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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO ESTABLISH NEW) CASE NO. IPC-E-17-13
SCHEDULES FOR RESIDENTIAL AND)
SMALL GENERAL SERVICE CUSTOMERS)
WITH ON-SITE GENERATION.)
_____)

IDAHO POWER COMPANY

REBUTTAL TESTIMONY

OF

CONNIE G. ASCHENBRENNER

1 Q. Please state your name.

2 A. My name is Connie G. Aschenbrenner.

3 Q. Are you the same Connie G. Aschenbrenner that
4 previously presented direct testimony?

5 A. Yes.

6 Q. Have you had the opportunity to review the
7 pre-filed direct testimony of the City of Boise's witness
8 Stephan L. Burgos; the Idaho Clean Energy Association,
9 Inc.'s witnesses Kevin King, Michael Leonard, and Stephen
10 White; the Idaho Conservation League's witness Benjamin J.
11 Otto; Sierra Club's witness R. Thomas Beach; the Idaho
12 Irrigation Pumpers Association, Inc's witness Anthony J.
13 Yankel; the Snake River Alliance and NW Energy Coalition's
14 witness Amanda M. Levin; Vote Solar's witness Briana Kober;
15 Auric Solar, LLC's witness Elias Bishop; and the Idaho
16 Public Utilities Commission ("Commission") Staff's
17 ("Staff") witnesses Michael Morrison and Stacey Donohue?

18 A. Yes, I have.

19 Q. What is the purpose of your rebuttal
20 testimony.

21 A. The purpose of my rebuttal testimony is to
22 address concerns expressed by intervening parties and Staff
23 in their direct testimony. My testimony is comprised of
24 four sections.

25

1 In Section I, I provide the Commission with an
2 update on customer participation in net metering since the
3 filing of the Application in July.

4 In Section II, I briefly discuss consumer protection
5 and provide some clarity about information related to the
6 Idaho Power Company's ("Idaho Power" or "Company")
7 stakeholder engagement in preparation of, and leading up
8 to, the filing of this docket.

9 In Section III, I address the concerns expressed by
10 parties regarding a class cost-of-service study ("COSS")
11 and how costs are allocated among the Company's customer
12 classes.

13 In Section IV, I explain why the current rate
14 structure for residential and small service ("R&SGS")
15 customers with on-site generation is outdated and needs to
16 be addressed.

17 **I. UPDATE ON NET METERING PARTICIPATION**

18 Q. Please provide an update of participation in
19 the Company's net metering service since reported to the
20 Commission in the Company's Application.

21 A. Participation in the Company's net metering
22 service has continued to grow since its Application was
23 filed on July 27, 2017. Tables 1 and 2 represent updated
24 system counts and nameplate capacity as of December 31,
25 2017.

1 **Table 1 - Idaho Net Metering Systems**

Class	Photovoltaic	Wind	Hydro/Other	Total
Residential	1,778	42	6	1,826
Commercial & Industrial	146	5	4	155
Irrigation	10	1	-	11
Total	1,934	48	10	1,992

2

3 **Table 2 - Idaho Net Metering Nameplate Capacity (in MW)**

Class	Photovoltaic	Wind	Hydro/Other	Total
Residential	12.10	0.19	0.06	12.35
Commercial & Industrial	2.74	0.03	0.09	2.86
Irrigation	0.73	0.04	0.00	0.77
Total	15.58	0.26	0.15	15.98

4

Q. How does the total nameplate capacity of active and pending net metering systems at December 31, 2017, compare to the original participation cap of 2.9 megawatts ("MW") as authorized by the Commission in 2002?

