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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER FOR AUTHORITY)
TO INCREASE RATES BY \$2.6 MILLION TO)
RECOVER DEFERRED NET POWER COSTS)
THROUGH THE ENERGY COST ADJUSTMENT)
MECHANISM)**

CASE NO. PAC-E-12-03

Direct Testimony of

Kathryn E. Iverson

On Behalf of

Monsanto Company

April 19, 2012

Project 9578



ROCKY MOUNTAIN POWER

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. PAC-E-12-03

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ROCKY MOUNTAIN POWER

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. PAC-E-12-03

Direct Testimony of Kathryn E. Iverson

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 **A** My name is Kathryn E. Iverson; 17244 W. Cordova Court, Surprise, Arizona 85387.

4 **Q WHAT IS YOUR OCCUPATION AND BY WHOM ARE YOU EMPLOYED?**

5 **A** I am a consultant in the field of public utility regulation and employed by the firm of
6 Brubaker & Associates, Inc. (BAI), regulatory and economic consultants with
7 corporate headquarters in St. Louis, Missouri.

8 **Q WOULD YOU PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND**
9 **EXPERIENCE?**

10 **A** I have a Bachelor of Science Degree in Agricultural Sciences and a Master of
11 Science Degree in Economics from Colorado State University. I have been a
12 consultant in this field since 1984, with experience in utility resource matters, cost
13 allocation and rate design. More details are provided in Appendix A to this testimony.

14 **Q ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

15 **A** I am appearing on behalf of Monsanto Company ("Monsanto"), a special contract
16 customer of Rocky Mountain Power ("RMP" or "Company").

1 **II. PURPOSE OF TESTIMONY AND SUMMARY OF CONCLUSIONS**

2 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

3 **A On February 1, 2012 the Company filed for authority to establish the energy cost**
4 **adjustment mechanism ("ECAM") rate for all customer classes including Monsanto**
5 **and Agrium, Inc. ("Agrium") based on the deferral period beginning December 1,**
6 **2010 through November 30, 2011. This ECAM filing is the first time for including**
7 **Monsanto and Agrium loads in calculating the ECAM balances. See Direct**
8 **Testimony of Greg Duvall, page 10. Monsanto filed comments on the Company's**
9 **filing on March 19, 2012.¹ The Company filed reply comments on March 22, 2012.**
10 **On March 30, 2012 the Commission filed Order No. 32507, and an errata to that**
11 **order on April 3, 2012.**

12 The purpose of my testimony is to provide supporting technical detail on
13 Monsanto's Motion for Reconsideration of the Commission's Order. In this testimony,
14 I will: (1) explain the actual and base loads used by the Company in its ECAM filing,
15 (2) discuss why those loads are in error, and (3) provide the corrected ECAM
16 amounts to Monsanto, Agrium and the other Idaho tariff customers based on the
17 corrected loads.

18 **Q ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH YOUR**
19 **TESTIMONY?**

20 **A Yes. I am sponsoring Exhibit 200 through Exhibit 205. These exhibits were**
21 **prepared either by me or under my supervision and direction.**

¹ On March 30, 2012, Monsanto also filed a "Reply" to RMP's reply comments. As noted in Order No. 32507 at page 9, Monsanto's "Reply" was not considered because it was filed after the Commission's deliberations had been made in this case and because procedural Rules do not provide a party to respond to a Reply. In that "Reply", Monsanto attempted to present to the Commission the line loss issue adjustments discussed in this testimony and the excess outage adjustment discussed in the testimony of Mark Widmer.

