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BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING PUBLIC Service Commission  
Wyoming

IN THE MATTER OF THE APPLICATION )  
OF ROCKY MOUNTAIN POWER, )  
FORMERLY KNOWN AS PACIFICORP, )  
TO IMPLEMENT AVOIDED COST )  
METHODOLOGIES FOR PROJECTS )  
OVER ONE MEGAWATT PURSUANT TO )  
THE TERMS OF COMMITMENT WY 4. )

Docket No. 20000-250-EA-06  
(Record No. 10636)

PRE-FILED DIRECT TESTIMONY  
OF  
BRYCE J. FREEMAN

Filed November 3, 2006

1 **Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.**

2

3 A. My name is Bryce J. Freeman. My business address is 2515 Warren Avenue, Suite 304,  
4 Cheyenne, WY, 82002. I am the Administrator of the Wyoming Office of Consumer  
5 Advocate (OCA). The OCA is an independent consumer advocacy agency that was  
6 created by an act of the legislature in the 2003 general session.

7

8 **Q. WHAT IS THE FUNCTION OF THE OCA?**

9

10 A. Pursuant to W.S. 37-2-401,

11

12 The office of consumer advocate shall represent the interests of  
13 Wyoming citizens and all classes of utility customers in matters  
14 involving public utilities. In the exercise of its powers the office of the  
15 consumer advocate shall consider all relevant factors, including, but not  
16 limited to, the provision of safe, efficient and reliable utility services at  
17 just and reasonable prices.

18

19

20 **Q. ARE THE ANALYSES AND RECOMMENDATIONS OF THE OCA, IN THIS OR**  
21 **ANY OTHER CASE BEFORE THE COMMISSION, INFLUENCED OR**  
22 **DIRECTED BY THE COMMISSION?**

23

24 A. No. Although the OCA is a division within the Commission according to W.S. 37-2-401,  
25 it is a separate division with no reporting or supervisory links to the Commission and the  
26 OCA has the right under W.S. 37-2-402(ii), to appeal decisions of the Commission. The  
27 only link between the OCA and the Public Service Commission is the common source of  
28 funding provided by the assessment on gross utility operating revenues; this assessment  
29 funds both the Commission and the OCA. Additionally, as Administrator of the OCA I  
30 report directly to the Governor of Wyoming.

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**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND OCCUPATIONAL EXPERIENCE.**

A. I received a Bachelor of Science degree in business administration from the University of Wyoming in 1982. The area of concentration in my undergraduate work was statistics. After graduating from the University of Wyoming, I was employed for three years by the Laramie County Treasurer as Deputy Treasurer, and then for six years by the Wyoming Department of Revenue as a Principal Appraiser dealing primarily with utility valuation and capital cost issues. I came to the Wyoming Public Service Commission in April of 1994, in the capacity of Senior Economist, serving in that position for approximately two years. In 1996 I accepted a position as Lead Rate Analyst in the rates and pricing section on the Commission Staff, and in May of 2003 I was appointed Administrator of the OCA.

**Q. WHAT QUALIFIES YOU TO TESTIFY IN THIS PROCEEDING?**

A. I have testified before this Commission on numerous previous occasions as detailed in Appendix A attached to my testimony. I have testified regarding various technical aspects of utility rate making including rate of return, cost of service, rate base, rate design, total service and total element long run incremental cost, alternative forms of regulation, net power costs, and others. I have appeared and offered testimony before several legislative subcommittees regarding proposed statutory changes involving energy and telecommunications policy affecting service to Wyoming utility ratepayers. I have also offered testimony before the Federal Energy Regulatory Commission and before the U.S. Senate Committee on Energy and Natural Resources, Subcommittee on Energy. Finally, I have attended numerous courses and seminars on subjects germane to the utility rate setting process.

