause (RAC) prices and
16 proposed tariff changes. I also provide a summary of the impact of the proposed rate
17 changes on customers' bills.

18 **SUMMARY OF TESTIMONY**

19 **Q. Please summarize your testimony.**

20 A. I show that the proposed RAC results in an overall rate increase of \$16.0 million or
21 1.2 percent on October 1, 2019, followed by an incremental increase of \$20.8 million
22 or 1.6 percent on December 1, 2019. The rate impact varies by customer class with
23 rate spread based on present generation revenues. The total bill increase for the

1 average residential customer resulting from both RAC rate changes is \$2.69 per
2 month.

3 **RATES AND TARIFF**

4 **Q. Please describe the company's tariff rate schedule that collects the RAC**
5 **adjustment from customers.**

6 A. The company's Schedule 202, Renewable Adjustment Clause, describes the RAC and
7 contains the per kilowatt-hour adjustments applied to customers' bills. The current
8 tariff rates were set to zero in 2010 when the amounts previously collected through
9 the rate schedule were incorporated into base rates as part of the company's general
10 rate case, docket UE 210.

11 **Q. What is the total repowering revenue requirement PacifiCorp is seeking**
12 **recovery for at this time?**

13 A. As described in the testimony of Mr. Steven R. McDougal, the requested RAC
14 recovery amounts are \$16.0 million, through rates effective October 1, 2019, and an
15 additional \$20.8 million, through rates effective December 1, 2019.

16 **Q. What basis is used for the RAC rate spread?**

17 A. The special conditions in Schedule 202 provide that "Costs recovered through the rate
18 schedule will be allocated across customer classes using the applicable forecasted
19 energy on the basis of an equal percent of generation revenue applied on a cents per
20 kilowatt-hour to each applicable rate schedule."¹

¹ PacifiCorp rate schedule 202, Renewable Adjustment Clause, Supply Service Adjustment page 2, special condition 3.

1 The company calculated a generation rate spread based on the applicable
2 forecast energy and generation revenue from the most recent Transition Adjustment
3 Mechanism filing, docket UE 339, for a 2019 test year.

4 **Q. Have you calculated proposed RAC per kilowatt-hour adjustment rates by rate**
5 **schedule?**

6 A. Yes. Exhibit PAC/501 shows the rate spread and the calculation of the RAC rates for
7 both the October 1, 2019 and December 1, 2019 price changes. The rates to collect
8 the December 1 revenue requirement have been calculated separately and added to
9 the October 1 rates to show the total combined rates for the tariff to be effective
10 December 1.

11 **Q. Have you updated the rate schedule to reflect the change in applicability to**
12 **direct access customers as described in the testimony of Ms. Etta Lockey?**

13 A. Yes. As described by Ms. Etta P. Lockey, the RAC adjustment should apply to direct
14 access customers since these customers receive the benefit of the production tax
15 credits for these resources through the transition adjustments. Exhibit PAC/502
16 contains the proposed revisions to Schedule 202, Renewable Adjustment Clause. The
17 applicability section has been revised to reflect this change and the list of applicable
18 rate schedules has been updated to include direct access delivery service schedules.

19 **Q. Does the company propose any other changes to the rate schedule?**

20 A. Yes. The company proposes two other changes to Schedule 202. First, a Special
21 Condition has been added in order to allow for a timeline different than the April 1
22 filing timeline currently set forth in the special conditions, if approved by the

1 Commission. This will accommodate the timeline requested in this application
2 without modifying the existing language for future RAC filings.

3 Second, PacifiCorp proposes a housekeeping edit to remove from the Purpose
4 section outdated language referencing OAR 860-022-0041. This housekeeping edit is
5 appropriate because the OAR was repealed following the enactment of Senate Bill
6 967 in 2011 in the rulemaking docketed as AR 553.

7 **Q. What rates are reflected in the tariff in Exhibit PAC/502?**

8 A. The proposed tariff in Exhibit PAC/502 includes the proposed rates for October 1.

9 For rates effective December 1, 2019, the company proposes to file a
10 compliance filing updating Schedule 202 with the total December 1 rates shown in
11 Exhibit PAC/501. The compliance filing would be made on or before November 1,
12 2019.

13 **COMPARISON OF PRESENT AND PROPOSED RATES**

14 **Q. What are the overall rate effects of the changes proposed in this filing?**

15 A. The overall effect of the proposed rates is a rate increase of 1.2 percent, on a net
16 basis, effective October 1, 2019, followed by an incremental increase of 1.6 percent,
17 on a net basis, effective December 1, 2019. The rate change varies by customer type.
18 Exhibit PAC/503 shows the effect of PacifiCorp's proposed prices by delivery service
19 schedule both excluding (base) and including (net) applicable adjustment schedules.
20 Page 1 of the exhibit shows the proposed October 1 rate change. Page 2 of the exhibit
21 shows the proposed incremental December 1 rate change. On both tables, the net
22 rates in Columns 7 and 10 exclude effects of the Low Income Bill Payment
23 Assistance Charge (Schedule 91), the Adjustment Associated with the Pacific

1 Northwest Electric Power Planning and Conservation Act (Schedule 98), the Klamath
2 Dam Removal Surcharges (Schedule 199), the Public Purpose Charge (Schedule
3 290), and the Energy Conservation Charge (Schedule 297).

4 **Q. Did you prepare exhibits showing the impact on customer bills as a result of the**
5 **proposed rate changes?**

6 A. Yes. Exhibit PAC/504 contains monthly billing comparisons for the October 1 rate
7 change for customers at different usage levels served on each of the major delivery
8 service schedules. Exhibit PAC/505 contains monthly billing comparisons showing
9 the incremental rate impact of the December 1 rate change. Each comparison shows
10 the customer bill before and after the proposed change and shows the change as a
11 percentage. These bill comparisons include the effects of all adjustments schedules
12 including the Low Income Bill Payment Assistance Charge (Schedule 91), the
13 Adjustment Associated with the Pacific Northwest Electric Power Planning and
14 Conservation Act (Schedule 98), the Klamath Dam Removal Surcharges (Schedule
15 199), the Public Purpose Charge (Schedule 290), and the Energy Conservation
16 Charge (Schedule 297).

17 **Q. What is the estimated monthly impact to an average residential customer?**

18 A. The estimated monthly impact to the average residential customer using 900 kilowatt-
19 hours per month is \$1.18 beginning October 1 plus an additional \$1.51 beginning
20 December 1. The total monthly bill increase for this customer from present rates is
21 \$2.69.

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

23 A. Yes.