1 Q WOULD YOU PLEASE SUMMARIZE YOUR FINDINGS AND CONCLUSIONS?

2 A My findings and conclusions are as follows:

3 **Base Loads from Case No. PAC-E-10-07**

- 4 • A fundamental issue before the Commission in this proceeding is how to properly
5 split the monthly Idaho jurisdictional base load among customer classes (i.e., the
6 McDougal monthly energy amounts shown on page 10.14 of his Exhibit No. 2 in
7 Case No. PAC-E-10-07). The Company's filing does not accurately split base
8 loads between Monsanto, Agrium and the remaining tariff customers.
- 9 • The Company failed to remove buy-back or replacement energy from the Idaho
10 jurisdictional base load, thus the tariff customer base load has been unfairly
11 overstated by 30,964 MWH of buy-back or replacement energy in Load Change
12 Adjustment Revenues portion of the ECAM.
- 13 • The Company has used an incorrect base load of Monsanto at meter which does
14 not comport with Order No. 32196 of Case No. PAC-E-10-07.
- 15 • In Case No. PAC-E-10-07, the Company testified there were losses included in
16 Mr. McDougal's Idaho jurisdictional base load not associated with Idaho retail
17 sales. Those "extra" losses must be fairly allocated to all customer classes for
18 purposes of splitting the base loads between Monsanto, Agrium and the
19 remaining tariff customers.
- 20 • The Company has unfairly and arbitrarily increased the base loads of Monsanto
21 and Agrium by a loss factor not reflective of their service. The Company's use of
22 the 9.88% loss factor effectively requires Monsanto and Agrium alone to pick up
23 the costs of the "extra" losses.
- 24 • I recommend that monthly adjustments be made to monthly customer energy at
25 input from Case No. PAC-E-10-07 in order to fairly bring all customer classes to
26 the Idaho jurisdictional base load used by the Company in the ECAM filing. This
27 adjustment will fairly treat all customer classes and allocate the "extra" losses to
28 all customer classes without arbitrarily penalizing or benefitting either Monsanto,
29 Agrium or the remaining tariff customers.

30 **Actual Loads**

- 31 • Likewise, the monthly actual loads must also be adjusted to account for additional
32 losses in order for the Load Differential to be a proper comparison. Without this
33 adjustment to both the base and actual loads, the Load Differential would in effect
34 be a comparison of apples to oranges.
- 35 • As a result of correcting the base loads and adjusting the actual loads, the tariff
36 customers ending balance is \$16,252,752, or a reduction of \$14,523 from the
37 Company's Revised Exhibit 1 which was attached to its March 22, 2012 reply
38 comments. Monsanto's ending balance is \$6,848,532 (a reduction of \$407,631
39 from the Company's Revised Exhibit 1) and Agrium's ending balance is \$476,156
40 (a reduction of \$41,402 from the Company's Revised Exhibit 1). The ending
41 balances for Monsanto and Agrium are before amortization.

III. BASE LOADS FROM CASE NO. PAC-E-10-07

1 **Q WHAT BASE LOADS ARE USED BY THE COMPANY IN ITS ECAM FILING?**

2 A The Company used Idaho jurisdictional monthly base loads which were taken from
3 page 10.14 of Exhibit No. 2 to Mr. Steven McDougal's direct testimony in Case No.
4 PAC-E-10-07.

5 **Q WERE THESE IDAHO JURISDICTIONAL MONTHLY BASE LOADS SPLIT**
6 **BETWEEN CUSTOMER CLASSES IN CASE NO. PAC-E-10-07?**

7 A No, they were not. Only a total Idaho jurisdictional number was presented in Mr.
8 McDougal's Exhibit No. 2, page 10.14 for each of the months.

9 **Q DO YOU AGREE THESE ARE THE CORRECT BASE LOADS FOR PURPOSES**
10 **OF THE ECAM FILING?**

11 A Yes, I agree with these monthly base load amounts in total as the starting point.
12 However, those monthly base loads by themselves are insufficient for purposes of the
13 ECAM calculation. First, the monthly base load amounts must have replacement
14 energy (i.e., buy-through energy) removed since those sales are not a component of
15 the ECAM. Second, the monthly Idaho base load amount must be split into three
16 customer classes: Monsanto, Agrium and the remaining tariff customers. The
17 Company has erred in both these steps.

18 **Q PLEASE EXPLAIN WHY REPLACEMENT ENERGY SHOULD BE REMOVED**
19 **FROM BASE LOADS.**

20 A The Company has agreed, and the Commission ordered, that replacement energy
21 (also known as buy-through energy) consumed by Monsanto when it buys through
22 curtailment events rather than physically curtail its load should not be a part of ECAM.

1 See Order No. 32507, pages 7 and 10. The Company has correctly removed the
2 replacement energy from both the Monsanto and Idaho jurisdictional actual loads, as
3 well as the Monsanto base load. However, it has not removed the replacement
4 energy from the Idaho jurisdictional base load. I calculate that this error causes the
5 tariff customers' base load to be higher by 30,964 MWH, and erroneously raises the
6 tariff customers' Load Change Adjustment Revenues by approximately \$279,000.

7 **Q PLEASE EXPLAIN WHY MR. MCDUGAL'S IDAHO JURISDICTIONAL MONTHLY**
8 **ENERGY SALES MUST BE SPLIT BETWEEN MONSANTO, AGRIMUM AND**
9 **TARIFF CUSTOMERS.**

10 **A** As described in the testimony of Mr. Gregory Duvall in this case, the ECAM balances
11 for Monsanto and Agrium must be tracked separately through their three-year
12 amortization periods. See Duvall Direct, page 10. Furthermore, one of the
13 components of the ECAM is the Load Change Adjustment Revenues where base
14 loads are compared to actual loads in order to ascertain monthly Load Differentials
15 which are then multiplied by the LCAR (Load Change Adjustment Rate). Since Case
16 No. PAC-E-10-07 did not split Mr. McDougal's Idaho jurisdictional base loads
17 between customers, it is critical to develop a method for doing so in this ECAM
18 proceeding.