8

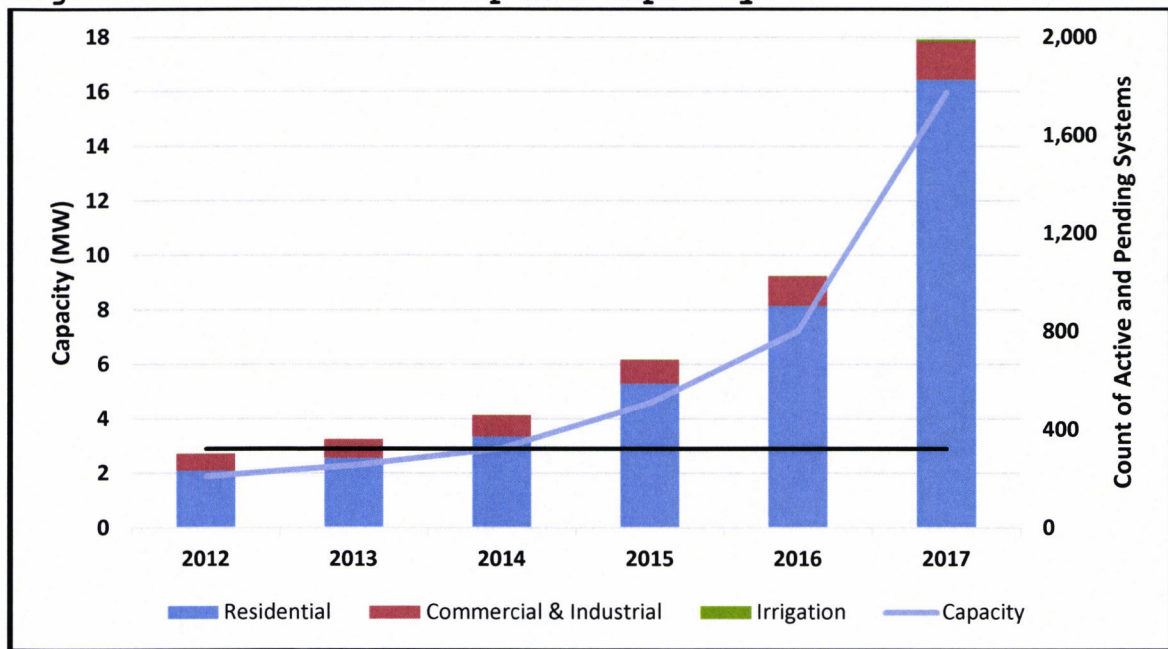
A. The total capacity of active and pending systems in the Company's Idaho jurisdiction was 15.98 MW as of December 31, 2017, approximately 5.5 times the original cap. Figure 1 shows year-over-year installed capacity of Idaho's net metering service since 2012. The solid horizontal line represents the initial 2.9 MW cap authorized by the Commission in 2002.

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1 **Figure 1: Cumulative Nameplate Capacity:**



2

3 Q. What is the significance of the 2.9 MW cap?

4 A. In its order authorizing the establishment of
5 Schedule 84, the Commission acknowledged that "the full
6 cost of the program may not be borne by participants" and
7 that "[r]aising the cap . . . increases the level of
8 subsidization."¹

