

BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE AMENDED) DOCKET NO. 20000-264-EA-06
APPLICATION OF ROCKY MOUNTAIN) (RECORD NO. 10960)
POWER FOR CONSIDERATION OF A)
DEMAND-SIDE MANAGEMENT)
PROGRAM IN WYOMING)

FILED
PUBLIC SERVICE COMMISSION
OF WYOMING
APR 25 2008

PRE-FILED DIRECT TESTIMONY OF

Bryce J. Freeman

On behalf of the Wyoming Office of Consumer Advocate

Filed April 25, 2008
Hearing May 27, 2008

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 Wyoming
13 citizens and all classes of utility customers in matters involving public
14 utilities. In the exercise of its powers the office of the consumer advocate
15 shall consider all relevant factors, including, but not limited to, the
16 provision of safe, efficient and reliable utility services at just and
17 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-
25 401, it is a separate division with no reporting or supervisory links to the Commission and
26 the OCA has the right under W.S. § 37-2-402(ii), to appeal decisions of the Commission
27 that it does not find in the public interest. The only link between the OCA and the Public
28 Service Commission is the source of common funding provided by the assessment on
29 gross utility operating revenues; this assessment funds both the Commission and the
30 OCA. Additionally, as Administrator of the OCA I report directly to the Governor of
31 Wyoming.

32

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

35

1 A. I received a Bachelor of Science degree in business administration from the University of
2 Wyoming in 1982. The area of concentration in my undergraduate work was statistics.
3 After graduating from the University of Wyoming, I was employed for three years by the
4 Laramie County Treasurer as Deputy Treasurer, and then for six years by the Wyoming
5 Department of Revenue as a Principal Appraiser dealing primarily with utility valuation
6 and capital cost issues. I came to the Wyoming Public Service Commission in April of
7 1994, in the capacity of Senior Economist, serving in that position for approximately two
8 years. In 1996 I accepted a position as Lead Rate Analyst in the rates and pricing section
9 on the Commission Staff, and in May of 2003 I was appointed Administrator of the OCA.

10 In July of 2004, I was appointed to a two year term of service on the board of the
11 Wyoming Infrastructure Authority (WIA). In July of 2006, I was reappointed to a four
12 year term. I currently serve as secretary of the WIA Board of Directors. Also in 2004, I
13 was elected to the position of Secretary of the National Association of State Utility
14 Consumer Advocates or NASUCA, which is a national trade association composed
15 primarily of state chartered consumer advocate offices throughout the country. My
16 participation in both of these organizations provides me with unique knowledge and
17 experience upon which I can draw in formulating advocacy positions on behalf of
18 Wyoming utility consumers.

19 **Q. HAVE YOU TESTIFIED BEFORE THIS COMMISSION IN PREVIOUS**
20 **PROCEEDINGS?**

21
22 A. Yes. I have detailed the cases in which I have testified before this Commission in
23 Appendix A, attached to my testimony.

24
25 **Q. ON WHOSE BEHALF DO YOU APPEAR HERE TODAY?**

26
27 A. I appear here today on behalf of the OCA. As I indicated previously, the OCA is an
28 independent party in this proceeding, separate and apart from the Commission or its
29 advisory staff.

30

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

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

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

14 A. No. All of the information that I will be presenting to the Commission in this proceeding,
15 including tabular information, is contained in the body of my direct testimony.

16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

17 A. The purpose of my testimony in this proceeding is to provide the Commission with some
18 perspective on, as well as recommended changes to, Rocky Mountain Power’s amended
19 filing in this matter. As the Commission is aware, the Company previously filed an
20 application in this matter which was the result of lengthy and detailed discussions among
21 many of the parties in this case and which was followed by a stipulation and agreement
22 supported through direct testimony filed by many of the parties. For various reasons that
23 I will not belabor here, the original application submitted by the Company was withdrawn
24 and amended as reflected in the currently pending application.