19 **Q HOW HAS THE COMPANY SPLIT THE BASE LOAD INTO THE THREE**
20 **CUSTOMER CLASSES, THAT IS, MONSANTO, AGRIMUM AND TARIFF**
21 **CUSTOMERS?**

22 **A** The easiest way to explain how the Company has done this split is to simply walk
23 through their calculations. **Exhibit 200** shows each of the Company's steps in
24 splitting the McDougal monthly energy into the three classes. The Company first

1 starts on line 1 with the McDougal Idaho jurisdictional monthly base loads. Line 2 is
2 what the Company believes is Monsanto's base loads at the meter. Line 3 is the loss
3 factor applied to Monsanto's base loads, and Line 4 is Monsanto base load at input.²
4 Line 5 is Monsanto's replacement or buy-through energy at meter, and Line 6 is again
5 the loss factors and Line 7 the replacement energy at input.³ Line 8 is Line 4 plus
6 Line 7 and is what the Company uses as Monsanto's monthly base loads.⁴

7 Lines 9, 10 and 11 depict Agrium's loads at meter, losses, and load at input,
8 respectively. Line 11 is what RMP uses for Agrium's base loads.⁵

9 Line 12 is the tariff customer's component and it is Line 1 minus Line 8 minus
10 Line 11.⁶ This clearly demonstrates how the Company failed to exclude the
11 replacement energy from the Idaho jurisdictional load.

12 **Q DO YOU AGREE THAT MONSANTO LOADS SHOWN ON LINE 2 OF EXHIBIT 200**
13 **REFLECT THE BASE LOADS OF CASE NO. PAC-E-10-07?**

14 **A** No. The Company pulled line 2 from row 41 of sheet "Energy-2010" from Attachment
15 1.18, a spreadsheet that was provided in Response to Monsanto Data Request 1.18
16 in Case No. PAC-E-10-07. The Company should have pulled Monsanto's loads from
17 row 59 instead. Consequently, the Company understated Monsanto's base loads at
18 meter in their ECAM filing. Even though this understatement is against Monsanto's

² Note that my line 4 matches the Company's "Monsanto Total MWh at Input" shown on RMP's sheet "ID Base Load" found in Revised Exhibit 1 attached to their reply comments.

³ Note that my line 7 matches the Company's "Monsanto Replacement MWh" shown on RMP's sheet "ID Base Load" found in Revised Exhibit 1 attached to their reply comments.

⁴ Note that my line 8 matches the Company's "Total Monsanto Load" shown on RMP's sheet "ID Base Load" found in Revised Exhibit 1 attached to their reply comments.

⁵ Note that my line 11 matches the Company's "Agrium El Paso Sub MWh at Input" shown on RMP's sheet "ID Base Load" found in Revised Exhibit 1 attached to their reply comments.

⁶ Note that my line 12 matches the Company's "Idaho Tariff Load at Input" shown on RMP's sheet "ID Base Load" found in Revised Exhibit 1 attached to their reply comments.

1 favor, I believe in all fairness that this error should be pointed out to the Company and
2 the Commission.

3 **Q HOW DO YOU KNOW RMP UNDERSTATED MONSANTO'S BASE LOAD PRIOR**
4 **TO THE REMOVAL OF BUY-THROUGH ENERGY?**

5 A It is easily verifiable with Attachment A from Order No. 32196 of Case No. PAC-E-10-
6 07. Attachment A shows Monsanto's total energy use at the meter (including
7 replacement energy) for the test period was 1,385,173 MWh. This matches row 59 of
8 RMP's Response to Monsanto Data Request 1.18, Attachment 1.18. The Company's
9 Monsanto load used in the ECAM filing, on the other hand (Line 2 of **Exhibit 200**),
10 totals only 1,363,100 MWh.

11 **Q DO AGREE WITH THE REPLACEMENT (I.E., BUY-THROUGH) ENERGY SHOWN**
12 **ON LINE 5 OF EXHIBIT 200 FOR CASE NO. PAC-E-10-07?**

13 A Yes. I agree the Company has pulled the correct information for replacement energy
14 at meter from Case No. PAC-E-10-07.