1 **Q. WHAT ARE YOUR DUTIES AND RESPONSIBILITIES AS ADMINISTRATOR**  
2 **OF THE OCA?**

3  
4 A. My role as administrator of the OCA is ultimately to ensure that Wyoming citizens and  
5 utility ratepayers are well represented in utility matters. As Administrator I set the  
6 direction and overall strategy of the OCA in pursuing its statutory duties. I provide  
7 policy guidance to OCA staff members in their review and analysis of utility applications  
8 and am responsible for ensuring that their work is consistent with the goals and  
9 objectives that I have set for the office and that the recommendations advanced by the  
10 OCA are consistent with the public interest.

11  
12 **Q. ARE YOU FAMILIAR WITH THE DETAILS OF EVERY PROCEEDING IN**  
13 **WHICH THE OCA PARTICIPATES?**

14  
15 A. It would be impossible for me to master the minutia of every case that the OCA is  
16 involved in. Because we are a very small office, in order to make the best use of our  
17 limited human resources, it is necessary to prioritize and delegate work assignments  
18 among the staff members. I do appear regularly as a principal witness in proceedings  
19 before this Commission as my expertise and schedule allow. However, I also rely  
20 heavily upon the expertise and recommendations of my staff, whom I hold in very high  
21 regard, to pursue matters in which I choose not to play a primary role. In these matters I  
22 am generally aware and familiar enough with the details to satisfy myself that the work  
23 and recommendations of my staff are consistent with goals and objectives that I have set,  
24 but individual staff members provide the case management, analysis and  
25 recommendations that eventually become testimony before this Commission.

26  
27 **Q. ON WHOSE BEHALF DO YOU APPEAR HERE TODAY?**

28  
29 A. I appear here today on behalf of the OCA. As I indicated previously, the OCA is an  
30 independent party in this proceeding, separate and apart from the Commission or its  
31 advisory staff.

1 **Q. AS A MEMBER OF THE OCA, DO YOU ADVOCATE THE INTERESTS OF**  
2 **CERTAIN GROUPS OF CONSUMERS OVER OTHERS?**

3 A. No. As a member of the OCA, it is my statutory obligation to advocate the best interest  
4 of all citizens in the state. Specifically, W.S. § 37-2-401 states that the OCA “shall  
5 represent the interests of Wyoming citizens and all classes of utility customers in  
6 matters involving public utilities.” This public interest standard requires the OCA to  
7 represent the broadest possible utility consumer constituency, even though some of those  
8 consumers may also be represented independently as parties in this case. The OCA’s  
9 obligation is to promote the overall long term public interest, which includes due  
10 consideration of the needs of the utility and the known positions of other interested  
11 parties.  
12

13 **Q. T IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

14  
15 A. My testimony in this proceeding will present my review of Rocky Mountain Power’s  
16 (RMP, PacifiCorp or Company) application and testimony in this proceeding including  
17 the methodology used by RMP to develop its avoided costs. In addition I will discuss the  
18 major issues that other interveners have raised in the case including the issue of  
19 renewable energy certificate (green tag) ownership. Finally, I will discuss the framework  
20 of an agreement that the parties have reached in this proceeding.  
21

22 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?**

23  
24 A. No.  
25

26 **Q. WHAT IS THE IMPETUS FOR THE FILING OF THIS APPLICATION?**

27  
28 A. This filing arises out of an agreement entered into by Mid American Energy Holdings  
29 Company (MEHC) in Docket Number 20000-EA-05-226 in which MEHC proposed to  
30 acquire ownership of Rocky Mountain Power (RMP, formerly known as PacifiCorp) from  
31 Scottish Power. The Stipulation and Agreement entered into among the parties in the sub

1 226 docket included fifty three general commitments and thirty four Wyoming specific  
2 commitments regarding future applications and regulatory compliance filings that  
3 MEHC/RMP would make in furtherance of the public interest. Among them, and more  
4 specifically, MEHC and RMP agreed to:

5  
6 Wy 4. MEHC and PacifiCorp commit to initiate a proceeding in Wyoming  
7 within 90 days of the close of the transaction for Commission review  
8 and determination of appropriate avoided cost methodologies for  
9 qualifying facilities over 1MW in Wyoming.

