UE-230172

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BEFORE THE
WASHINGTON UTILITIES & TRANSPORATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PacifiCorp, dba Pacific Power & Light Company

Respondent.

DOCKET NO. UE-230172

RESPONSIVE TESTIMONY AND EXHIBITS OF

ANDREW D. TEAGUE

ON BEHALF OF

WALMART INC.

SEPTEMBER 14, 2023

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I. Introduction

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Andrew D. Teague. My business address is 2608 SE J Street, Bentonville, AR 72716. I am employed by Walmart Inc. ("Walmart") as Senior Manager, Utility Partnerships.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?

A. I am testifying on behalf of Walmart.

Q. IS WALMART SPONSORING ADDITIONAL TESTIMONY IN THIS DOCKET?

A. Yes. Walmart is also sponsoring the testimony of Alex J. Kronauer.

Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.

A. I received a Master's of Public Affairs in 2010 from the University of Indiana School of Public and Environmental Affairs. From 2011 to 2019, I was an energy management contractor working with the Army and the Air Force with primary duties in Texas and Oklahoma. My responsibilities included energy conservation projects, on-installation utility billing, management of relationships with utility providers, and other day-to-day energy and utility operations. I joined the energy department at Walmart in February 2019 as Senior Manager, Energy Services. The organization later got renamed to Utility Partnerships in 2023. My Witness Qualifications Statement is attached as Exhibit ADT-2.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION ("COMMISSION")?

A. No, I have not.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE REGULATORY COMMISSIONS?

A. Yes, I have submitted testimonies to state regulatory commissions in Colorado, Kentucky, Michigan, Missouri, Montana, New Mexico, Nevada, North Dakota, Texas, Virginia, Wisconsin, and Wyoming. A full list of the dockets I have testified in can be found in Exhibit ADT-2.

Q. ARE YOU SPONSORING EXHIBITS IN YOUR TESTIMONY?

A. Yes. I am sponsoring the exhibits listed in the table of contents.

Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS IN WASHINGTON.

A. As shown on Walmart's website, Walmart operates 65 retail units, two distribution centers, and employs over 23,000 associates in the State of Washington. In fiscal year ending 2023, Walmart purchased $2.8 billion worth of goods and services from Washington-based suppliers, supporting over 34,000 supplier jobs.[1]

[1] https://corporate.walmart.com/about/location-facts/united-states/washington

Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS WITHIN THE WASHINGTON SERVICE TERRITORY FOR PACIFIC POWER AND LIGHT COMPANY ("PACIFICORP" OR "COMPANY").

A. Walmart has four stores and one distribution center that take electric service from PacifiCorp primarily served under rate Schedule 36 Large General Service – Less than 1,000 kW ("Schedule 36").

II. Purpose of Testimony and Summary of Recommendations

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to respond to the Company's request for approval to change its base rates as set forth in the Company's Application filed March 17, 2023, as revised on April 4, 2023. My testimony provides Walmart's response to the class cost of service and rate design issues in PacifiCorp's rate case filing and provide recommendations to assist the Commission in its thorough and careful consideration of the customer impact of the Company's proposed rate increases.

Q. IN SETTING THE REVENUE REQUIREMENT, RETURN ON EQUITY ("ROE"), ALLOCATION, AND RATE DESIGN CHANGES FOR THE COMPANY, SHOULD THE COMMISSION CONSIDER THE IMPACT OF THE PROPOSED RATE INCREASE ON BUSINESS CUSTOMERS?

A. Yes. Electricity is a significant operating cost for retailers such as Walmart. When electric rates increase, the increased cost to retailers can put pressure on consumer prices and on the other expenses required by a business to operate. The Commission should thoroughly and carefully consider the impact on customers in examining the

requested revenue requirement and ROE, in addition to all other facets of this case, to ensure that any increase in the Company's rates is the minimum amount necessary to provide safe, adequate, and reliable service, while also providing PacifiCorp the opportunity to recover its reasonable and prudent costs and earn a reasonable return on its investment.

Q. PLEASE SUMMARIZE WALMART'S RECOMMENDATIONS TO THE COMMISSION.

A. Walmart's recommendations to the Commission are as follows:

1) For the purposes of this docket, Walmart does not take a position on the Company's proposed cost of service study at this time. However, to the extent that alternative cost of service methodologies or modifications to the Company's methodology are proposed by other parties, Walmart reserves the right to address any such changes in accordance with the Commission's procedures in this Docket.

2) For the purposes of this docket, at the Company's proposed revenue requirement, Walmart does not oppose the Company's proposed revenue allocation. If the Commission awards a lower revenue requirement than what is proposed by the Company, then the Commission should use the revenue reduction to move each class closer to cost of service by allocating the difference between the Company's requested revenue requirement and the awarded revenue requirement proportionately based on the Company's COSS.

3) For the purposes of this Docket, at the Company's proposed revenue requirement, Walmart does not oppose the Company's proposed Schedule 36 rate designs for 2024 and 2025.

4) For the purposes of this Docket, if the Commission reduces the Company's proposed revenue requirements for Schedule 36 for 2024 and/or 2025, Walmart recommends the reduction in revenue requirement be taken from the energy component to further move Schedule 36 rates towards cost of service.

Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION ADVOCATED BY THE COMPANY INDICATE WALMART'S SUPPORT?

A. No. The fact that an issue is not addressed herein or in related filings should not be construed as an endorsement of, agreement with, or consent to any filed position.

III. Cost Allocation and Revenue Allocation

Q. GENERALLY, WHAT IS WALMART'S POSITION ON SETTING RATES BASED ON THE UTILITY'S COST OF SERVICE

A. Walmart advocates for setting rates based on the utility's cost of service for each customer class. This produces equitable rates that reflect cost causation, send proper price signals, and minimize price distortions.