15 **Q DO YOU AGREE WITH THE LOSS FACTORS SHOWN ON LINES 3, 6 AND 10 OF**
16 **EXHIBIT 200 FOR CASE NO. PAC-E-10-07?**

17 A No. The Company's use of a loss factor of 9.884906% for Monsanto and Agrium is
18 unsupportable. This is in direct contrast to losses of 3.605% used in Case No. PAC-
19 E-10-07 for transmission customers, and to losses of 3.605% used for their actual
20 load in the ECAM.

1 Q WAS THERE ANY COMMISSION ORDER THAT CAME OUT IN CASE NO. PAC-E-
2 10-07 THAT FOUND MONSANTO AND AGRIMUM'S LOSSES TO BE 9.884906%?

3 A No.

4 Q WHAT IS THE DIRECT CONSEQUENCE OF USING A LOSS FACTOR OF 3.605%
5 ON THE ACTUAL LOADS AND 9.884906% ON BASE LOADS FOR MONSANTO
6 AND AGRIMUM?

7 A Because of the two different loss factors, even if actual loads were 100% exactly
8 equal to base loads, there would still be a load change adjustment cost of over
9 \$820,000 to Monsanto and of over \$60,000 to Agrium. That is, even if Monsanto and
10 Agrium's actual usage was exactly equal to the base load assumed in the general
11 rate case, these customers would still pay a significant LCAR component of the
12 ECAM. This is a totally unacceptable consequence of the Company's ECAM
13 calculations that is neither fair, reasonable or just.

14 Q HOW DO YOU PROPOSE TO SPLIT THE MCDOUGAL IDAHO JURISDICTIONAL
15 MONTHLY BASE LOADS FOR PURPOSES OF THE ECAM CALCULATION?

16 A I believe the most fair, reasonable and just method to split the loads is to start from
17 the monthly base loads provided by the Company in the class cost of service study at
18 the meter and at input. Those monthly amounts are shown in **Exhibit 201**. Lines 1-6
19 show the loads at meter which match Attachment 1 to Order No. 32196 of Case No.
20 PAC-E-10-07. Lines 7-12 show the loads at input which reflect the losses as ordered
21 in that general rate case: Monsanto and Agrium at 3.605%, primary losses of 6.475%
22 and secondary losses of 10.418%.

1 Q LINE 13 OF YOUR EXHIBIT SHOWS MR. MCDUGAL'S MONTHLY IDAHO
2 JURISDICTIONAL BASE LOAD ENERGY. DO HIS MONTHLY IDAHO
3 JURISDICTIONAL ENERGY AMOUNTS MATCH THE MONTHLY BASE LOADS
4 AT INPUT SHOWN ON LINE 12?

5 A No, and we should not expect the two to match.

6 Q WHY IS THAT?

7 A In Case No. PAC-E-10-07, Mr. McDougal explained that there were losses included in
8 his monthly Idaho jurisdictional base loads which were not associated with Idaho
9 retail sales. He claimed that those "extra" losses were associated with moving energy
10 for wholesale sales that benefitted all Idaho ratepayers. See page 41 of Mr.
11 McDougal's Rebuttal testimony.

12 Those "extra" losses total 94,791 MWh over the entire year as shown on line
13 14, column (13). The "extra" losses as a percentage adjustment to energy at input,
14 vary from roughly 0% in February to a high of 6% in March.

15 As an example, let's look at January. In Case No. PAC-E-10-07, the total
16 energy sales at input was 287,186 MWh which we can easily split out as Monsanto at
17 131,255 MWh, Agrium at 9,791 MWh and tariff customers at 146,140 MWh. These
18 amounts tie back to Attachment A to the order in that case and the losses agreed to
19 in that case. Mr. McDougal's monthly Idaho jurisdictional load, however, is 293,666
20 MWh, or 2.26% higher than energy sales at input. The only fair way to allocate those
21 "extra" losses of 6,480 MWh (293,666 – 287,186) is to adjust all customer classes'
22 energy at input by the same 2.26%, so that all classes are sharing the "extra" losses
23 based on their energy at input. For January, this means Monsanto, Agrium and the
24 tariff customer base loads at input are all raised by 2.26% so that Monsanto is now at
25 134,216 MWh, Agrium at 10,012 MWh and tariff customers at 149,438 MWh.

1 Q WHY DO YOU SAY THIS IS THE ONLY FAIR WAY?

2 A If those "extra" losses are arbitrarily assigned to just Monsanto and/or Agrium through
3 a simple 9.88% jurisdictional wide loss factor, as the Company has done, Monsanto
4 and Agrium would be unfairly burdened with the "extra" losses in every month. We
5 know that Monsanto and Agrium have the lowest losses of all Idaho jurisdictional
6 customers because they take service at transmission voltage. Yet the Company's
7 arbitrary assignment of 9.88% losses to Monsanto and Agrium ignores this
8 fundamental fact as well as ignores the monthly variation in losses. The only fair way
9 to allocate the "extra" losses is to apply the monthly adjustments to each class's
10 energy at input such that all customers share equitably the cost of those extra losses.