10  
11 Pursuant to this commitment RMP filed its application on June 19, 2006 seeking  
12 Commission review and determination of appropriate avoided cost methodologies for  
13 Qualifying Facilities (QF) projects over one megawatt in Wyoming.

14  
15 **Q. WHAT ARE AVOIDED COSTS AND WHY ARE THEY IMPORTANT?**

16  
17 A. Avoided costs, which take the form of avoided prices in RMP's filed tariffs and contracts,  
18 are the prices that RMP agrees to pay "Qualifying Generators" for generation produced by  
19 a QF according to certain federal requirements specified in the Public Utilities Regulatory  
20 Policies Act of 1978 (PURPA) as amended by the Energy Policy Act of 2005 (EPACT  
21 2005). These federal laws and associated Federal Energy Regulatory Commission  
22 (FERC) rules, generally require public utilities to purchase the generation output of  
23 qualifying cogeneration and small power production facilities at "avoided cost" rates  
24 established by state public utility commissions. Avoided cost is defined under PURPA as  
25 "the cost to the utility to generate or otherwise purchase electricity from another source."<sup>1</sup>  
26 Qualifying facilities are defined as "non-utility facilities that produce electric power using  
27 cogeneration technology, or power plants no greater than 80 megawatts of capacity that  
28 use renewable energy sources."<sup>2</sup>

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<sup>1</sup> [http://www.eia.doe.gov/cneaf/solar.renewables/rea\\_issues/incent.html#N\\_11\\_](http://www.eia.doe.gov/cneaf/solar.renewables/rea_issues/incent.html#N_11_)

<sup>2</sup> Ibid

1 The purpose of PURPA was to encourage the efficient use of existing fuel resources and  
2 the development of non-utility renewable energy generation resources such as wind and  
3 geothermal generation. The avoided cost rates contained in PURPA were designed both  
4 to give sellers of qualifying energy and capacity a guaranteed revenue stream and to  
5 ensure that regulated utilities pay no more than the avoided cost of not generating or  
6 purchasing that capacity themselves. This is an important aspect of setting avoided costs  
7 since setting avoided costs too low will deprive QF sellers of energy and capacity of the  
8 revenue necessary to incent development of generation projects as required under PURPA  
9 and conversely, setting the avoided cost rate too high results in the regulated utility  
10 purchaser incurring uneconomic costs which are then passed on to utility ratepayers, and  
11 potentially encourages the development of generation projects which would otherwise be  
12 uneconomic.

13  
14 **Q. HOW MANY QFS ARE LOCATED IN PACIFICORP'S WYOMING SERVICE**  
15 **TERRITORY?**

16  
17 A. There are relatively few existing facilities in PacifiCorp's Wyoming service territory that  
18 would qualify for avoided cost rates under PURPA. Most QF contracts that the Company  
19 has entered into are associated with QF projects located in other states on PacifiCorp's  
20 system. Additionally, existing Wyoming QFs, for the most part, are already covered by  
21 contracts that have been previously developed. However, the avoided cost methodologies  
22 and related rates that are the subject of this proceeding would apply to new QFs  
23 developed in PacifiCorp's Wyoming service territory in the future.

