BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Superior Water, Light and Power Company for
Authority to Adjust Retail Electric, Gas, and Water Rates

Docket No. 5820-UR-116

DIRECT TESTIMONY OF COREY S.J. SINGLETARY
ON BEHALF OF CITIZENS UTILITY BOARD

Q. Please state your name, business address, and occupation.

A. My name is Corey S.J. Singletary and my business address is the Citizens Utility Board (CUB), 625 North Segoe Rd, Suite 101, Madison, Wisconsin 53705. I am employed by CUB as Director, Regulatory Affairs.

Q. Please state your educational background and experience.

A. I hold a Bachelor of Science degree in Biology and a Bachelor of Arts degree in International Studies from the University of Wisconsin–Milwaukee. I also hold a Master’s Degree in International Public Affairs and a Graduate Certificate in Energy Analysis and Policy from the University of Wisconsin–Madison. I have completed training courses in public utility regulation at the Michigan State University Institute of Public Utilities and the New Mexico State University Center for Public Utilities. From May 2010 through June 2017, I was employed by the Public Service Commission of Wisconsin. During my time with the Commission, my work focused on, but was not limited to, electric and natural gas utility cost allocation and rate design, as well as a number of policy issues such as smart grid technology, innovative rate design, rate-based energy efficiency, conservation, demand response programs, and distributed energy resources.
Since 2017 I have worked for CUB as a rate and policy analyst, and most recently as Director, Regulatory Affairs where I oversee and coordinate the consumer advocacy work conducted by CUB staff before the Commission and in other venues.

Q. **Have you testified before this Commission before?**
A. Yes. I have testified in a number of electric, natural gas, and water utility proceedings before this Commission.

Q. **On whose behalf are you testifying in this proceeding?**
A. I am testifying on behalf of CUB.

Q. **What is the purpose of your direct testimony?**
A. My testimony will discuss the electric and natural gas rates proposed by Superior Water Light & Power Company’s (SWLP) witnesses Skandel, Young, and Nelson.

Q. **What changes in electric and natural gas revenues is SWPL proposing in this proceeding?**
A. As noted by Ms. Skandel, SWLP is proposing a 3.10 percent increase electric revenues and an 8.65 percent increase in gas revenues. This stated increase in natural gas revenues is inclusive of the commodity cost of gas. When only distribution “margin” revenues are considered, SWPL’s proposed natural gas rate adjustment would produce a 22.47 percent increase, with Residential and small commercial customers receiving and average increase of 28.35 percent and 22.20 percent, respectively. (Ex.-SWLP-Nelson-02 Schedule 1 Page 3 of 4) SWLP has also proposed a 9.55 percent reduction in water revenues.

Q. **Have you reviewed the class cost of service studies (COSS) that SWPL has provided in support of its proposed electric and natural gas rates?**
Yes. I reviewed the company’s initially filed electric COSS found in Ex.-SWLP-Young-6. Additionally, I also attempted to prepare a COSS using cost allocation methodologies I believe more reasonably reflect cost causation. Based on this work I believe that SWLP’s electric COSS is directionally consistent with the COSS results I was able to produce using CUB’s preferred cost allocation methods. As such, I do not have significant objections to the company’s proposed electric revenue allocation at this time. That said, in replicating and adjusting the Company’s COSS, I encountered a number of discrepancies:

1. Overall electric increase is shown as 3.63 percent in Ex.-SWLP-Young-6 rather than the 3.10 percent shown in Ex.-SWLP-Smith-01 and described in Ms. Skandal’s direct testimony.

2. Requested rate of return is shown as 8.12 percent in Ex.-SWLP-Young-6 rather than the 7.38 percent average return on net investment rate base shown in Ex.-SWLP-Smith-01.

In light of these inconsistencies and the fact that Commission staff has yet to present the results of its audit, I reserve the right to revisit the issue of electric cost allocation in future rounds of testimony if new evidence affects my conclusion.

Q. Do you have any comments regarding the company’s proposed electric rate design?

A. Under the company’s proposed electric rate design, SWLP seeks to modify the rate structure for residential and small commercial customers by increasing the monthly customer charge. In considering this proposed change, I reviewed the company’s functionalized COSS results as well as SWLP’s data request response Response-Data Request-Eiter-1.4.

Response-Data Request-Eiter-1.4 includes functionalized COSS results showing the suggested customer charge using the basic customer cost allocation methodology supported
by CUB. Considering only the basic customer method COSS results shown in Response-Data Request-Eiter-1.4, SWLP’s currently authorized residential customer charges could be considered to still be reasonable as they generally align with these COSS results. As such I believe that the Commission could find that no adjustment is needed for the residential customer charge. That being said, I recognize that the Commission has a long-standing practice of considering a range of COSS results when setting final authorized rates. If I were to consider both the COSS results shown in Response-Data Request-Eiter-1.4 and the results of the company’s preferred COSS, SWLP’s proposed residential and small business rates could be considered reasonable as they fall within the range bound by these two sets of results.

Q. Have you reviewed the SWPL’s proposed natural gas rates?

A. Yes, I have reviewed both the company’s supporting gas COSS and the proposed test year natural gas rates. Based on my review, I do not have significant objections to the company’s proposal, including the proposed modest increase to residential and small commercial customer charges. As with test year electric rates, I reserve the right to revise my position after review of Commission staff’s audit results or any other evidence that might affect my conclusion.

Q. Do you have any additional comments regarding electric and natural gas rates at this time?

A. As noted in the direct testimony of CUB witness Dr. Kihm, CUB is recommending a reduction in SWLP’s authorized return on equity (ROE). Should the Commission accept a reduction to SWLP’s ROE consistent with Dr. Kihm’s testimony, at this time I recommend
that the resulting reduction in revenue requirement be credited to the company’s retail rate classes roughly proportional to the class revenue adjustments proposed by the company.

Q.  Does that conclude your direct testimony?

A.  Yes.