A. Production Capacity Cost Allocation

Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED COST OF SERVICE STUDY ("COSS")?

A. The Company presents two different COSSes for the test year of the twelve months ending in June 30, 2022, for the rate year 2024. *See* Direct Testimony of Robert M. Meredith ("Meredith Direct"), p. 2, lines 2-3. One is an embedded class cost of service

study that provides a detailed breakdown for each class and function. *See* RMM-2 and RMM-3. The other COSS is consistent with the methodology approved by the Commission in Docket UE-170002 and with Washington Administrative Code Chapter 480-85. *See In the Matter of Amending WAC 480-07-510 and Adopting Chapter 480-85 WAC Relating to Cost of Service Studies for Electric and Natural Gas Investor-owned Utilities,* Washington Utilities and Transportation Commission Dockets UE-170002 and UG-170003 General Order R-599; *see* RMM-4. The Company developed its proposed rates for 2024 based on the Company's COSS presented in RMM-2 and RMM-3 but did not prepare a COSS study covering the rate year 2025, which I will discuss in more detail later in my testimony. *Id.*, p. 5, lines 2-5; *id.*, p. 5 line 23 and p. 6, line 1.

Q. WHAT PRODUCTION COST ALLOCATOR DOES THE COMPANY PROPOSE?

A. The Company proposes to allocate production costs using the Renewable Future Peak Credit. *Id.*, p. 5, lines 16-19. According to this method, 74% of the costs are classified as demand-related and the remaining costs are energy-related. *Id.*, p. 19-21. The demand portion of the costs are allocated on the system 12 coincident peaks. *Id.*, p. 10, lines 2-3. This method was used in both COSSes.

Q. WHAT IS YOUR UNDERSTANDING OF HOW THE RENEWABLE FUTURE PEAK CREDIT IS CALCULATED?

A. It is my understanding that the Renewable Future Peak Credit is calculated based on the lowest cost storage resource and lowest cost renewable energy generation source. Id., p. 6, lines 2-8.

Q. DOES WALMART TAKE A POSITION ON THE COMPANY'S PROPOSED COST ALLOCATION METHODOLOGIES AT THIS TIME?

A. No. However, to the extent that alternative cost of service methodologies or modifications to the Company's methodology are proposed by other parties, Walmart reserves the right to address any such changes in accordance with the Commission's procedures in this Docket.

B. Revenue Allocation

Q. IS THE COMPANY PROPOSING RATES CONSISTENT WITH THE UNDERLYING COST OF SERVICE?

A. Not entirely. As shown in Table 1 below, for the year 2024, the Company is proposing rates based on the COSS represented in RMM-2 and RMM-3 that will bring the customer classes closer to their cost of service levels. Hereafter, the COSS represented in RMM-2 and RMM-3 will simply be referred to as the "COSS." For the year 2025, however, the Company did not provide a COSS, but instead, derived its 2025 rates by increasing the proposed 2024 rates by a flat 6.5 percent increase to all customer classes. *Id.*, p. 12, lines 21-22.

Q. HOW DOES PACIFICORP REPRESENT WHETHER RATES FOR A CUSTOMER CLASS ACCURATELY REFLECT THE UNDERLYING COST CAUSATION?

A. PacifiCorp reflects the relationship in their cost of service results through the use of class-specific rates of return on rate base. In turn the return on rate base is used to calculate the rate of return index, which is the ratio of the rate of the return of the rate

schedule to the rate of return of the whole system. The closer the rate of return index is to 1, the closer the rate class is to parity and reflecting the costs indicated in the COSS. When the rate of return is above or below 1, this represents the rate is not reflecting the cost of service and is either subsidizing or being subsidized, respectively.

Q. HAVE YOU CALCULATED THE RATES OF RETURN INDEXES?

A. Yes, as shown in Table 1 below:

Table 1. Base Rate of Return on Rate Base vs. Proposed Rate of Return, Rate Years 2024

Customer Class	Return on Rate Base	Rate of Return Index	Proposed Rate of Return 2024	Proposed Rate of Return Index 2024
Residential Schedule 16	5.38%	0.93	8.43%	1.02
Small General Service Schedule 24	8.27%	1.43	8.27%	1.00
Large General Service < 1,000 kW Schedule 36	7.28%	1.26	8.67%	1.05
Large General Service > 1,000 kW Schedule 48	4.84%	0.84	8.98%	1.09
Large General Dedicated Facilities Schedule 48	2.41%	0.42	6.20%	0.75
Agricultural Pumping Schedule 40	3.83%	0.66	6.79%	0.82
Street & Area Lighting Sch. 15, 51-54, 57	4.67%	0.81	7.13%	0.87
System	5.77%	1.00	8.23%	1.00

Sources: RMM-3-4-19-23 p 1-2, RMM-6-4-19-23 p 1

Q. IS PACIFICORP PROPOSING TO ELIMINATE THE SUBSIDIES SHOWN IN TABLE 1 THROUGH ITS PROPOSED REVENUE ALLOCATION IN THIS DOCKET?

A. Not entirely. As shown above in Table 1, the Company proposes to move most rate classes closer to cost of service in rate year 2024 than they are under the present rates using the following methodology:

1. No change to Schedule 24;
2. Allocate half the class average increase to Schedule 36; and
3. Allocate the remaining increase equally among the remaining customer classes. *See* Meredith Direct, p. 9, lines 16-21.