24  
25 **Q. ARE FACILITIES THAT WOULD OTHERWISE QUALIFY FOR AVOIDED**  
26 **COST RATES REQUIRED TO SELL THEIR ENERGY AND/OR CAPACITY**  
27 **PURSUANT TO AN AVOIDED COST TARIFF?**

28  
29 A. No. Such generation facilities would be free to enter into a negotiated purchased power  
30 agreement with the Company or bid into a request for proposals (RFP) issued by the  
31 Company in which it sought to acquire energy and or capacity, and for which the facility

1 met the minimum requirements specified in the RFP. The avoided cost rates simply set a  
2 floor that the Company must pay to QFs outside of a structured solicitation by the  
3 Company. It is important to keep in mind that under the Company's existing tariff, as  
4 well as the changes contemplated in the proposed agreement, which I will discuss later in  
5 my testimony, the applicability of the avoided cost tariff is limited to small generation  
6 facilities (currently less than one megawatt) and provides a standard set of avoided cost  
7 rates. These types of facilities would normally not respond to a request for proposals in  
8 which the Company sought to acquire system generation resources. Larger non-utility QF  
9 generation facilities (more than one megawatt) would not have access to the standard  
10 avoided cost rates contained in the current tariff. Larger facilities, those greater than one  
11 megawatt but less than 80 (the megawatt cap specified in PURPA) negotiate the terms of  
12 their contracts with the Company based on the characteristics of the individual facility. It  
13 is these facilities, not those less than one megawatt, that are the subject of this  
14 proceeding.

15  
16 **Q. HOW HAVE AVOIDED COSTS FOR QF GENERATION FACILITIES**  
17 **GENERALLY BEEN DEVELOPED?**

18  
19 A. The basis for developing avoided cost rates has evolved over the years since PURPA was  
20 originally enacted. In the early years of PURPA implementation avoided costs assumed  
21 that utilities would be avoiding much higher cost generation as a build or purchase option  
22 and focused on the avoided cost of specific resources. As a result, avoided cost based  
23 prices adopted early in the implementation were highly favorable to QFs but produced  
24 contracts that were frequently above the market price of energy paid by utilities in  
25 acquiring energy and capacity from non-QF resources.

26  
27 As avoided cost theory has evolved and PURPA requirements have continued to be  
28 interpreted in numerous regulatory proceedings across the country, avoided costs have  
29 gradually decreased to reflect the avoided cost of the next least cost megawatt that could  
30 be acquired by a regulated utility. At the same time, costs for QF power projects using  
31 renewable technologies, particularly wind generation, have declined while the cost of

1 generation using traditional non-renewable generation resources have increased, making  
2 QF generation much more competitive with market power purchases and utility self build  
3 options. These same dynamics have been at work in PacifiCorp's service territory as well.  
4

5 **Q. WHAT METHODOLOGY DOES PACIFICORP PROPOSE TO USE TO**  
6 **DEVELOP ITS AVOIDED COST PRICES IN THIS CASE?**

7  
8 A. PacifiCorp proposes to use an avoided cost calculation that is based on the use of its  
9 production cost model, GRID<sup>3</sup>. GRID is a computerized hourly production dispatch  
10 model that the Company uses to estimate the power costs that it will incur to serve loads  
11 on an hourly basis, including owned generation and purchased power expenses,  
12 transmission costs, wheeling revenues, and balancing energy sales and purchases, among  
13 others. These hourly costs are then aggregated to provide an estimate of the annual total  
14 net power cost for the Company.  
15

16 The methodology proposed to be used to compute avoided costs for purchases from QFs  
17 which have a capacity greater than one megawatt is very similar to the methodology that  
18 is used for purchases from facilities with a capacity of less than one megawatt, with a few  
19 exceptions. Avoided costs for QFs less than one megawatt in size are contained in  
20 Schedule 37 of the Company's Wyoming tariff.  
21

22 Under the Company's avoided cost methodology reflected in Schedule 37 the GRID  
23 model is used to produce various estimates of total net power cost reflecting total net  
24 power cost either with or without a proxy avoided cost resource in the GRID run for  
25 periods when the Company has sufficient resources to meet load requirements. This  
26 proxy resource, assumed to be a fifty megawatt combined cycle gas turbine, displaces  
27 other owned and purchased resources during periods of resource sufficiency, which  
28 makes sense in view of the fact that the Company is obligated to purchase the QF output  
29 whether or not it is needed.  
30

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<sup>3</sup> GRID is the acronym for Generation Initiatives Decision Tools Model.