25 **Q. MR. FREEMAN, BECAUSE THIS IS AN AMENDED APPLICATION, CAN YOU**
26 **GIVE THE COMMISSION SOME BACKGROUND IN THIS MATTER?**

27 A. The Company’s initial application was a direct result of the stipulation and agreement
28 reached in Docket Number 20000-EA-05-226, which was approved as amended on
29 March 10, 2006. Specifically, commitment Wy 5, required PacifiCorp (subsequently

1 Rocky Mountain Power or RMP in Wyoming), within 30 days of the close of the
2 reorganization which was the subject of that docket, to engage in dialog with interested
3 parties to assess the demand management and energy efficiency programs offered in the
4 Company's other states for possible implementation in Wyoming. Thereafter, the
5 Company agreed to use its best efforts to "...file an application with the Commission
6 prior to December 31, 2006, or sooner if practical, to implement prudent and cost
7 effective DSM programs in Wyoming that can be shown to be in the public interest and
8 propose in the application an appropriate cost recovery mechanism."¹

9 Accordingly, the OCA and many other interested parties entered into a dialog with RMP
10 in March of 2006 to begin assessing DSM programs for possible implementation in
11 Wyoming. That dialog continued over the course of the next several months with all
12 parties continuing to actively participate. On December 18, 2006 RMP filed its initial
13 application in this proceeding, and on February 16, 2007, RMP filed a stipulation and
14 agreement among the parties supporting the implementation of a three-year pilot DSM
15 program. On March 20, 2007, the OCA filed the testimony of Denise K. Parrish in
16 support of the Stipulation and Agreement. On April 16, 2007, the Commission held a
17 hearing to consider the stipulation and supporting testimony of the parties.

18 **Q. WHAT WAS THE OUTCOME OF THAT HEARING?**

19 A. The outcome of that hearing was technically a final order issued by the Commission
20 issued on November 30, 2007, rejecting the stipulation. However, there is more to the
21 story than a simple rejection of the stipulation.

22 **Q. PLEASE EXPLAIN.**

23 A. During the course of the hearing and deliberations, in which the original application of
24 the Company and the stipulation of the parties was being considered, it became clear to
25 the parties that the Commission had significant concerns regarding both the terms of the

¹ Docket Number 20000-EA-05-226, Stipulation In the Matter of the Joint Application of MidAmerican Energy Holdings Company and PacifiCorp for Approval of a Reorganization of PacifiCorp as a Wholly-Owned Subsidiary of MidAmerican Energy Holdings Company.

1 stipulation and the process undertaken by the parties to come to the agreement reflected in
2 the stipulation. Consequently, rather than continuing to pursue adoption of the stipulation
3 the parties chose to file a joint motion for withdrawal of the stipulation and further
4 petitioned the Commission to hold the proceeding in abeyance until such time as the
5 Company submitted an amended application.

6 However, at its open meeting held on August 22, 2007, in considering the arguments of
7 the parties in support of the motion, the Commission determined to reject the stipulation
8 finding in part:

9 ...the *Stipulation* generally mirrors the application and would function as
10 little more than a contract to restrict the Commission's authority to
11 determine whether the *Stipulation* and the underlying application are
12 consistent with the public interest. Therefore, the Commission rejects the
13 *Stipulation*.²

14 **Q. DO YOU AGREE WITH THE COMMISSION'S ASSESSMENT OF THE**
15 **STIPULATION?**

16 A. Whether I agree with the Commission's assessment or not is irrelevant. The Commission
17 certainly has the lawful authority to make such a determination, and I recognize that fact.
18 However, notwithstanding the Commission's finding in rejecting the stipulation, I can say
19 without equivocation that it was not the intent of the parties to in anyway subjugate or
20 restrict the Commission's authority. Rather, the purpose of the collaborative dialog that
21 preceded the filing of both the application and stipulation was to develop a framework for
22 implementing a broad-based demand side management and energy efficiency program in
23 Wyoming where no such program previously existed, at least at any meaningful level.

24 The collaborative dialogue among the parties began with an assessment of DSM and
25 energy efficiency programs available to RMP's customers in other states but ultimately

² Docket Number 20000-264-EA-06, Order Rejecting Stipulation, Staying Further Proceedings, and Directing Company to File Amended Application, IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR AUTHORITY TO ESTABLISH A DEMAND-SIDE MANAGEMENT PROGRAM IN WYOMING, ESTABLISH DSM TARIFFS AND INCREASE RATES TO FUND DSM, Issued November 30, 2007.

1 went far beyond a simple assessment of the results of those programs. It included
2 identification and analysis of the characteristics of loads, resources, demographics,
3 markets, social factors and weather, among others, unique to Wyoming. All of these
4 factors were considered and reflected in the stipulation presented for consideration earlier
5 in this proceeding.

6 **Q. SINCE THAT STIPULATION WAS REJECTED BY THE COMMISSION, WHY**
7 **IS IT IMPORTANT TO RECALL IT HERE?**

8 A. My purpose in highlighting the stipulation that was previously rejected is only to point
9 out that the difficult policy issues raised during the development of the proposed program
10 and addressed by the parties in the stipulation still exist and must be resolved in order for
11 a meaningful DSM program to be implemented in Wyoming. My reading of the
12 Commission's order leads me to conclude that the stipulation was rejected primarily on
13 the basis of process with guidance on substantive matters coming primarily from the
14 special opinion of Commissioner Byrnes.