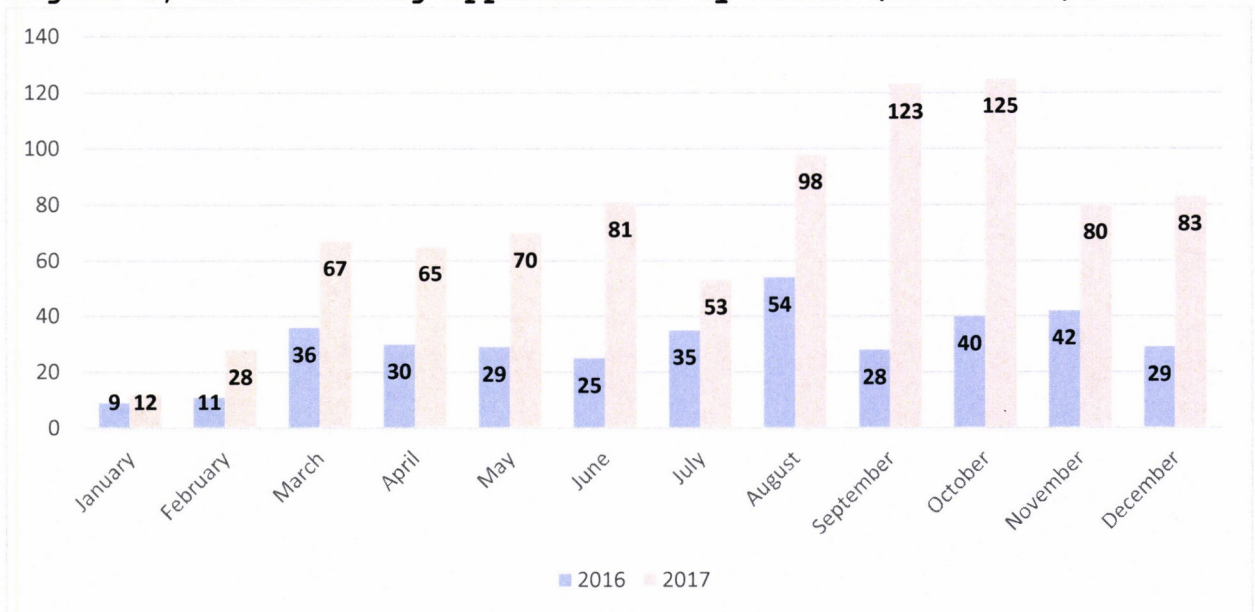
9 Q. Several parties describe the negative impact
10 the filing is already having on the industry or will have
11 if the filing is approved.² Do you agree the filing has had
12 a chilling effect on installations in the Company's service
13 area?

¹ Commission Order No. 28951, p. 12.

² Burgos DI, p. 10, ll. 2-3; King DI, p. 10, ll. 15-22, p. 11, ll. 1-3; Leonard DI, p. 4, ll. 5-9, P. 1, LL. 14-16; Bishop DI, p. 2, ll. 8-9; White DI, p. 9, ll. 8-10.

1 A. No. The Company received 885 applications for
2 net metering service during 2017. Figure 2 compares the
3 number of applications received by month for 2016 and 2017.
4 The trend before the filing (increase in year-over-year
5 applications on a month-by-month basis) is the same as the
6 trend post-filing. It is clear the filing has not had a
7 negative impact on the continued adoption of customer on-
8 site generation.

9 **Figure 2, Net Metering Applications by Month (2016-2017):**



10

11 Q. Steve Burgos claims the City of Boise has
12 already heard from installers that "their business
13 decreased dramatically almost immediately after"³ the
14 Company submitted its Application. How do you respond to
15 that claim?

16

³ Burgos DI, p. 7, ll. 2-3.

1 A. The data simply does not support that. As
2 shown in Figure 2, the Company received 885 applications
3 during 2017, up from 368 received during 2016. If Mr.
4 Burgos has heard from any installer that their business is
5 being negatively impacted, it may be more realistic to
6 attribute that to either the influx of installers to the
7 Idaho market or the growth in market share from a
8 particularly active installer, not the Company's filing.
9 As shown in Table 3 below, in the last five years, the
10 number of installers in the Company's service area has
11 grown from 18 in 2013 to 51 in 2017.

12 **Table 3: Number of Installers and Applications by Year**

	2013	2014	2015	2016	2017
Installers	18	23	36	38	51
Total Applications	59	107	261	368	885

13 Additionally, a single installer was listed on 335
14 applications in 2017, which represented 38 percent of the
15 applications submitted in 2017. That same installer was
16 listed on 100 applications representing 27 percent of the
17 total applications submitted in 2016.

18 Q. Mr. Burgos also suggests that the, "Zero-Net-
19 Energy Maintenance and Administration Building at the
20 Twenty Mile South Farm and could be negatively impacted by
21
22

1 the formation of a new schedule.”⁴ Does the Company agree
2 with Mr. Burgos’ assessment?

3 A. No. The Company’s filing only impacts R&SGS
4 customers with on-site generation. The City’s Zero-Net
5 Energy Maintenance and Administration Building is neither
6 residential nor small general service.