Q. HOW DOES THE COMPANY PROPOSE TO CHANGE RATES FOR RATE YEAR 2025?

A. As previously stated, PacifiCorp did not perform a COSS for the rates proposed for 2025. Instead, PacifiCorp is proposing a flat 6.5 percent increase to all rate classes. *Id.* p. 12, lines 21-22. As such, PacifiCorp does not depict a rate of return for the rates, although, it does provide the percent of revenue they are proposing relative to the 6.5 percent adjustment to the COSS. *Id.* p. 12, lines 6-7. For example, under the Company's proposal, Schedule 36 is allocated a revenue percentage of the adjusted COSS equal to 101.1%, indicating that PacifiCorp is proposing to recover 1.1% more revenue from Schedule 36 when compared to the adjusted COSS. *Id.*, p. 10, Table 1.

Q. ARE THESE NUMBERS CONSISTENT WITH THE PROPOSED RATES FOR 2024?

A. Generally yes, as shown in Table 2 below:

Table 2. Cost of Service versus Proposed Rates, Rate Years 2024 and 2025

	(j)	(k)
Customer Class	**Proposed vs COSS 2024**	**Proposed vs COSS 2025**
Residential Schedule 16	100.64%	100.63%
Small General Service Schedule 24	100.18%	100.18%
Large General Service < 1,000 kW Schedule 36	101.10%	101.08%
Large General Service > 1,000 kW Schedule 48	101.78%	101.82%
Large General Dedicated Facilities Schedule 48	95.77%	95.82%

Agricultural Pumping Schedule 40	96.17%	96.23%
Street & Area Lighting Sch. 15, 51-54, 57	96.51%	96.57%
System	100.09%	100.09%

Sources: RMM-3-4-19-23 p 1-2, RMM-6-4-19-23 p 1, 230172-PAC-RMM-6-PricingWkpps Cost of Service and Proposed $, row 128

Q. ARE THESE NUMBERS INDICATIVE OF MOVMENT TOWARDS COST OF SERVICE?

A. A COSS was not performed for rate year 2025, so it is not possible to determine what changes may occur and how that would affect revenues, expenses, and rate bases relative to the individual rates. However, it is unlikely that the underlying values would change substantially. Given this information, the numbers are moving towards cost of service.

Q. WHAT IS WALMART'S RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?

A. For the purposes of this docket, at the Company's proposed revenue requirement, Walmart does not oppose the Company's proposed revenue allocation. If the Commission awards a lower revenue requirement than what is proposed by the Company, then the Commission should use the revenue reduction to move each class closer to cost of service by allocating the difference between the Company's requested revenue requirement and the awarded revenue requirement proportionately based on the Company's COSS, RMM-2, p. 17, Column M, which is reproduced below.

Schedule No.	Description	Annual Revenue	Total Cost of Service	Percentage Change from Current Revenues
16	Residential	$176,071,754.90	$190,953,061.55	8.45%
24	Small General Service	$58,004,210.24	$57,904,393.33	-0.17%
36	Large General Service <1,000 kW	$84,757,248.95	$86,623,045.51	2.20%
48T	Large General Service >1,000 kW	$31,760,598.39	$34,413,417.95	8.35%
48T	Dedicated Facilities	$38,671,305.32	$44,071,776.85	13.97%
40	Agricultural Pumping Service	$14,475,016.40	$16,421,769.52	13.45%
15,52,54,57	Street Lighting	$888,616.74	$1,004,485.36	13.04%
	Total Washington Jurisdiction	$404,628,750.95	$431,391,950.07	6.61%

V. Schedule 36 Rate Design

Q. WHAT IS YOUR UNDERSTANDING OF THE CHARGES INCLUDED IN THE CURRENT SCHEDULE 36 RATE DESIGN?

A. My understanding is that the current Schedule 36 rate design is composed of the following charges:

1) A tiered Basic Charge based on load size:
    i. A $/Month Charge with three tiers based on load size;
    ii. A $/kW two tiered load size charge for loads greater than 101 kW and for loads greater than 300 kW;
2) A $/kW Billing Demand Charge; and
3) A $/kWh Energy Charge with two tiers for the first 40,000 kWh and all electricity after that.

PacifiCorp defines "load size" as the average of the greatest two non-zero monthly demands established in the past twelve months. *See* PacifiCorp Rate Schedule 36 Large General Service – Less Than 1,000 kW, Original Sheet Nos. 36.1-36.3.[2]

Q. DOES THE COMPANY PROPOSE ANY STRUCTURAL CHANGES TO SCHEDULE 36?

A. Yes, PacifiCorp is recommending that tiered structure of the energy charge be eliminated. *See* Meredith Direct, p. 32, lines 21-22.

Q. IS THIS RATE STRUCTURE CHANGE APPROPRIATE?

A. Fundamentally, yes. While a single $/kWh energy charge does not track energy cost on a temporal basis, it does remove some of the arbitrary judgement used to attempt to capture assumed economies of scale across the spectrum of hourly energy cost in a month – the premise being that the higher a customer's usage in a month the more likely it is to have consumed energy in lower cost hours. However, there is no precise way to indicate that a customer uses energy across a broader number of hours, versus higher usage during more expensive hours or that a kilowatt-hour comes from a more expensive resource than another other than through time differentiation. The Company has submitted testimony to this extent, stating that, for the residential customer cases, "There is no reason why after using 600 kWh in a given month that the next kilowatt hour consumed by a customer should cost more." *Id.* p. 21, lines 2-3.

[2] Available at: https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/rates-regulation/washington/rates/036_Large_General_Service_Less_Than_1000_kW.pdf.

Q. DOES THE COMPANY PROPOSE ANY CHANGES TO THE BASIC AND LOAD SIZE CHARGES?

A. No, PacifiCorp does not propose any changes to the tiered structure that joins the basic and the load size charges, it only proposes to change the monthly charge and the load size per kilowatt charge in addition to language changes to the description of the load size calculation.

Q. PER THE COMPANY'S COST OF SERVICE STUDIES, ARE THE MAJORITY OF THE COSTS INCURRED TO SERVE SCHEDULE 36 CUSTOMERS ENERGY RELATED?