1           Conversely, during periods of resource deficiency the avoided cost rates are based on the  
2           cost of the proxy resource as that is assumed to be the cost that will be avoided by  
3           purchasing the output of the QF. This also makes sense because a fifty megawatt  
4           combined cycle combustion turbine would be the smallest, lowest marginal cost standard  
5           resource that could be effectively modeled in the GRID model.

6  
7           The methodology for QFs larger than one megawatt builds on and refines the  
8           methodology used for the smaller QF resources. This methodology, although still based  
9           on GRID model runs, eliminates the use of a proxy resource during resource deficiency  
10          periods and replaces the proxy resource with growth stations representing market  
11          purchases. Avoided costs are then modeled for the entire twenty year period required  
12          under PURPA using the GRID model. To increase the accuracy of the modeling results  
13          the proxy resource is replaced in the GRID model with the actual characteristics of the  
14          QF requesting a contract. This refinement to the model for larger QFs is desirable  
15          because it more accurately reflects the avoided cost of these resources which, depending  
16          on their size and operational characteristics could impose a large obligation to purchase  
17          on the Company.

18  
19       **Q.    HAVE PARTIES TO THIS CASE RAISED OBJECTIONS TO THE COMPANY'S**  
20       **PROPOSED AVOIDED COST METHODOLOGY?**

21  
22       A.    I am aware of only a few minor issues raised by parties in this case regarding the  
23       legitimacy of the Company's proposed avoided cost methodology. These issues relate to  
24       certain internal assumptions contained in the GRID model itself and not the broader  
25       avoided cost methodology. However, it should be pointed out that the architecture of the  
26       GRID model, including its default assumptions, is unchanged since the Commission last  
27       reviewed and approved its results, which should give the Commission some comfort in  
28       relying on it for purposes of setting avoided costs in this case. At any rate, it is my  
29       understanding that the parties to the agreement in this proceeding have agreed to the use  
30       of the Company's proposed methodology for calculating avoided costs for QFs larger  
31       than one megawatt.

1 **Q. WHAT ARE GREEN TAGS AND WHY ARE THEY IMPORTANT?**

2

3 A. Green Tags, sometimes called Renewable Energy Certificates (RECs) are tradable  
4 instruments that quantify the environmental attributes of a renewable energy facility.  
5 They are issued to qualifying renewable energy facilities and can be used to offset  
6 emissions from other carbon based generating resources or traded to others. While it is  
7 only in developmental stages in most of the West, the market for RECs in other parts of  
8 the country where favorable regulatory policies exist is rapidly becoming more liquid.

9

10 In the West an accounting mechanism called the Western Renewable Energy Generation  
11 Information System (WREGIS) is being developed to ensure that RECs are properly  
12 accounted for so that when liquid REC markets develop buyers and sellers can be assured  
13 of the intrinsic value of RECs. Since there is no mandatory federal limit on carbon  
14 emissions and only a patchwork of state requirements and agreements regarding carbon  
15 emissions in the West, most notably in California, only a nascent market for RECs exists  
16 in the region.

17

18 However, as state policies on renewable energy resources and carbon emissions  
19 proliferate, especially Renewable Portfolio Standards (RPS), the value of RECs issued to  
20 qualifying renewable energy projects in the west will increase. The value of RECs will  
21 also become increasingly important to regulated utilities and their customers as a means  
22 to comply with increasingly stringent emissions requirements.

23

24 **Q. HOW HAS THE COMPANY PROPOSED TO TREAT RECS WITH RESPECT**  
25 **TO AVOIDED COST PURCHASES IN THIS CASE?**

26

27 A. In this proceeding the Company has expressed the view that the RECs are part of the  
28 bundled resource that the Company is purchasing from a QF and therefore are not  
29 separable from the energy and capacity being purchased. Because RECs were not  
30 addressed in PURPA the Company believes that individual state Commissions have the  
31 responsibility of determining whether RECs vest with the QF or the purchasing utility.