7 **II. CONSUMER PROTECTION AND STAKEHOLDER ENGAGEMENT**

8 **1. Consumer Protection**

9 Q. Commission Staff witness Donohue suggests that
10 if the Company is concerned about consumer protection, it
11 could host a list of “Participating Contractors” for solar
12 installers, similar to what it does for contractors who
13 install energy efficiency (“EE”) measures. Do you believe
14 that to be a reasonable solution?

15 A. No. First, the purpose of the Participating
16 Contractor list that Ms. Donohue references is different.
17 The sole reason the Company maintains the list of
18 Participating Contractors referenced is to ensure the
19 prudent management of the Energy Efficiency Rider (“Rider”)
20 funds. The Company relies on these contractors to ensure
21 that measures are installed correctly -- this enables the
22 Company to provide the Commission with reasonable assurance
23 that customer funds are spent prudently, and that in
24 exchange for those funds, the Company and its customers are

⁴ Burgos DI, p. 6, ll. 14-16.

1 receiving the kilowatt-hour ("kWh") savings attributed to
2 the measure(s) installed. The Company does not maintain
3 this list for the purpose of making "sure that its
4 customers participating in its EE programs are dealing with
5 a reputable dealer."⁵

6 Second, it is important to note the Company does not
7 warrant or guarantee the work or services performed by any
8 EE contractor listed. To suggest that hosting a list of
9 solar installers located in the Company's service area
10 would provide assurances that customers are provided with
11 transparent information about the services (and associated
12 pricing) is not reasonable.

13 Q. While Idaho Power does not believe it is
14 appropriate to provide endorsements of solar installers,
15 are you aware of any information available to help
16 customers find solar installers in the state of Idaho?

17 A. Yes. The Idaho Governor's Office of Energy
18 and Mineral Resources ("OEMR") provides a website⁶ entitled
19 "Resources for Solar Project Development," which includes a
20 listing of solar installers throughout the state and in the
21

⁵ Donohue DI, p. 21, ll. 22-23.

⁶ https://oemr.idaho.gov/wp-content/uploads/2015.12.31_ID_Solar_Dev_Res.pdf

1 region. Idaho Power provides a link to the OEMR website on
2 the Company's website:⁷ The link is included in both the
3 Solar Checklist and in the Frequently Asked Questions.

4 **2. Stakeholder Engagement**

5 Q. Ms. Donohue claims that you suggested that
6 "the Company's plan to study the costs and benefits after
7 establishing separate rate classes for net metering
8 customers aligns with feedback from stakeholders"⁸
9 Do you agree with Ms. Donohue's characterization of what
10 you claimed in your direct testimony?

11 A. No. In my direct testimony, I stated that
12 "the Company's decision to ask the Commission to open a
13 generic docket where parties from across the state could
14 participate in a discussion about identifying/quantifying
15 the benefits and costs of on-site generation was the direct
16 result of what the Company heard from interested
17 stakeholders and installers during those meetings."⁹ I did
18 not claim that stakeholders and installers were aligned on
19 studying the costs and benefits after establishing separate
20 rate classes.

21

⁷ <https://www.idahopower.com/energy/renewable-energy/green-choices/solar-power-options/>

⁸ Donohue DI, p. 19, ll. 14-16.

⁹ Aschenbrenner DI, p. 24, ll. 7-13.

1 In fact, I agree with Ms. Donohue that the
2 preference of stakeholders at the meeting was to engage in
3 a process to understand the benefits and costs associated
4 with on-site generation prior to seeking authority from the
5 Commission to create new customer classes.

6 Ms. Donohue also mischaracterizes the Company's
7 position in that meeting -- she claims that the "Company
8 made no indication that it might conduct the study after
9 determining the need for separate rate classes."¹⁰ That
10 statement is incorrect. As representatives of the Company,
11 Mr. Tatum and I represented that the Company was
12 contemplating a filing to seek authority for creation of
13 new classes as a first step toward addressing the cost
14 shift between net metering customers and standard service
15 customers.