A. No, they are not. Exhibit ADT-5 shows a complete breakdown of the cost of service by function for PacifiCorp and Schedule 36 as identified in the RMM-6. More specifically, detailed functional and component breakdowns from the RMM-6 workpapers were used. The proposed and current rates do not specify allocation to each function on the same granular level as do the cost of service studies, so the data is simplified in Exhibit ADT-6. As designed in the COSS, 43.0% of the costs incurred are demand related and 55.5% are energy related, as shown in Table 3, below. These numbers are inclusive of secondary and primary customers.

Table 3. Schedule 36 Cost of Service Study Results, COSS versus Proposed, Rate Year 2024

			Schedule 36 COSS Revenue by Function		Schedule 36 Proposed Revenue by Function	
Function	**Cost of Service by Function**		**Schedule 36 Requirement**		**Schedule 36 Requirement**	
Customer	$18,522,352	4.3%	$651,882	0.8%	$ 1,546,401	1.79%
Demand	$197,450,028	45.7%	$ 37,900,791	43.8%	$ 24,193,437	28.03%
Energy	$215,751,410	50.0%	$ 48,062,653	55.5%	$ 60,586,510	70.18%
Total Revenue	**$431,723,790**	**100.0%**	**$ 86,615,326**	**100.0%**	**$ 86,326,347**	**100.0%**

Source: Exhibit ADT-5

Q. IS THE RECOVERY OF ENERGY-RELATED COSTS THROUGH DEMAND CHARGES APPROPRIATE?

A. No. The recovery of demand-related costs through energy charges is inappropriate and violates cost causation principles.

Q. PLEASE EXPLAIN.

A. The shift in demand-related costs from per kW demand charges to per kWh energy charges results in a shift in demand cost responsibility from lower load factor customers to higher load factor customers. Two customers can have the same level of demand and cause the utility to incur the same amount of fixed costs, but because one customer uses more kWh than the other, that customer will pay more of the demand cost than the customer that uses fewer kWh. This results in a misallocation of cost responsibility as higher load factor customers overpay for the demand-related costs incurred by the Company to serve them. In other words, higher load factor customers are subsidizing a portion of the demand-related costs that are incurred to serve lower load factor

customers simply because of the manner in which the Company collects those costs in rates.

Q. CAN YOU PROVIDE A GENERAL ILLUSTRATION OF THIS SHIFT IN DEMAND COST RESPONSIBILITY?

A. Yes. Assume the following:

1) A utility has only two customers (Customer 1 and Customer 2), with individual peak demands of 20 kW for a total system load of 40 kW.
2) The annual revenue requirement or cost to the utility associated with the investment to serve these customers is $2,000, which will be collected each year. Each customer is responsible for one-half of the cost, or $1,000 of demand-related or fixed costs per customer.
3) Customer 1 has a monthly demand of 20 kW and a load factor of 60 percent and consumes 105,120 kWh/year (20 kW * 60% * 8760 hours).
4) Customer 2 has a monthly demand of 20 kW and a load factor of 30 percent and consumes 52,560 kWh/year (20 kW * 30% * 8760 hours).

Q. IF THE DEMAND-RELATED COSTS WERE COLLECTED THROUGH A DEMAND CHARGE ON A PER KW BASIS, WHAT WOULD THE PER KW CHARGE BE?

A. The charge would be $4.17 per kW-month ($2,000 / 40 kW / 12 months). Each customer would then pay $1,000 for the demand-related cost they impose on the system (20 kW * $4.17/kW * 12).

Q. IF THE DEMAND-RELATED COSTS WERE COLLECTED ON AN ENERGY BASIS, WHAT WOULD THE PER KWH CHARGE BE?

A. If customers were charged on a per kWh basis, the energy charge would be 1.27 cents per kWh ($2,000 / 157,860 kWh), where the $2,000 is the total cost and 157,860 kWh represents the total annual energy sales.

Q. WHAT WOULD EACH CUSTOMER PAY UNDER THE PER KWH CHARGE OF 1.27 CENTS PER KWH?

A. Customer 1, the customer with the higher load factor of 60 percent, would pay $1,333 ($0.0127/kWh * 105,120 kWh). Customer 2, the customer that has the lower load factor would pay $667 ($0.0127/kWh * 52,560 kWh).

Q. ARE THE RESULTING ENERGY-BASED CHARGES REPRESENTATIVE OF THE UNDERLYING COSTS?

A. No. As the example makes clear, if the Company collects its demand-related costs through energy-based charges, it will over-collect from one customer and under-collect from the other. The fixed costs are equally incurred by Customer 1 and Customer 2, however, under the per kWh scenario, the utility would recover $333 more from Customer 1 (a higher load factor customer) than its cost responsibility and $333 less from Customer 2 (a lower load factor customer) than its cost responsibility. In other words, Customer 1 would be subsidizing one-third of Customer 2's cost responsibility.

Q. WOULD THE COLLECTION OF A GREATER PERCENTAGE OF THE GS REVENUE REQUIREMENT THROUGH THE DEMAND CHARGE BE BENEFICIAL TO THE COMPANY?

A. Yes. By collecting a large percentage of class revenue requirement through energy charges, the Company subjects itself to under and overcollection of its revenue requirement due to fluctuations in customer usage. As such, issues such as weather

and the economy will have a greater impact on the utility versus a rate design in which an appropriate amount of revenue requirement is collected through the demand charge.

Q. HAS PACIFICORP MADE EFFORTS TO MOVE COSTS TO DEMAND FROM 2023 TO 2024?

A. Yes, PacifiCorp made efforts to move demand costs back to demand charges for 2024 relative to 2023 which, directionally, moves towards cost-based rates in accordance with the COSS.