11 Looked at another way, the Company 9.88% loss factor to Monsanto and
12 Agrium can be broken down as a 3.605% loss factor for the transmission losses, and
13 another "extra" loss factor of 6.061%⁷ each and every month to recover those "extra"
14 losses associated with moving energy for wholesale sales. Based on Monsanto and
15 Agrium's loads at input, that's an additional 91,597 MWh⁸ of "extra" losses the
16 Company has allocated to Monsanto and Agrium – or almost 97% of Mr.
17 McDougal's total "extra" losses of 94,791 MWh. Clearly, the Company's method
18 results in an unfair and unreasonable burden to Monsanto and Agrium and should be
19 rejected.

⁷ $(1.03605) \times (1.06061) = 1.09884906$.

⁸ $6.061\% \times (1,511,192 \text{ MWh of Monsanto and Agrium including transmission losses of } 3.605\%) = 91,597 \text{ MWh}$. Furthermore, even if we use the Monsanto loads at meter that the Company erroneously thought was correct (1,363,100 less 28,015 MWh), RMP has still allocated 90,207 MWh of those "extra" losses just to Monsanto and Agrium. $[(1,335,085 \text{ Monsanto} + 101,450 \text{ Agrium})] \times 1.03605 \times 6.061\% = 90,207 \text{ MWh}$.

1 Q PLEASE CONTRAST YOUR PROPOSED SPLIT OF MR. MCDUGAL'S
2 MONTHLY IDAHO JURISDICTIONAL LOADS WITH THE COMPANY'S.

3 A Exhibit 202 shows the monthly base loads for both the Company's as well as my
4 corrected figures. Note that my corrected figures have removed the replacement
5 energy from the tariff customers and furthermore fairly allocates the "extra" losses to
6 all customer classes.

7 Q IN ORDER NO. 32507, THE COMMISSION FOUND ON PAGE 9 THAT "ONCE
8 MONSANTO'S BASE LOAD IS ESTABLISHED IN A GENERAL RATE CASE AND
9 EMBEDDED IN BASE RATES, IT SHOULD NOT BE CHANGED IN THE ECAM."
10 DOES YOUR SPLIT OF MR. MCDUGAL'S MONTHLY IDAHO JURISDICTIONAL
11 LOADS IN ANY WAY CHANGE BASE LOADS AS ESTABLISHED IN THE
12 GENERAL RATE CASE?

13 A No, it does not, and if anything, it corrects the incorrect base loads the Company has
14 used for Monsanto in the ECAM filing. Furthermore, as I explained previously, Mr.
15 McDougal's monthly Idaho jurisdictional base load was not split by customer class in
16 the general rate case, so it is necessary to perform that step in the ECAM filing. My
17 proposal is an improvement upon the Company's since it: (1) removes replacement
18 energy from the tariff customers, (2) is based on the customer loads found in
19 Attachment A to Order No. 32196, (3) reflects the appropriate losses to all customer
20 classes, and most importantly, (4) allocates the "extra" losses for moving wholesale
21 sales to all customer classes on the basis of their energy at input.

1 **IV. ACTUAL LOADS**

2 **Q WHAT ACTUAL LOADS HAS THE COMPANY USED IN ITS ECAM FILING?**

3 **A Exhibit 203** shows the actual loads calculated by RMP in its revised Exhibit 1
4 attached to its reply comments. The Company corrected the transmission loss factor
5 for Monsanto and Agrium to 3.605%, and properly removed replacement energy from
6 both the jurisdictional total as well as Monsanto.

7 **Q DOES THIS MEAN YOU AGREE WITH THE COMPANY'S ACTUAL LOAD**
8 **CALCULATION FOR PURPOSES OF THE ECAM?**

9 **A** No. Since base loads include "extra" losses associated with moving energy for
10 wholesale sales, unless the actual loads have been likewise adjusted there will be a
11 mismatch between the base loads and actual loads. In other words, since we must
12 compare base loads to actual loads for purposes of the LCAR, we must ensure that
13 we are comparing apples to apples. If the base loads have been increased upwards
14 for those "extra" losses associated with moving energy for wholesale sales, then we
15 must likewise adjust the actual sales each month to account for "extra" losses. The
16 adjusted actual sales are shown in my **Exhibit 204**.