16 **III. CLASS COST-OF-SERVICE AND COST ALLOCATION**

17 Q. How would the Commission's decision regarding
18 the establishment of separate customer classes affect the
19 Company's COSS or ratemaking processes?

20 A. If the Commission determines there are
21 differences that warrant the establishment of new customer
22 classes, the Company will assign costs to the new customer
23 classes in a future COSS and design rates specific to those
24 classes as part of a future rate proceeding. Should the

¹⁰ Donohue DI, p. 19, ll. 20-21.

1 Commission decline to authorize the establishment of the
2 requested new customer classes, the Company would have no
3 reason to modify its class COSS or ratemaking processes
4 specific to net metering customers. The Company would
5 continue to allocate costs to the residential and small
6 general service customer classes that exist today.

7 Q. Do you agree with Commission Staff witness Dr.
8 Morrison's characterization¹¹ of how costs are allocated in
9 the Company's COSS?

10 A. No.

11 Q. Please explain.

12 A. In his testimony, Dr. Morrison discusses the
13 Company's use of system-coincident demand ("SCD"), non-
14 coincident demand ("NCD"), and individual peak demands to
15 allocate costs to customer classes. While Dr. Morrison
16 accurately describes how the Company utilizes NCDs in the
17 allocation of distribution plant, his discussion of SCD and
18 individual peak demands does not reflect the actual
19 methodology acknowledged in the Company's most recent
20 general rate case ("GRC"), Case No. IPC-E-11-08.

21 Q. Please define the SCD and NCD.

22 A. As described in Mr. David M. Angell's Rebuttal
23 Testimony,¹² the SCD is the average demand for the customer

¹¹ Morrison DI, pp. 18-19.

¹² Angell REB, p. 14, ll. 4-9.

1 class at the time of Idaho Power's system peak. The NCD is
2 the maximum average demand for the customer class,
3 regardless of when it happens. Both the SCD and the NCD
4 are calculated for each month.

5 Q. How was Dr. Morrison's discussion of SCD
6 inaccurate?

7 A. Dr. Morrison suggested that, "the [system]
8 coincident peak factor [is] used to allocate fixed
9 generation and transmission costs" ¹³ While I agree
10 with the concept that SCDs are used to allocate fixed
11 generation and transmission costs, I find fault with his
12 statement because it suggests that there is just one SCD
13 used to allocate these costs. This is incorrect.

14 Q. How does Idaho Power use SCD to allocate
15 costs?

16 A. SCDs are used to allocate demand-related
17 generation and transmission costs among the Company's
18 different customer classes. Demand-related generation
19 costs associated with serving base and intermediate load
20 are allocated using 12 monthly SCDs, while demand-related
21 generation costs associated with serving summer peak load
22 are allocated based on the sum of the three SCDs in the
23

¹³ Morrison DI, p. 18, ll. 14-16.

1 summer months (June, July, and August). Transmission-
2 related costs are allocated utilizing 12 monthly SCDs.

3 Q. With regard to the use of individual customer
4 peak demands, was Dr. Morrison correct when he stated,
5 "individual peak loads are important determinants of costs
6 that the Company expends on distribution plant, and in
7 particular, on the costs of secondary transformers and
8 service drops?"¹⁴

9 A. No. Individual peaks are not used to allocate
10 costs in the Company's COSS.

11 Q. Given that several of Dr. Morrison's
12 assumptions were incorrect, was his overall
13 characterization correct that "slightly less generation and
14 transmission plant cost"¹⁵ would have been allocated to
15 residential customers with on-site generation?

16 A. Without performing a full class COSS with
17 these customers separated into a distinct class, Dr.
18 Morrison's statement cannot be verified.

19 Q. Please explain.

20 A. The Company performed an analysis of the cost
21 to serve residential customers with on-site generation for
22 inclusion in the 2016 Net Metering Status Report.¹⁶ It

¹⁴ Morrison DI, p. 19, ll. 7-10.

¹⁵ Morrison DI, p. 18, l. 18.

¹⁶ Aschenbrenner DI, Exhibit 9.