Q. WHAT IS WALMART'S RECOMMENDATION TO THE COMMISSION AT THE COMPANY'S PROPOSED REVENUE REQUIREMENTS FOR SCHEDULE 36?

A. For the purposes of this Docket, at the Company's proposed revenue requirement, Walmart does not oppose the Company's proposed Schedule 36 rate designs for 2024 and 2025 for the proposed energy or demand charges.

Q. WHAT IS WALMART'S RECOMMENDATION TO THE COMMISSION IF THEY PROPOSE TO REDUCE THE REVENUE REQUIREMENTS FOR SCHEDULE 36?

A. For the purposes of this Docket, if the Commission reduces the Company's proposed revenue requirements for Schedule 36 for 2024 and/or 2025, Walmart additionally recommends the reduction in revenue requirement be taken from the energy component to further move Schedule 36 rates towards cost of service.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

Andrew D. Teague, CEM

Senior Manager, Utility Partnerships
Walmart Inc.
Business Address: 2608 SE J Street, Bentonville, Arkansas 72716
Business Phone: (865)-696-4687

EXPERIENCE

February 2019 – Present
Walmart Inc., Bentonville, AR
Senior Manager, Energy Services

March 2011 – March 2019
AGEISS, Inc., Fort Sill, OK
Energy Conservation Program Support

EDUCATION

2010	University of Indiana	MPA, Environmental Policy and Natural Resource Management; Sustainable Development
2008	Emory University	B.S., Environmental Studies
2006	Oxford College of Emory University	A.A.

FILED TESTIMONY

2023

Public Service Commission of Wisconsin Docket No. 6680-UR-124: Application of Wisconsin Power and Light Company for Authority to Adjust Electric and Natural Gas Rates.
Issue: General Rate Case.

Public Service Commission of Wisconsin Docket No. 4220-UR-126: Application of Northern States Power Company – Wisconsin for Authority to Adjust Electric and Natural Gas Rates.
Issue: General Rate Case.

Public Service Commission of Wisconsin Docket No. 3270-UR-125: Application of Madison Gas and Electric Company for Authority to Adjust Electric and Natural Gas Rates.
Issue: General Rate Case.

Public Utility Commission of Texas Case Docket No. 54634, SOAH Docket No. 473-23-14020: Application of Southwestern Public Service Company for Authority to Change Rates
Issue: General Rate Case.

Public Service Commission of the State of Montana Docket No. 2022.07.078: In Re NorthWestern Energy's Application for Authority to Increase Retail Electric and Natural Gas Utility Service Rates and for Approval of Electric and Natural Gas Service Schedules and Rules and Allocated Cost of Service and Rate Design
Issue: General Rate Case.

New Mexico Public Regulatory Commission Case No. 22-00058-UT: In The Matter of Public Service Company of New Mexico's Application for Authorization to Implement Grid Modernization Components That Include Advanced Metering Infrastructure and Application to Recover the Associated Costs Through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief
Issue: Renewable Energy Program.

North Dakota Public Service Commission Case No. PU-22-194, OAH File No. 20220225: Montana-Dakota Utilities Co. 2022 Electric Rate Increase Application
Issue: General Rate Case.

2022

Missouri Public Service Commission Case No. ER-2022-0245: In The Matter Of The Application Of Union Electric Company D/B/A Ameren Missouri For Approval Of A Subscription-Based Renewable Energy Program
Issue: Renewable Energy Program.

Public Service Commission of Montana Docket No. 2022.07.078: In RE NorthWestern Energy's Application for Authority to Increase Retail Electric and Natural Gas Utility Service Rates and for Approval of Electric and Natural Gas Service Schedules and Rules and Allocated Cost of Service and Rate Design.
Issue: General rate case.

Public Service Commission of Wyoming Docket No. 20003-214-ER-22, Record No. 17072: In the Matter of the Application of Cheyenne Light, Fuel and Power Company D/B/A Black Hills Energy for a General Rate Increase of $15,366,026 per Annum and Authority to Revise its Power Cost Adjustment Mechanism.
Issue: General rate case.

Public Utility Commission of Colorado Proceeding No. 22A-0230E: In the Matter of the Application of Black Hills Colorado Electric, LLC for (1) Approval of its 2022 Electric Resource Plan and Clean Energy Plan, and (2) Approval of its 2023-2026 Renewable Energy Standard Compliance Plan.
Issue: Approval of renewable resource plans.

New Mexico Public Regulation Commission Case No. 22-00178-UT: In the matter of Southwestern Public Service Company's Application for Authorization to Implement Grid Modernization Components that Include Advanced Metering Infrastructure and Recover the Associated Costs through a Rider, Issuance of Related Accounting Orders, and other Associated Relief.
Issue: Approval of AMI deployment and grid modernization.

Public Utilities Commission of Nevada Proceeding No. 22-06014: In the Matter of the Application by Sierra Pacific Power Company D/B/A NV Energy, Filed Pursuant to NRS 704.110(3),

Addressing Its Annual Revenue Requirement for General Rates Charged to All Classes of Electric Customers.
Issue: General rate case.

Public Service Commission of Wisconsin Docket No. 5-UR-110: Joint Application of Wisconsin Electric Power Company and Wisconsin Gas LLC for Authority to Adjust Electric, Natural Gas and Steam Rates.
Issue: General rate case.

Public Service Commission of Wisconsin Docket No. 6690-UR-127: Application of Wisconsin Public Service Corporation for Authority to Adjust Electric and Natural Gas Rates.
Issue: General rate case.

Public Utilities Commission of Nevada Proceeding No. 22-03028: Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for approval to merge into a single Corporate entity, to transfer Certificates of Public Convenience and Necessity ("CPC") 685 Sub 20, 688, And 688 Sub 6 from SPPC to NPC, and to consolidate Generation assets.
Issue: Utility merger.