15 Therefore, the amended application reflects the Company's interpretation of the
16 Commission's preferences through cross-examination of its witnesses during the hearing,
17 listening to the Commission's deliberations, and through its interpretation of the
18 Commission's order rejecting the stipulation. However, the amended application does
19 not address the concerns raised by the parties throughout the earlier collaborative process,
20 nor does it address the totality of the Commission's substantive concerns with the
21 stipulation, particularly those expressed by Commissioner Byrnes in her Special Opinion
22 of Concurrence, as I will describe later in my testimony.

23 **Q. WHAT ARE THE MAIN POINTS OF THE ORIGINAL APPLICATION THAT**
24 **WERE SUPPORTED BY THE PARTIES IN THE STIPULATION AND THAT**
25 **YOU BELIEVE WERE VALUABLE TO CONSUMERS?**

26 A. First, the agreed upon program was designed as a pilot program with enough flexibility to
27 accommodate changes such as adding or deleting individual conservation measures, but

1 enough permanence to encourage consumer participation. Most importantly, the three-
2 year term of the program ensured that it would have a thorough and proper review after
3 sufficient time had passed for the Company and the Commission to develop some
4 operating experience with the program. This was important, in my mind, to ensure that
5 the program was functioning as expected, that it was providing proportional benefits to
6 Wyoming customers, and that it otherwise remained prudent and in the public interest. In
7 light of the fact that Wyoming has little experience in operating or funding DSM
8 programs on the scale proposed in this proceeding, I believe it is reasonable to review not
9 only the performance of individual demand side and efficiency measures, but the efficacy
10 of the program in total on a periodic basis.

11 Second, while participation in funding the program was mandatory for most of the
12 customer classes, the agreement did provide an opt out mechanism for the largest
13 customers on the system that essentially created a pay-as-you-go self direction program
14 for those customers. The parties to the stipulation concluded that designing the program
15 in this way, given the relative lack of attention to DSM issues in Wyoming in the past,
16 would maximize the opportunity for all customers to participate in the program and, at
17 the same time, maximize the benefits to all customers on the system. Additionally, the
18 parties recognized the fact, as the Commission did in its order rejecting the stipulation,
19 that:

20 These customers are, for the most part, highly sophisticated companies
21 with the resources and knowledge needed to control their usage of
22 electricity. The self-guided plan proposed in the application therefore
23 appears to suit the very individual needs of these large customers. Over
24 the years, many of them have implemented energy efficiency measures as
25 a matter of good business practice to maintain or enhance their
26 competitiveness without the incentive of a DSM program. Those
27 proactive consumers might find it unacceptable to be in a position of
28 contributing to the DSM programs of other large customers after having
29 already paid for their own.

30 Finally, the program agreed to by the parties in the stipulation was designed to maximize
31 the value of the program and all of the individual measures by encouraging the highest
32 value, most cost effective measures to be adopted as early in the program as possible.
33 This was accomplished by giving industrial customers with cost effective projects under

1 the self direction program an extra incentive to initiate and develop their projects by
2 giving them the opportunity to recover one hundred twenty percent (120%) of qualifying
3 program costs. The parties recognized the fact that many of the demand side and
4 efficiency measures that would be most likely to provide maximum benefit to all
5 customers on the system would be projects undertaken by industrial customers pursuant
6 to the self direction program. In order to encourage the early adoption of these larger
7 projects, an incentive was built into the program.

8 Because the program proposed in the stipulation was designed to be self-funding, the
9 incentive opportunity made available under the self direction program could not be fully
10 funded by contributions from the industrial customers choosing to participate in the
11 program. In fact, some of the cost of implementing those larger projects would have been
12 funded through the general pool of surcharge revenue derived from smaller commercial
13 customers. The parties agreed that the benefits to the system as a whole resulting from
14 this incentive would outweigh the costs to other customer classes. However, in its order
15 rejecting the stipulation, with regard to the self direction incentive, the Commission
16 found that smaller commercial customers might:

17 ... criticize the use of a portion of their contribution to the DSM pilot for
18 the benefit of larger industrial customers choosing to participate in the
19 program. Even if it is true that the most substantial DSM savings in
20 Wyoming can be produced by the large industrial customers, that does not
21 fully justify obtaining contributions from smaller customers to pay for
22 them.