1 should be noted that this analysis was not a full class
2 COSS that the Company typically performs in a GRC filing,
3 but rather an analysis utilizing currently approved costs
4 to estimate the cost to serve customers with on-site
5 generation.

6 For this analysis, the Company calculated the
7 monthly SCD and NCD for the residential segment of
8 customers with on-site generation.¹⁷ Using the same per-unit
9 costs for residential customers from the 2011 GRC, and
10 multiplying them by the SCD and NCD for the residential
11 customers with on-site generation, an estimate of the
12 revenue requirement for residential customers with on-site
13 generation was determined.

14 The results of that analysis determined that (1)
15 production plant costs associated with serving base and
16 intermediate load increased because they are allocated
17 using an average of 12 monthly SCDs, (2) production plant
18 costs associated with serving peak load decreased because
19 these costs are allocated using an average of the three
20 monthly SCDs occurring in June, July, and August, (3)
21 transmission costs increased because they are allocated
22 using an average of 12 monthly SCDs, and (4) distribution

¹⁷ The method used to calculate the system-coincident and NCDs was provided in response to a data request provided to Vote Solar (Vote Solar Request No. 17b), can be found as Exhibit 15.

1 costs increased because class NCDs are used to allocate
2 distribution costs. With multiple allocation factors
3 moving in different directions, Dr. Morrison's statement of
4 what would have occurred had the Company prepared a full
5 class COSS cannot be verified.

6 Q. Did the Company perform an additional analysis
7 of the SCD and NCD for residential customers with on-site
8 generation and for residential customers without on-site
9 generation?

10 A. Yes. Mr. Angell provides the results of the
11 Company's analysis of the SCD and NCD for both groups in
12 his rebuttal testimony.¹⁸ In summary, the SCDs of customers
13 with on-site generation are lower from April through
14 September than that of customers without on-site generation
15 but higher from October through March. The NCDs of
16 customers with on-site generation is higher than that of
17 customers without on-site generation for all 12 months of
18 the year.

19 Q. How does cost allocation highlight the need to
20 separate these customers into a distinct class for cost of
21 service purposes?

22 A. As I previously discussed, demand-related
23 costs are allocated to customer classes utilizing a

¹⁸ Angell REB, p. 14, ll. 10-17, p. 15, ll. 7-15.

1 combination of monthly system coincident demands and NCDs.
2 When analyzing these allocation factors for customers with
3 on-site generation, certain factors increased while others
4 decreased, thus making it difficult to determine the net
5 impact to the cost determination for this group of
6 customers. Consequently, in predicting the results of a
7 new COSS, Dr. Morrison was limited to using phrases such as
8 "[the new study] would likely have allocated slightly less
9 generation and transmission plant,"¹⁹ and "it is difficult
10 to determine whether it would have allocated more or less
11 distribution plant cost" ²⁰ Separating these
12 customers into their own classes for cost allocation
13 purposes would allow the Company, other interested parties,
14 and ultimately the Commission to determine the actual cost
15 to serve customers with on-site generation.

16 **IV. RATE DESIGN**

17 Q. Why is it necessary to have separate customer
18 classes and a different rate structure for customers with
19 on-site generation?

20 A. As described²¹ by Mr. Angell, a customer with
21 on-site generation is a "partial requirements" customer.

¹⁹ Morrison DI, p. 18, ll. 17-18.

²⁰ Morrison DI, p. 19, ll. 15-16.

²¹ Angell REB, p. 3, l. 18 through p. 4, l. 15.

1 Q. What is a partial requirements customer?

2 A. A partial requirements customer generates all
3 or some of their own annual energy needs, while still
4 relying on the utility for a variety of services. These
5 services are described by Mr. Angell in his direct
6 testimony.²² Partial requirements service is available to
7 give customers flexibility in meeting some of their energy
8 needs while also providing the reassurance that the utility
9 is available to handle all their electrical needs should
10 their on-site generation be interrupted, fail, or is
11 inadequate to meet their demand.