Public Utility Commission of Colorado Proceeding No. 22AL-0130E: In the Matter of Advice No. 1881-Electric of Public Service Company of Colorado for Approval of a Resiliency Service Program in Its Colorado PUC No. 8 – Electric Tariff Effective April 24, 2022
Issue: Approval to implement resiliency service program tariff.

2021

Public Utility Commission of Texas Case Docket No. 52389, SOAH Docket No. 473-22-0009: Southwestern Electric Power Company's Request for Approval of Advanced Metering System (AMS) Deployment Plan, AMS Surcharge and Non-Standard Metering Service Fees
Issue: Approval to implement AMS and recover costs through an additional surcharge.

Missouri Public Service Commission Case No. ER-2021-0312: In The Matter Of The Request Of The Empire District Electric Company D/B/A Liberty For Authority To File Tariffs Increasing Rates For Electric Service Provided To Customers In Its Missouri Service Area
Issue: General Rate Case.

Public Utility Commission of Texas Case Docket No. 52195, SOAH Docket No. 473-21-2606: Application of El Paso Electric Company to Change Rates
Issue: General Rate Case.

Missouri Public Service Commission Case No. ER-2021-0240: In the Matter of the Union Electric Company d/b/a Ameren Missouri's Tariffs to Adjust its Revenues for Electric Service
Issue: General Rate Case.

New Mexico Public Regulation Commission Case No. 21-00148-UT: In the matter of Southwestern Public Service Company's Application for Authorization to Implement Grid Modernization Components that Include Advanced Metering Infrastructure and Recover the Associated Costs through a Rider, Issuance of Related Accounting Orders, and other Associated Relief.
Issue: Approval of AMI deployment and grid modernization.

Virginia State Corporation Commission Case No. PUR-2021-00127: Petition of the Virginia Electric and Power Company, for approval of a plan for electric distribution grid transformation projects pursuant to §56-585.1 A 6 of the Code of Virginia.
Issue: Approval of a Customer Information Platform and Phase II AMI deployment.

Public Utility Commission of Texas Docket No. 52040, SOAH Docket No. 473-21-2607: Application of El Paso Electric Company for Advanced Metering System (AMS) Deployment Plan, AMS Surcharge, and Non-Standard Metering Service Fees.
Issue: Approval to implement AMS and recover costs through an additional surcharge.

Michigan Public Service Commission Case No. U-20963: In the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief.
Issue: General rate case.

Commonwealth of Kentucky Public Service Commission Case No. 2020-00350: Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit.
Issue: General rate case.

Commonwealth of Kentucky Public Service Commission Case No. 2020-00349: Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit.
Issue: General rate case.

PRESENT MEMBERSHIPS
Association of Energy Engineers, Member
Utah Association of Energy Users, Board Member

INDUSTRY TRAINING
- 2020 Practical Regulatory Training for the Electric Industry, Center for Public Utilities, New Mexico State University College of Business
- 2020 IPU Accounting and Ratemaking Course, Michigan State University

KEY ACCOMPLISHMENTS

Oversaw the roll out of the Meter Data Management System at Fort Sill.

Performed meter audits and surveys at Joint Base San Antonio.

Managed meter data for natural gas, electric, wastewater, and water for Joint Base San Antonio and Fort Sill. Developed customer utility rates and managed billing for Joint Base San Antonio and Fort Sill.

Supported utility management for natural gas, electric, wastewater, and water billing with city, public utility, and privatized utility providers.

Supported energy savings performance contract endeavors at Fort Sill and Joint Base San Antonio, including a $143 million contract.

Audited historic energy savings performance contracts for compliance for the Air Force Civil Engineering Center.

Maintained and expanded Walmart's Rate Engine with the addition of dozens of utilities' and distributed generation providers' interval data and cataloging and modeling hundreds of different utility rates.

Table 1. Base Rate of Return on Rate Base vs. Proposed Rate of Return, Rate Year 2024

