

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE CONTINUATION,)
EXPANSION, AND ENHANCEMENT OF)
PUBLIC UTILITY ENERGY EFFICIENCY) DOCKET NO. 13-002-U
PROGRAMS IN ARKANSAS)

SUPPORTING TESTIMONY

OF

MATTHEW S. KLUCHER
DIRECTOR, RATES AND DEMAND RESOURCES

ON BEHALF OF THE GENERAL STAFF
OF THE ARKANSAS PUBLIC SERVICE COMMISSION

NOVEMBER 7, 2013

1 **INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Matthew S. Klucher and my business address is Arkansas Public
4 Service Commission (Commission or APSC), 1000 Center Street, Little Rock,
5 Arkansas 72203-0400.

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by APSC's General Staff (Staff) as the Director of Rates and
8 Demand Resources. In that capacity, I am responsible for the coordination and
9 development of Staff's recommendations in utility filings regarding a variety of
10 issues including cost allocation, rate design, energy efficiency (EE) and
11 conservation programs, and other demand resource issues. I direct other Staff
12 members in analyzing utility company filings, identify and evaluate issues,
13 develop positions on those issues, and present those positions, when necessary,
14 in written and oral testimony before the Commission.

15 **Q. Please state your qualifications and background.**

16 A. I joined Staff in March 2010 as a Rate Analyst and was promoted to the position
17 of Director in September 2012. My educational qualifications include a Bachelor
18 of Science in Mathematics and Minor in Statistics from the University of Arkansas
19 at Little Rock. Prior to joining Staff I worked in the telecommunication industry in
20 wholesale tariff administration and billing. I worked as a Senior Analyst for
21 Windstream Communications, and prior to that I was with Alltel Wireless in
22 Strategic Pricing. Since joining Staff, I have received specialized training by
23 completing the Advanced Regulatory Studies Program at Michigan State

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1 University's Institute of Public Utilities, the Introduction to Cost of Service
2 Concepts and Rate Design for Electric Utilities sponsored by EUCI, the Electric
3 Industry Regulation Course at New Mexico State University's Center for Public
4 Utilities, the Certified Energy Management Courses sponsored by the
5 Association of Energy Engineers and the Energy Efficiency Management
6 Certificate Program sponsored by the American Public Power Association.

7 **Q. Please describe your role and responsibilities as they relate to the issues**
8 **in this docket.**

9 A. As noted above, I am responsible for the coordination and development of Staff's
10 position on EE issues. In addition, I provide leadership to the Parties Working
11 Collaboratively (PWC), which is a working group initiated by the Commission to
12 provide a forum for EE stakeholders to identify issues and work collaboratively to
13 develop potential solutions, with the goal ultimately being to present such issues,
14 along with recommendations, to the Commission for its approval.

15 **PURPOSE OF TESTIMONY**

16 **Q. What is the purpose of your testimony?**

17 A. Order No. 7 in this docket directed the PWC to develop and submit to the
18 Commission for its approval a Request for Proposal (RFP) that describes the
19 PWC's more detailed recommendations for an Arkansas EE Potential Study. In
20 addition, the Commission directed the PWC to work cooperatively to recommend
21 a reasonable third-party estimate of the cost of compliance with carbon
22 regulation. In compliance with Order No. 7, I am providing testimony in support
23 of the testimony filed by Scott Dimetrosky and Gregg Eisenberg, filed on behalf

1 of Staff, regarding the recommendation of the Arkansas EE Potential Study RFP
2 and a third-party estimate of the cost of compliance with carbon regulation.

3 **SUMMARY OF RECOMMENDATIONS**

4 **Q. Please summarize your recommendations.**

5 A. I recommend the Commission approve the Potential Study RFP as described in
6 the testimony of Mr. Dimetrosky and the recommended avoided carbon cost as
7 described in the testimony of Mr. Eisenberg.

8 **POTENTIAL STUDY**

9 **Q. Why did Mr. Dimetrosky file testimony regarding the recommendation of**
10 **the Arkansas Potential Study RFP on behalf of the Staff?**

11 A. Mr. Dimetrosky is a member of the Independent Evaluation Monitor (IEM) team
12 that actively participates in many PWC discussions. At the request of the PWC,
13 the IEM provided assistance in developing the PWC's Arkansas Potential Study
14 RFP. The IEM team facilitated the PWC discussions regarding the development
15 of the RFP, and Mr. Dimetrosky was the IEM expert that developed the straw-
16 man RFP and maintained all the PWC recommend changes throughout the
17 process.

18 **Q. Has the PWC reached a consensus agreement on the content of the**
19 **Arkansas Potential Study RFP?**

20 A. Yes. I believe that the RFP represents a consensus agreement of the PWC. I
21 am not aware of any contested issues among the PWC regarding the content of
22 the RFP.

1 **CARBON COST**

2 **Q. Why did Mr. Eisenberg file testimony regarding the recommendation of the**
3 **estimated avoided carbon cost of compliance regulation on behalf of the**
4 **Staff?**

5 A. Mr. Eisenberg is a member of the IEM team that actively participates in many
6 PWC discussions. At the request of the PWC, the IEM provided assistance in
7 developing the PWC's proxy value for avoided carbon compliance costs. The
8 IEM team facilitated the PWC discussions regarding the avoided carbon
9 compliance cost, and Mr. Eisenberg was the IEM expert that led those
10 discussions.

11 **Q. Has the PWC reached a consensus agreement on the third-party estimate**
12 **of the cost of compliance with carbon regulation?**

13 A. No. As described in Mr. Eisenberg's testimony all parties could not agree on a
14 specific carbon compliance cost recommendation. However, as explained in Mr.
15 Eisenberg's testimony, a majority of the PWC participants agree with the
16 recommendation of Mr. Eisenberg to adopt the third-party forecast developed by
17 Synapse.

18 **RECOMMENDATIONS**

19 **Q. Please state your recommendations.**

20 A. For the reasons set forth herein and supported by witnesses Dimetrosky and
21 Eisenberg, I recommend the Commission approve the RFP for an Arkansas EE
22 Potential Study as described in the testimony of Mr. Dimetrosky, and I

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1 recommend the Commission approve the third-party avoided carbon cost

2 developed by Synapse as described in the testimony of Mr. Eisenberg.

3 **Q. Does this conclude your testimony?**

4 A. Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served on all parties of record by forwarding the same by electronic service, this 7th day of November, 2013.

/s/ Fran C. Hickman
Fran C. Hickman