12 Q. Why would a partial requirements customer
13 require a different rate structure?

14 A. Idaho Power's current consumption-based rates
15 were designed for R&SGS customers who require full
16 requirements from the utility. The rates are designed to
17 collect costs in a bundled fashion that includes recovery
18 of generation, transmission, distribution and customer-
19 related costs primarily through a volumetric rate.

20 Current rate designs were not developed for a
21 partial requirements customer, such as a customer who
22 generates all or some of their own electricity.

23

²² Angell DI, p. 4, ll. 6-11.

1 Q. Does the current rate structure for R&SGS
2 customers with on-site generation provide a reasonable
3 opportunity for the utility to recover from those customers
4 the costs of serving them?

5 A. No. A customer who installs on-site
6 generation does so with the intent to offset their own
7 usage and eliminate the volume of energy they consume from
8 Idaho Power. Recovering fixed costs through a volumetric
9 rate simply does not work for this segment of customers.

10 Q. Some parties²³ suggest the flaws you describe
11 with the residential pricing are inherent for all R&SGS
12 customers who reduce usage and the Company's filing is
13 discriminatory in that it singles out R&SGS customers with
14 on-site generation. How do you respond to that contention?

15 A. I disagree. The degree to which customers
16 with on-site generation have the opportunity to off-set
17 their usage is not inherent to all customers who reduce
18 usage. Applying volumetric rates to customers who generate
19 some or all of their own electricity, and who do not rely
20 on the utility for all of their energy needs, is also not
21 inherent to all customers who reduce usage.

22 The Company is proposing to establish separate
23 customer classes for R&SGS customers with on-site

²³ Kobor DI, p. 38, l. 22, p. 39, ll. 6-16; King DI, p. 11, l. 9;
Donohue DI, p. 13, ll. 12-14.

1 generation because the load service requirements and usage
2 characteristics of R&SGS customers who install on-site
3 generation are different than that of R&SGS customers
4 without on-site generation. Mr. Angell presents evidence
5 that demonstrates the load service requirements and usage
6 characteristics of R&SGS customers who install on-site
7 generation are in fact different than that of R&SGS
8 customers without on-site generation and therefore require
9 separate customer classes.²⁴ Dr. Ahmid Faruqui of the
10 Brattle Group in his Rebuttal Testimony also provides
11 empirical evidence that customers with on-site generation
12 differ significantly from that of the standard service
13 customer.²⁵

14 **V. CONCLUSION**

15 Q. Please summarize your rebuttal testimony.

16 A. The number of R&SGS customers choosing to
17 install on-site generation continues to grow in Idaho
18 Power's service area. The Company believes that addressing
19 the issue of separate classes today is in the best interest
20 of customers in the long term. In this case, the Company
21 has demonstrated that the load service requirements and the
22 usage characteristics of R&SGS customers who install on-

²⁴ Angell REB, p. 4, l. 20 through p. 7, l. 9, p. 12, l. 6 through p. 13, l. 10, p. 14, ll. 10-17, p. 15, ll. 7-15.

²⁵ Faruqui REB, p. 7, l. 14. - p. 15, l. 6.

1 site generation are different than that of R&SGS customers
2 without on-site generation. These differences justify the
3 need to establish separate rate classes to provide a
4 reasonable opportunity to recover the cost of service from
5 those customers.

6 Q. What is your recommendation for the
7 Commission?

8 A. I recommend that the Commission issue an order
9 authorizing the closure of Schedule 84, Customer Energy
10 Production Net Metering Service, to new service for Idaho
11 R&SGS customers with on-site generation, and the
12 establishment of two new classifications of customers
13 applicable to R&SGS customers with on-site generation.

14 Q. Does this conclude your testimony?

15 A. Yes, it does.

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ATTESTATION OF TESTIMONY

STATE OF IDAHO)
) ss.
County of Ada)

I, Connie G. Aschenbrenner, having been duly sworn to testify truthfully, and based upon my personal knowledge, state the following:

I am employed by Idaho Power Company as the Rate Design Manager of Regulatory Affairs and am competent to be a witness in this proceeding.