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
Customer Class	Total Rate Base	Operating Revenues	Total Operating Expenses	Net Income	Return on Rate Base	Rate of Return Index	Class Revenue	Non-Retail Revenues	Proposed Revenues 2024	Net Proposed Revenues 2024	Proposed Rate of Return 2024	Proposed Rate of Return Index 2024	Proposed Revenues 2025	Net Proposed Revenues 2025	Proposed Rate of Return 2025	Proposed Rate of Return Index 2025
Residential Schedule 16	$ 527,571,330.34	$ 197,516,635.03	$ 169,118,140.87	$ 28,398,494.16	5.38%	0.93	$ 176,071,754.90	$ 21,444,880.13	$ 192,165,622.34	$ 44,492,361.60	8.43%	1.02	$ 204,578,711.40	$ 56,905,450.66	10.79%	1.00
Small General Service Schedule 24	$ 151,050,152.90	$ 63,300,583.01	$ 51,309,227.45	$ 12,491,355.56	8.27%	1.43	$ 58,004,210.24	$ 5,796,372.77	$ 58,003,383.46	$ 12,490,528.78	8.27%	1.00	$ 61,756,995.37	$ 16,244,138.69	10.75%	1.00
Large General Service < 1,000 kW Sc	$ 201,894,557.05	$ 91,151,147.85	$ 76,454,338.16	$ 14,696,809.69	7.28%	1.26	$ 84,757,248.95	$ 6,393,898.90	$ 87,564,634.76	$ 17,504,195.50	8.67%	1.05	$ 93,219,762.28	$ 23,159,323.02	11.47%	1.06
Large General Service > 1,000 kW Sc	$ 78,970,946.08	$ 34,251,525.37	$ 30,425,890.51	$ 3,825,634.86	4.84%	0.84	$ 31,760,598.39	$ 2,490,926.98	$ 35,024,097.64	$ 7,089,134.11	8.98%	1.09	$ 37,302,470.27	$ 9,367,506.74	11.86%	1.10
Large General Dedicated Facilities Sc	$ 93,145,640.42	$ 42,064,904.97	$ 39,824,087.95	$ 2,240,817.02	2.41%	0.42	$ 38,671,305.32	$ 3,393,399.65	$ 42,204,574.28	$ 5,773,885.98	6.20%	0.75	$ 44,955,767.52	$ 8,525,279.22	9.15%	0.85
Agricultural Pumping Schedule 40	$ 44,511,023.67	$ 16,145,291.15	$ 14,440,541.38	$ 1,704,749.77	3.83%	0.66	$ 14,475,016.40	$ 1,670,274.75	$ 15,792,075.43	$ 3,021,808.80	6.79%	0.82	$ 16,824,662.65	$ 4,054,396.02	9.11%	0.85
Street & Area Lighting Sch. 15, 51-5	$ 3,280,696.23	$ 1,182,901.38	$ 1,029,635.06	$ 153,266.32	4.67%	0.81	$ 888,616.74	$ 294,284.64	$ 969,417.53	$ 234,067.11	7.13%	0.87	$ 1,032,781.32	$ 297,430.90	9.07%	0.84
System	$ 1,100,424,346.70	$ 446,112,988.76	$ 382,601,861.37	$ 63,511,127.39	5.77%	1.00	$ 404,628,750.95	$ 41,484,237.80	$ 431,725,605.45	$ 90,605,981.88	8.23%	1.00	$ 459,671,148.81	$ 118,553,525.25	10.77%	1.00
Reference	RMM-3-4-19-23 p 1-2 line 57	RMM-3-4-19-23 p 1-2 line 13	RMM-3-4-19-23 p 1-2 line 26	b - c	d/a	c/System c	RMM-3-4-19-23 p 1-2 line 66	b - h	column 6 multiplied by 1000	i + h - c	j/a, not adjusted for taxes	k/System k	RMM-6-4-19-23 p 1 column 10 multiplied by 1000	m + h - c	n/a, not adjusted for taxes	o/System o

Sources: RMM-3-4-19-23 p 1-2, RMM-6-4-19-23 p 1

Table 2. Cost of Service versus Proposed, Rate Years 2024 and 2025

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Customer Class	Class Revenue	Proposed Revenues 2024	Change to Rate Year 2024	for Rate Year 2024	Proposed Revenues 2025	Change to Rate Year 2025	Percent Change for Rate Year 2025	COSS Indicated 2024 Revenues	COSS Indicated 2025 Revenues	Proposed vs COSS 2024	Proposed vs COSS 2025
Residential Schedule 16	$ 176,071,754.90	$ 192,165,622.34	$ 16,093,867.44	9.14%	$ 204,578,711.40	$ 28,506,956.50	16.19%	$ 190,936,644.49	$ 203,293,795.45	100.64%	100.63%
Small General Service Schedule 24	$ 58,004,210.24	$ 58,003,383.46	$ (826.78)	0.00%	$ 61,756,993.37	$ 3,752,783.13	6.47%	$ 57,899,796.92	$ 61,646,827.29	100.18%	100.18%
Large General Service < 1,000 kW S	$ 84,757,248.95	$ 87,564,634.76	$ 2,807,385.81	3.31%	$ 93,219,762.28	$ 8,462,513.33	9.98%	$ 86,615,326.05	$ 92,220,104.94	101.10%	101.08%
Large General Service > 1,000 kW S	$ 31,760,598.39	$ 35,024,097.64	$ 3,263,499.25	10.28%	$ 37,302,470.27	$ 5,541,871.88	17.45%	$ 34,410,383.30	$ 36,637,022.02	101.78%	101.82%
Large General Dedicated Facilities S	$ 38,671,305.32	$ 42,204,374.28	$ 3,533,068.96	9.14%	$ 44,955,767.52	$ 6,284,462.20	16.25%	$ 44,067,752.46	$ 46,919,187.56	95.77%	95.82%
Agricultural Pumping Schedule 40	$ 14,475,016.40	$ 15,792,075.43	$ 1,317,059.03	9.10%	$ 16,824,662.65	$ 2,349,646.25	16.23%	$ 16,420,332.20	$ 17,482,981.20	96.17%	96.23%
Street & Area Lighting Sch. 15, 51-5	$ 888,616.74	$ 969,417.53	$ 80,800.79	9.09%	$ 1,032,781.32	$ 144,164.58	16.22%	$ 1,004,464.79	$ 1,069,488.18	96.51%	96.57%
System	$ 404,628,750.95	$ 431,723,605.45	$ 27,094,854.50	6.70%	$ 459,671,148.81	$ 55,042,397.86	13.60%	$ 431,354,700.21	$ 459,269,406.64	100.09%	100.09%
Reference	RMM-3-4-19-23 p 1-2 line 66	column 6 multiplied by 1000	b - a	c / a	RMM-6-4-19-23 p 1 column 10 multiplied by 1000	c - a	f / a	PricingWkpps Cost of Service and Proposed $,	PricingWkpps Cost of Service and Proposed $, row	b / h	c / i

Sources: RMM-3-4-19-23 p 1-2, RMM-6-4-19-23 p 1, 230172-PAC-RMM-6-PricingWkpps Cost of Service and Proposed $, row 128

Cost of Service by Function, Pacificorp Cost of Service Study Results, Proposed Schedule 36