17 **Q WHAT ARE THE RESULTS OF THE ECAM WITH YOUR CORRECTIONS TO**
18 **BASE LOAD AND ACTUAL LOADS?**

19 **A Exhibit 205** provides the calculation of the ECAM ending balances with corrected
20 loads. Note that these calculations are based on the Company's Revised Exhibit 1
21 from their reply comments, and do not take into account other adjustments (such as
22 wind integration) the Commission ordered be made to the ECAM. Furthermore,
23 **Exhibit 205** does not take into account the excess outages adjustment which Mr.

1 Widmer has made in his testimony accompanying Monsanto's Motion for
2 Reconsideration.

3 Table 1 presents the results of my corrected loads and compares this to the
4 ECAM ending balances filed by the Company in its reply comments.

	<u>RMP's Revised</u> <u>Exhibit 1</u>	<u>Corrected</u>	<u>Change</u>
Tariff Customers	\$16,267,275	\$16,252,752	(\$14,523)
Monsanto	7,256,163	6,848,532	(407,631)
Agrium	<u>517,558</u>	<u>476,156</u>	<u>(41,402)</u>
Total	\$24,040,996	\$23,577,440	(\$463,556)

5 Q DOES THIS CONCLUDE YOUR TESTIMONY IN THIS CASE?

6 A Yes.

Qualifications of Kathryn E. Iverson

1 Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A Kathryn E. Iverson; 17244 W. Cordova Court, Surprise, Arizona 85387.

3 Q PLEASE STATE YOUR OCCUPATION.

4 A I am a consultant in the field of public utility regulation with Brubaker & Associates,
5 Inc., energy, economic and regulatory consultants.

6 Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND WORK
7 EXPERIENCE.

8 A In 1980 I received a Bachelors of Science Degree in Agricultural Sciences from
9 Colorado State University, and in 1983, I received a Masters of Science Degree in
10 Economics from Colorado State University.

11 In March of 1984, I accepted a position as Rate Analyst with the consulting
12 firm Browne, Bortz and Coddington in Denver, Colorado. My duties included
13 evaluation of proposed utility projects, benefit-cost analysis of resource decisions,
14 cost of service studies and rate design, and analyses of transmission and substation
15 equipment purchases.

16 In February 1986, I accepted a position with Applied Economics Group, where
17 I was responsible for utility economic analysis including cogeneration projects,
18 computer modeling of power requirements for an industrial pumping facility, and
19 revenue impacts associated with various proposed utility tariffs. In January of 1989, I
20 was promoted to the position of Vice President. In this position, I assumed the
21 additional responsibilities of project leader on projects, including the analysis of
22 alternative cost recovery methods, pricing, rate design and DSM adjustment clauses,

1 and representation of a group of industrial customers on the Conservation and Least
2 Cost Planning Advisory Committee to Montana Power Company.

3 In March 1992, I accepted a position with ERG International Consultants, Inc.,
4 of Golden, Colorado as Senior Utility Economist. While at ERG, I was responsible for
5 the cost-effectiveness analysis of demand-side programs for Western Area Power
6 Administration customers. I also assisted in the development of a reference manual
7 on the process of Integrated Resource Planning including integration of supply and
8 demand resource, public participation, implementation of the resource plan and
9 elements of writing a plan. I lectured and provided instructional materials on the key
10 concept of life-cycle costing seminars held to provide resource planners and utility
11 decision-makers with a background and basic understanding of the fundamental
12 techniques of economic analysis. My work also included the evaluation of a marginal
13 cost of service study, assessment of avoided cost rates, and computer modeling
14 relating engineering simulation models to weather-normalized loads of schools in
15 California.

16 In November of 1994, I accepted a position with Drazen-Brubaker &
17 Associates, Inc. In April, 1995 the firm of Brubaker & Associates, Inc. was formed. It
18 includes most of the former DBA principals and Staff. Since joining this firm, I have
19 performed various analyses of integrated resource plans, examination of cost of
20 service studies and rate design, fuel cost recovery proceedings, as well as estimates
21 of transition costs and restructuring plans.

22 **Q HAVE YOU EVER TESTIFIED BEFORE A REGULATORY BODY?**

23 **A** Yes. I have testified before the regulatory commissions in Colorado, Georgia,
24 Michigan, Montana, Oregon, Texas, Washington and Wyoming.