1 **Q. DO YOU AGREE WITH THE COMPANY'S TREATMENT OF RECS IN THIS**  
2 **PROCEEDING?**

3  
4 A. Yes, both on a philosophical and practical level. From a philosophical perspective it is  
5 important to keep in mind that under PURPA the Company has the obligation to purchase  
6 the output of QFs at an approved avoided cost rate. PURPA guarantees QF providers a  
7 purchaser for their generation output. It is the renewable attributes of this generation that  
8 qualifies QF providers for this preferential treatment under PURPA and without them the  
9 Company would be under no obligation to purchase the energy or capacity produced by  
10 these projects. In other words, without QF qualification these projects would look like  
11 any other generation project and would necessarily have to compete on an economic basis  
12 with all other generation options available to the Company. Unbundling the RECs and  
13 allowing the QF developer to retain ownership would turn the time tested PURPA model  
14 on its head and unfairly obligate the Company to buy generation output that is  
15 indistinguishable from that of other generation resources with no apparent benefit to the  
16 Company or its customers.

17  
18 On a practical and perhaps more self interested level, I advocate retention of the RECs by  
19 the Company because those RECs can ultimately be used by the utility to show  
20 compliance with emissions requirements and renewable portfolio standards, thereby  
21 avoiding the need to either build compliant facilities that duplicate the output of QFs or to  
22 purchase RECs outright in order to demonstrate compliance. This will save ratepayers  
23 money as new emission standards are imposed on the industry.

24  
25 **Q. WYOMING DOESN'T HAVE A CARBON EMISSION LIMIT OR AN RPS SO**  
26 **HOW WILL RETENTION OF REC OWNERSHIP BENEFIT WYOMING**  
27 **CUSTOMERS?**

28  
29 A. RMP's Wyoming customers are part of the PacifiCorp system and as such they share in  
30 the total cost of the system, from transmission to generation, including the cost of  
31 environmental compliance. For example, if the state of Oregon imposes emission

1 restrictions on generation resources located in that state the cost of compliance with those  
2 restrictions is spread across the entire system since it is presumed that as a system  
3 resource the Oregon plant will serve all customers on the system and not just those in  
4 Oregon. To the extent that the cost of compliance can be mitigated at the system level  
5 rates for all customers on the system will be lower as a result, assuming of course that  
6 system costs and resources continue to be fairly allocated across all states.

7  
8 **Q. ARE THERE CHANGES CONTAINED IN THE SETTLEMENT THAT WERE**  
9 **NOT INCLUDED IN THE COMPANY'S ORIGINAL FILING?**

10  
11 A. There is one important albeit rather benign change reflected in the draft stipulation that  
12 was not included in the Company's application. This change would increase the size  
13 limit for QFs to qualify for the standard rates contained in Schedule 37 from one  
14 megawatt to ten megawatts. Accordingly, QFs between ten and eighty megawatts would  
15 be subject to the avoided cost methodology for larger QFs as described earlier in my  
16 testimony while those under ten megawatts would receive the prices contained in  
17 Schedule 37.

18  
19 **Q. WHAT IS THE REASONING BEHIND THIS CHANGE?**

20  
21 A. I'm not sure there is much solid reasoning behind this change. It is my understanding that  
22 one of the constituents represented by the Wyoming Industrial Energy Consumers group  
23 has a cogeneration facility that falls just under the ten megawatt threshold and the owner  
24 of this facility would like to take advantage of the avoided cost prices contained in  
25 Schedule 37 which would not be possible given the one megawatt limit currently in  
26 effect.

27  
28 **Q. DO YOU AGREE WITH INCREASING THE LIMIT TO TEN MEGAWATTS?**

29  
30 A. It would be more accurate to say that I don't oppose it. It seems a bit arbitrary to increase  
31 the size based on the desires of one QF generator, but on the other hand, after discussing

1 this issue in detail with the parties and with the Company's power cost witness I can find  
2 no harm that will come to ratepayers as a result of increasing the threshold from one to  
3 ten megawatts.