I declare under penalty of perjury of the laws of the state of Idaho that the foregoing rebuttal testimony is true and correct to the best of my information and belief.

DATED this 26th day of January, 2018.

Connie Aschenbrenner

Connie G. Aschenbrenner

SUBSCRIBED AND SWORN to before me this 26th day of January, 2018.



Kimberly K. Towell

Notary Public for Idaho
Residing at: *Boise, Idaho*
My commission expires: *12/20/20*



**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-17-13

IDAHO POWER COMPANY

**ASCHENBRENNER, REB
TESTIMONY**

EXHIBIT NO. 15

REQUEST NO. 17: Reference Aschenbrenner Exhibit 9 at 6 of 18.

(a) Please provide the methodology, assumptions, calculations, and workpapers supporting the “estimated cost shift” as of the end of 2015 and as of the end of 2016. Please provide all responsive calculations and workpapers in native, unlocked, electronic format with formulas intact.

(b) Please describe the basis for, and how you calculated, that the 366 residential net metered customers were responsible for a total annual revenue requirement of \$464,266.67 and that the 566 residential net metered customers were responsible for a total annual revenue requirement of \$665,969.

RESPONSE TO REQUEST NO. 17:

(a) Please see Attachments 1 and 2 for the workpapers used to derive the estimated cost shift in 2015 and 2016.

(b) To quantify the estimated cost shift occurring in 2015, the Company first identified how many residential net metering customers had 12 months of billing data during 2015 – this data set contained 366 customers. Using a methodology similar to that used to assign costs during a general rate case, the Company estimated the Idaho-jurisdictional revenue requirement for those 366 net metering customers and compared that to the base rate revenue collected from those customers during 2015.

To determine the estimated residential net metering revenue requirement, the Company started with the residential customer class’s functionalized and classified revenue requirement authorized in the Company’s 2011 GRC. Other subsequent increases/decreases to the residential class revenue requirement authorized by the Idaho Public Utilities Commission since the 2011 GRC were added or subtracted to quantify an “adjusted” residential class revenue requirement. From that class level

revenue requirement, a functionalized and classified unit cost was determined, as detailed in Column 12 of the "Annual NM Rev Req" tabs contained in Attachment 1.

The Company then utilized the residential net metering segment's Advanced Metering Infrastructure ("AMI") data to determine the segment's average monthly kWh usage, system coincident demand, and non-coincident demand for 2015. Demand at the time of the monthly system peak (System Coincident kW) and the average energy consumed by month (Average Monthly kWh) were determined based on the average of each customer's positive consumption in every hour, or zero in the event that a customer was a net producer of electricity in a given hour. Demand at the time of the group non-coincident demand (Non-Coincident kW) was determined based on the absolute value of the average usage in that hour.

Once the 2015 net metering usage was determined, these values were multiplied by the per-unit costs listed in Column 12 to determine the estimated 2015 net metering revenue requirement of \$464,532, as detailed in Column 14 of Attachment 1.

The estimated revenue requirement was compared to the total base rate revenue collected from those 366 customers to determine the estimated cost shift.

To quantify the estimated cost shift occurring in 2016, the Company first identified how many residential net metering customers had 12 months of billing data during 2016 – this data set contained 570 customers. Using the same methodology described above, the Company updated its analysis with 2016 billing and AMI data to determine the net metering customer segment's estimated functionalized and classified revenue requirement of \$665,969 and compared that to the total base rate revenue collected from the 570 customers to determine the estimated cost shift.

The response to this Request is sponsored by Connie Aschenbrenner, Rate Design Manager, Idaho Power Company.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 26th day of January 2018 I served a true and correct copy of REBUTTAL TESTIMONY OF CONNIE G. ASCHENBRENNER upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

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Deputy Attorney General
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Idahydro

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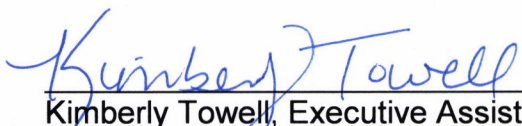
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