ROCKY MOUNTAIN POWER
Idaho Base Load By Month As Calculated By the Company

Description	PAC-E-08-07	PAC-E-10-07												PAC-E-10-07 Jan-Dec 10 (14)
	Dec-08	Dec-10	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
1 Idaho Load at Input	287,203	280,662	293,666	246,395	269,155	262,615	314,969	361,447	420,354	376,659	292,587	269,155	264,722	3,652,385
2 Monsanto Total MWh at Meter	102,600	113,000	126,100	107,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	1,363,100
3 Loss Factor	1.04543	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	
4 Monsanto Total MWh at Input	107,261	124,170	138,565	117,577	124,170	124,170	124,170	124,170	124,170	124,170	124,170	124,170	124,170	1,497,841
5 Monsanto Replacement MWh at Meter	(8,241.0)	(7,651.4)	-	(81.4)	-	(53.6)	(107.2)	(3,806.0)	(1,786.0)	(1,889.0)	(2,904.4)	(3,581.4)	(6,154.2)	(28,015)
6 Loss Factor	1.04543	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	
7 Monsanto Replacement MWh	(8,615)	(8,408)	-	(89)	-	(59)	(118)	(4,182)	(1,963)	(2,076)	(3,191)	(3,935)	(6,763)	(30,784)
8 Total Monsanto Load	98,646	115,762	138,565	117,487	124,170	124,111	124,052	119,988	122,207	122,094	120,978	120,235	117,407	1,467,057
9 Agrium El Paso Sub MWh at Meter	10,157	8,500	9,450	8,500	8,500	8,500	8,500	7,000	8,500	8,500	8,500	8,500	8,500	101,450
10 Loss Factor	1.04543	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	1.09884906	
11 Agrium El Paso Sub MWh at Input	10,618	9,340	10,384	9,340	9,340	9,340	9,340	7,692	9,340	9,340	9,340	9,340	9,340	111,478
12 Idaho Tariff Load at Input (ln 1 - ln 8 - ln 11)	177,939	155,560	144,717	119,568	135,644	129,164	181,576	233,768	288,806	245,224	162,268	139,580	137,975	2,073,850

Note: The two December amounts are prorated: 27 days of the Dec 2008 amounts, and 4 days of the Dec 2010 amounts

ROCKY MOUNTAIN POWER
Corrected Split of Idaho Base Loads

	<u>Jan</u> (1)	<u>Feb</u> (2)	<u>Mar</u> (3)	<u>Apr</u> (4)	<u>May</u> (5)	<u>Jun</u> (6)	<u>Jul</u> (7)	<u>Aug</u> (8)	<u>Sep</u> (9)	<u>Oct</u> (10)	<u>Nov</u> (11)	<u>Dec</u> (12)	<u>Total</u> (13)	
<u>Idaho Class Loads from PAC-E-10-07 at meter</u>														
1	Monsanto Load At Meter	126,688	107,469	113,268	113,351	113,354	114,426	117,990	118,022	114,371	114,534	116,169	115,532	1,385,173
2	Monsanto Replacement	-	81	-	54	107	3,806	1,786	1,889	2,904	3,581	6,154	7,651	28,014
3	Monsanto without replacement	126,688	107,387	113,268	113,297	113,247	110,621	116,204	116,133	111,467	110,952	110,015	107,881	1,357,159
4	Agrium At Meter	9,450	8,500	8,500	8,500	8,500	7,000	8,500	8,500	8,500	8,500	8,500	8,500	101,450
5	Tariff Customer At Meter	133,310	115,339	116,591	117,153	159,999	212,041	255,821	216,102	143,355	116,118	116,260	137,162	1,839,250
6	Total At Meter	269,448	231,308	238,359	239,003	281,853	333,467	382,311	342,624	266,226	239,151	240,929	261,194	3,325,873
<u>Idaho Class Loads from PAC-10-07 at input</u>														
7	Monsanto Load At Input	131,255	111,343	117,351	117,437	117,440	118,551	122,244	122,277	118,494	118,662	120,357	119,697	1,435,109
8	Monsanto Replacement	-	84	-	56	111	3,943	1,850	1,957	3,009	3,711	6,376	7,927	29,024
9	Monsanto without replacement	131,255	111,259	117,351	117,381	117,329	114,608	120,393	120,320	115,485	114,952	113,981	111,770	1,406,085
10	Agrium At Input	9,791	8,806	8,806	8,806	8,806	7,252	8,806	8,806	8,806	8,806	8,806	8,806	105,107
11	Tariff Customer At Input	146,140	126,348	127,744	128,267	175,456	232,823	281,094	237,289	157,253	127,184	127,401	150,380	2,017,378
12	Total At Input	287,186	246,498	253,901	254,510	301,702	358,626	412,144	368,372	284,554	254,653	256,565	278,883	3,557,594
13	<u>McDougal's Base Loads</u>	293,666	246,395	269,155	262,615	314,969	361,447	420,354	376,659	292,587	269,155	264,722	280,662	3,652,385
14	Additional Losses for Wholesale Energy	6,480	(103)	15,253	8,105	13,266	2,821	8,210	8,286	8,033	14,502	8,158	1,779	94,791
15	Adjustment to Loads At Input	2.26%	-0.04%	6.01%	3.18%	4.40%	0.79%	1.99%	2.25%	2.82%	5.69%	3.18%	0.64%	2.66%
<u>Idaho Class Loads from PAC-10-07 at Input Adjusted for Additional Losses for Wholesale Energy</u>														
16	Monsanto Load At Input	134,216	111,297	124,401	121,177	122,604	119,484	124,679	125,027	121,839	125,420	124,184	120,461	1,473,347
17	Monsanto Replacement	-	84	-	57	116	3,974	1,887	2,001	3,094	3,922	6,579	7,978	29,797
18	Monsanto without replacement	134,216	111,213	124,401	121,120	122,488	115,510	122,792	123,026	118,745	121,498	117,605	112,483	1,443,549
19	Agrium At Input	10,012	8,803	9,335	9,087	9,194	7,309	8,982	9,005	9,055	9,308	9,086	8,863	107,908
20	Tariff Customer At Input	149,438	126,296	135,418	132,351	183,171	234,654	286,693	242,627	161,692	134,427	131,452	151,339	2,071,131
21	Total At Input	293,666	246,395	269,155	262,615	314,969	361,447	420,354	376,659	292,587	269,155	264,722	280,662	3,652,385