4  
5 Moreover, since the methodologies used for both small and large QFs are very similar,  
6 and since ten megawatts is much closer to a small QF than a large QF, I would expect that  
7 the proxy resource would still adequately represent a ten megawatt generator in the  
8 absence of using specific QF characteristics. The output of this facility is currently  
9 covered by a contract that would not change as a result of this proceeding, but when the  
10 contract expires the owner would have the opportunity to opt into the standard prices  
11 contained in Schedule 37.

12  
13 The Company has indicated that the proxy resource may not be a good reflection of the  
14 avoided costs for facilities above ten megawatts and therefore it would oppose increasing  
15 the size limit beyond ten megawatts. So, on balance I don't oppose the change, and as it  
16 is an integral part of the settlement agreement I accept it. But, the Commission should be  
17 aware that owners of very small QF projects, for example a twenty five kilowatt wind  
18 turbine, will receive the same price for qualified purchases as a ten megawatt  
19 cogeneration facility.

20  
21 **Q. ARE THERE ANY OUTSTANDING ISSUES RELATED TO THE SETTLEMENT**  
22 **AGREEMENT THAT YOU HAVEN'T DISCUSSED?**

23  
24 A. Not that I'm aware of.

25 **Q. DO YOU SUPPORT THE AGREEMENT THAT THE PARTIES HAVE**  
26 **REACHED IN THIS PROCEEDING?**

27  
28 A. Yes, so long as it is filed and adopted in substantially the same form as it was finally  
29 negotiated and remains consistent with my testimony. I believe it strikes a reasonable  
30 balance between the interests of the Company and its ratepayers in fair rates to be paid for  
31 generation resources and the owners of qualifying facilities who are interested in assuring

1 the economic viability of those projects. The methods and practices described in my  
2 testimony should lead to the adoption of avoided cost prices that neither reward nor  
3 punish the Company and its ratepayers or the owners of QF generating capacity, in view  
4 of the requirements contained in PURPA.

5  
6 **Q. DOES THAT CONCLUDE YOUR TESTIMONY IN THIS PROCEEDING?**

7  
8 **A.** Yes, it does.

