

STEVEN HUSO  
RATE DESIGN  
EVIDENTIARY HEARING OPENING STATEMENT  
Case No. PU-12-813



I am a Pricing Consultant for the Company. My Direct Testimony supports the current revenue forecast based on sales and customers under the current rate schedules. I also recommend class revenue responsibility and a proposed rate design to recover the test year revenue requirement. I also sponsor the Company's proposed rate schedules and tariffs, including the rate design structure for a new Transmission Cost Rider.

Proposed class revenues were based on the results of our jurisdictional cost study allocated to rate classes using our class cost of service study. Individual rates for the rate schedules were based on cost as developed by the class cost of service study moderated where appropriate for rate moderation and other pricing considerations. My proposed customer class revenue recommendation, along with the cost-based rate design proposals in my direct testimony were supported by Advocacy Staff Consultant Dr. Pavlovic. Dr. Pavlovic recognized the value of giving our customers reasonable and accurate price signals.

My Rebuttal Testimony responds to Dr. Pavlovic's recommendations to eliminate certain time of day rate schedules, to establish a single customer charge for Residential customers, and to simplify our rate schedules and the language used to describe our rates.

I do not support eliminating those rate options that currently have no customers, and instead recommend closing those rates. Closing the rates

without eliminating them would provide us with an opportunity to evaluate whether those rate options should be permanently closed or whether the rates should instead be maintained or modified. I do not agree the Residential TOD rate should be eliminated, but would like to work with Commission Staff to identify and address their concerns about this rate option. The Company does not object to having a single residential customer charge if it is set at an appropriate level, and I offer two alternative rates that would be reasonable. I propose working with Commission Staff to identify more specifically the concerns with our current rate structure and descriptions and to making improvements as appropriate.

Thank you and I look forward to answering your questions.