ROCKY MOUNTAIN POWER
PAC-E-10-07 Base Loads: Comparison of Company and Corrected

Description	PAC-E-10-07												PAC-E-10-07
	Dec-10 (1)	Jan-10 (2)	Feb-10 (3)	Mar-10 (4)	Apr-10 (5)	May-10 (6)	Jun-10 (7)	Jul-10 (8)	Aug-10 (9)	Sep-10 (10)	Oct-10 (11)	Nov-10 (12)	Jan-Dec 10 (13)
1 <u>Company's Split of Base Load:</u>													
2 Tariff Customer	147,152	144,717	119,478	135,644	129,105	181,459	229,585	286,843	243,148	159,076	135,645	131,212	2,043,066
3 Replacement Energy	8,408	-	89	-	59	118	4,182	1,963	2,076	3,191	3,935	6,763	30,784
4 Tariff Customer	155,560	144,717	119,568	135,644	129,164	181,576	233,768	288,806	245,224	162,268	139,580	137,975	2,073,850
5 Monsanto	115,762	138,565	117,487	124,170	124,111	124,052	119,988	122,207	122,094	120,978	120,235	117,407	1,467,057
6 Agrium	9,340	10,384	9,340	9,340	9,340	9,340	7,692	9,340	9,340	9,340	9,340	9,340	111,478
7 Total	280,662	293,666	246,395	269,155	262,615	314,969	361,447	420,354	376,659	292,587	269,155	264,722	3,652,385
8 <u>Corrected Split of Base Load:</u>													
9 Tariff Customer	151,339	149,438	126,296	135,418	132,351	183,171	234,654	286,693	242,627	161,692	134,427	131,452	2,069,558
10 Replacement Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Tariff Customer	151,339	149,438	126,296	135,418	132,351	183,171	234,654	286,693	242,627	161,692	134,427	131,452	2,069,558
12 Monsanto	112,483	134,216	111,213	124,401	121,120	122,488	115,510	122,792	123,026	118,745	121,498	117,605	1,445,097
13 Agrium	8,863	10,012	8,803	9,335	9,087	9,194	7,309	8,982	9,005	9,055	9,308	9,086	108,038
14 Total	272,685	293,666	246,311	269,155	262,558	314,853	357,473	418,466	374,657	289,493	265,233	258,144	3,622,693
15 <u>Change from Company's:</u>													
16 Tariff Customer	4,187	4,721	6,818	(227)	3,246	1,712	5,069	(150)	(522)	2,616	(1,218)	240	26,492
17 Replacement Energy	(8,408)	-	(89)	-	(59)	(118)	(4,182)	(1,963)	(2,076)	(3,191)	(3,935)	(6,763)	(30,784)
18 Tariff Customer	(4,221)	4,721	6,728	(227)	3,188	1,594	886	(2,113)	(2,597)	(575)	(5,153)	(6,523)	(4,292)
19 Monsanto	(3,279)	(4,349)	(6,275)	231	(2,992)	(1,564)	(4,478)	584	932	(2,233)	1,264	198	(21,960)
20 Agrium	(478)	(373)	(537)	(5)	(253)	(147)	(383)	(358)	(336)	(285)	(32)	(254)	(3,440)
21 Total	(7,978)	-	(84)	-	(57)	(116)	(3,974)	(1,887)	(2,001)	(3,094)	(3,922)	(6,579)	(29,692)