## APPENDIX A

### CASES IN WHICH BRYCE FREEMAN HAS PRESENTED TESTIMONY BEFORE THE WYOMING PUBLIC SERVICE COMMISSION AS OF 9/18/06

<u>Docket Number</u>	<u>Company</u>	<u>Date</u>	<u>Subject Of Testimony</u>
30016-GR-94-8	Pinedale Natural Gas Company	10/26/1994	ROR
70006-TR-94-14	Silver Star Telephone Company, Inc.	12/6/1994	ROR
20002-ER-95-48	Black Hills Power & Light	8/14/1995	ROR, IRP, DSM, AFOR
70000-TR-95-238	U S WEST Communications, Inc.	10/2/1995	TSLRIC
General Order No. 73	Commission Rule Making	4/11/1996	TSLRIC
20000-ER-95-99	PacifiCorp, Inc.	6/17/1996	ROR, AFOR, PBR
70007-TR-95-15	Dubois Telephone Company	8/5/1996	ROR, TSLRIC
30012-GR-96-33	Wyoming Industrial Gas Company	10/16/1996	ROR
70007-TR-95-15	Pacific Telecommunications, Inc.	12/10/1996	TSLRIC
70000-TT-96-301	U S West Communications, Inc.	1/10/1997	AFOR, Jurisdiction
70007-TR-95-15	U S West Communications, Inc.	1/28/1997	TSLRIC, RATE DESIGN
70000-TR-96-323	U S West Communications, Inc.	5/26/1997	TSLRIC, Imputation
30005-GR-97-51	Cheyenne Light, Fuel & Power, Inc.	8/25/1997	ROR
70011-TR-97-15	Tri-County Telephone Association, Inc.	3/31/1998	TSLRIC
70014-TR-97-7	TCT West, Inc.	3/31/1998	TSLRIC
80007-WR-98-6	Vista West Water Company	8/31/1998	Cost of Service
20000-EA-98-141	PacifiCorp, Inc.	7/6/1999	Merger
30010-GR-99-47	Questar Gas Company	10/28/1999	ROR, Revenue Requirement
20003-ER-99-54	Cheyenne Light, Fuel & Power, Inc.	1/18/2000	ROR, Rate Design
30005-GR-99-53	Cheyenne Light, Fuel & Power, Inc.	1/18/2000	ROR, Rate Design
20000-ER-99-145	PacifiCorp, Inc.	1/26/2000	ROR, Rate Design
80007-WR-99-8	Vista West Water Company	3/22/2000	Rate Design
30010-GA-01-56	Questar Gas Company/Wyoming Industrial Gas	6/12/2001	Merger/Acquisition
30012-GA-01-43			
20000-ER-0-162	PacifiCorp, Inc.	7/9/2001	Rate Design
70000-TA-99-482	Qwest Communications	9/6/2001	TSLRIC
70000-TA-01-700	Qwest Communications	3/15/2002	TELRIC
70013-TR-02-17	All West Communications, Inc.	10/28/2002	TSLRIC
70006-TT-00-43	Silver Star Telephone Company, Inc.	12/17/2002	TSLRIC
70016-TA-02-21	Teton Telecom		
20000-ER-02-184	PacifiCorp, Inc.	1/7/2003	Power Cost
30022-GI-02-3	Kinder Morgan, Inc.	2/3/2003	Choice Gas
20000-ER-02-198	PacifiCorp, Inc.	1/16/2004	Power Cost
20000-EA-05-226	MEHC/PacifiCorp	12/15/2005	Merger/Acquisition
30022-73-GR-06	Kinder Morgan, Inc.	9/18/2006	ROR
20000-250-EA-06	Rocky Mountain Power	1/10/2007	Avoided Costs

ROR = RATE OF RETURN; IRP = INTEGRATED RESOURCE PLANNING;  
 DSM = DEMAND SIDE MANAGEMENT; AFOR = ALTERNATIVE FORM OF REGULATION;  
 TSLRIC = TOTAL SERVICE LONG RUN INCREMENTAL COST;  
 PBR = PERFORMANCE BASED RATE MAKING  
 AFOR = ALTERNATIVE FORM OF REGULATION

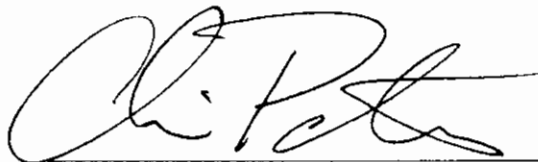
**CERTIFICATE OF SERVICE**

I hereby certify that on the 3<sup>rd</sup> day of November, 2006, I served a copy of the forgoing Prefiled Direct Testimony of Bryce J. Freeman by depositing copies thereof in the United States Mail, 1<sup>st</sup> class postage prepaid, and addressed to:

Mr. Dean Brockbank, Senior Counsel  
Rocky Mountain Power  
201 South Main Street, Suite 2300  
Salt Lake City, UT 84111

Mr. Thor Nelson  
Holland & Hart, LLP  
8390 E. Crescent Parkway, Suite 400  
Greenwood Village, CO 80111

Mr. Dale Cottam  
Hirst & Applegate, P.C.  
P.O. Box 1083  
Cheyenne, WY 82003

A handwritten signature in black ink, appearing to read 'C. Petrie', written over a horizontal line.

Christopher Petrie  
2515 Warren Avenue, Suite 304  
Cheyenne, WY 82002  
(307) 777-5763