Function	Cost of Service by Function ($) (1)	Cost of Service by Function (%) (2) (1) / Total	Schedule 36 Revenue by Function COSS ($) (3)	Schedule 36 Revenue by Function COSS (%) (4) (3) / Total	Schedule 36 Revenue by Function Proposed ($) (5)	Schedule 36 Revenue by Function Proposed (%) (6) (5) / Total	Schedule 36 Revenue by Function Current Rates ($) (5)	Schedule 36 Revenue by Function Current Rates (%) (6) (5) / Total
Distribution Meters	$ 1,813,234.30		$ 140,445.48					
Customer	$ 9,441,093.60		$ 140,445.04					
Common	$ 765,383.61		$ 24,434.44					
Distribution Services	$ 6,502,640.63		$ 346,557.18					
Customer Total	$ 18,522,352	4.3%	$ 651,882	0.8%	$ 1,546,401	1.79%	$ 1,592,564	1.91%
Production Demand	$ 48,490,456.12		$ 9,894,175.08					
Distribution Substations	$ 13,929,970.69		$ 2,240,255.28					
Distribution Transformers	$ 9,873,775.83		$ 671,870.48					
Distribution Poles and Conductor	$ 45,979,888.32		$ 6,105,485.97					
Common	$ 8,159,061.81		$ 1,420,631.89					
Transmission Demand	$ 71,016,875.05		$ 17,568,372.46					
Demand Total	$ 197,450,028	45.7%	$ 37,900,791	43.8%	$ 24,193,437	28.03%	$ 21,947,131	26.28%
Production Energy	$ 206,836,094.66		$ 46,261,124.50					
Common	$ 8,915,314.48		$ 1,801,528.02					
Transmission Energy	$ 1.05		$ 0.22					
Energy Total	$ 215,751,410	50.0%	$ 48,062,653	55.5%	$ 60,586,510	70.18%	$ 59,979,266	71.82%

Total Revenue	**$ 431,723,790**	**100.00%**	**$ 86,615,326**	**100.00%**	**$ 86,326,347**	**100.0%**	**$ 83,518,961**	**100.0%**	

Sources:
230172-PAC-RMM-6-PricingWkpps Cost of Service and Proposed $

Common

Derivation of Schedule 36 Revenue Requirement Using Pacificorps's Proposed Billing Units

Large General Service < 1,000 kW Schedule 36	Billing Units	Rates		Revenue
Customer Charges				
Small Basic	280	$240.82/month	$	67,490.56
Medium Basic	8,691	$90.31/month	$	784,892.91
Large Basic	3,875	$179.64/month	$	696,191.92
Primary Metering $	925,481	-1.00%	$	(9,254.81)
Primary Metering and Delivery High Voltage	118	$60.00/month	$	7,080.00
			$	1,546,400.58
Energy Charges				
kWh	926,399,230 kWh	6.5400 ¢/kWh	$	60,586,509.67
Energy Total			$	60,586,509.67
Demand Charges				
kW	2,560,142 kW	$6.21/kW	$	15,898,483.48
Medium Load Size	1,512,398 kW	$2.60/kW	$	3,932,234.89
Large Load Size	1,942,709 kW	$2.13/kW	$	4,137,970.45
kVar (Excess)	403,978 kW	$0.59/kW	$	238,346.73
Primary Delivery Load Size kW	45,329 kW	-$0.30/kW	$	(13,598.70)
Demand Total			$	24,193,436.84
Total Base Revenues			$	86,326,347

Sources:
230172-PAC-RMM-6-PricingWkpps Sch.29,36

Note:
Excludes the unbilled

Derivation of Schedule 36 Revenue Requirement Using Pacificorp's Current Billing Units

Large General Service < 1,000 kW Schedule 36	Billing Units	Rates		Revenue	
Customer Charges					
Small Basic	280	$248.00/month	$	69,502.78	12,847
Medium Basic	8,691	$93.00/month	$	808,271.96	0.02181496
Large Basic	3,875	$185.00/month	$	716,964.51	
Primary Metering $	925,481	-1.00%	$	(9,254.81)	
Primary Metering and Delivery High Voltage	118	$60.00/month	$	7,080.00	
Customer Total			$	1,592,564.44	
Energy Charges					
kWh First Block	406,824,395 kWh	6.7560 ¢/kWh	$	27,485,056.16	
kWh Second Block	519,574,835 kWh	6.2540 ¢/kWh	$	32,494,210.18	
kWh First Block 29					
kWh Second Block 29					
Energy Total			$	59,979,266.34	
Demand Charges					
kW	2,560,142 kW	$6.30/kW	$	16,128,896.28	
Medium Load Size	1,512,398 kW	$1.80/kW	$	2,722,316.46	
Large Load Size	1,942,709 kW	$1.48/kW	$	2,875,209.52	
kVar (Excess)	403,978 kW	$0.58/kW	$	234,306.95	
Primary Delivery Load Size kW	45,329 kW	-$0.30/kW	$	(13,598.70)	
Demand Total			$	21,947,130.51	
Total Base Revenues			$	83,518,961	

Sources:
230172-PAC-RMM-6-PricingWkpps Sch.29,36

Note:
Excludes the unbilled

Table 3. Schedule 36 Cost of Service Study Results, COSS versus Proposed, Rate Year 2024

Function	Cost of Service by Function		Schedule 36 Revenue by Function Schedule 36 Requirement		Schedule 36 Revenue by Function Schedule 36 Requirement		Schedule 36 Revenue by Function	
Customer	$ 18,522,352	4.3%	$ 651,882	0.8%	$ 1,546,401	1.79%	$ 1,592,564.44	1.91%
Demand	$ 197,450,028	45.7%	$ 37,900,791	43.8%	$ 24,193,437	28.03%	$ 21,947,130.51	26.28%
Energy	$ 215,751,410	50.0%	$ 48,062,653	55.5%	$ 60,586,510	70.18%	$ 59,979,266.34	71.82%
Total Revenue	**$ 431,723,790**	**100.0%**	**$ 86,615,326**	**100.0%**	**$ 86,326,347**	**100.0%**	**$ 83,518,961**	**100.0%**

Source: Exhibit ADT-5