23 **Q. ARE THOSE CHARACTERISTICS PART OF THE AMENDED APPLICATION**
24 **IN THIS MATTER?**

25 A. No. As I will explain in more detail later in my testimony, those aspects of the rejected
26 stipulation that the parties found desirable have been replaced with a regime of unlimited
27 permanent funding and a mandatory contribution by all customer classes in the amended
28 application. In its amended application, the Company has proposed a permanent program
29 with no cap on contributions, very limited recognition of demand side measures that have
30 previously been adopted by customers at their own expense, and no incentive for the
31 largest customers to be early adopters of high value demand management projects.

1 **Q. WHAT OTHER STRUCTURAL ASPECTS OF THE PROGRAM HAVE**
2 **CHANGED IN THE COMPANY'S AMENDED FILING?**

3 A. Other than the important changes I have previously described, and a few minor changes to
4 program offerings, the Company's amended proposal is essentially unchanged from the
5 original application.

6 **Q. DOES THE FACT THAT CERTAIN ASPECTS OF THE PROGRAM HAVE**
7 **CHANGED WHILE OTHERS HAVE NOT CONCERN YOU?**

8 A. I am concerned that the Company's amended proposal reflects the funding and
9 permanence of a very robust commitment to demand side resources, yet, the demand side
10 management measures proposed to be offered to consumers have not changed
11 substantially and are still consistent with the objective stated in the original application
12 and stipulation which was to "...introduce Wyoming ratepayers to the concept of
13 conservation by offering cost-effective options that have proven to be successful in the
14 other states the Company serves."³

15 Although the Company has proposed a robust and mandatory funding mechanism in its
16 amended application, it proposes to include essentially the same demand side
17 management measures as were included in the original application. All of these proposed
18 measures are directed at energy efficiency savings and not demand management. I will
19 discuss the characteristics and relative value of both energy efficiency and demand
20 management programs later in my testimony.

21 **Q. PLEASE EXPLAIN, AT A CONCEPTUAL LEVEL, WHY YOU ARE**
22 **CONCERNED ABOUT THIS.**

23 A. Although the Company has expanded DSM funding, and argues that it made
24 contributions more equitable among customer classes, it has not made reciprocal
25 expansions in the number and nature of programs that are made available to customers.
26 As such, I am concerned that we will essentially be paying for a Cadillac and getting a

³ RMP DSM Stipulation and Agreement, Docket No. 20000-264-EA-06.

1 Volkswagen. I am not convinced that the Commission's basis for rejecting the
2 stipulation in the original application was related only to perceived inequities in the
3 structure of the funding mechanism, even though the Commission's majority opinion
4 makes no determination regarding many of the substantive issues contained in the
5 original application. Rather, I believe the guidance offered by the Commission majority,
6 and in particular that of Commissioner Byrnes, pointed to a more robust program in all
7 regards, including the measures offered to consumers.

8 **Q. WHAT GUIDANCE DID THE COMMISSION OFFER TO THE PARTIES IN**
9 **REJECTING THE STIPULATION?**

10 A. The majority opinion of the Commission expresses little guidance or insight into many of
11 the substantive issues raised in the application other than the Commission's general
12 aversion to the incentive allowed for large customers. In that light, the order rejecting the
13 stipulation can be distinguished from a rejection of the application since the Commission
14 did not rule on the application. Nevertheless, the changes made by the Company in its
15 amended application address only the limited concerns expressed by the Commission in
16 its rejection of the stipulation and are inconsistent with the remainder of the substantive
17 provisions contained in the original application which remain largely intact in the
18 amended filing.

19 Perhaps the most useful guidance offered by the Commission regarding what should be
20 contained in the amended filing is contained in the Special Opinion of Concurrence of
21 Commissioner Byrnes. In her special opinion, Commissioner Byrnes makes several
22 conceptual observations regarding an effective DSM program and specifically identifies
23 five areas that the Company should explore in the amended filing that the Commission
24 anticipated in its order rejecting the stipulation.

25 In her special concurring opinion, Commissioner Byrnes requested that the Company
26 "...discuss and consider in their amended application an array of cost effective program
27 efforts that would demonstrate an enhanced commitment to energy efficiency and demand
28 side management by the Company, as such promotion has been viewed, by many, as an

1 integral part of least-cost electric service...”⁴ Further, Commissioner Byrnes indicated
2 her desire to review an amended DSM application that contained the following:

3 1) an articulated specific goal, (beyond “testing the appetite of
4 consumers”) for demand side management, such as, an energy savings
5 target or standard for the program;

6
7 2) consideration of a demand side management program that includes
8 contributions from and participation of all customer classes and avoids
9 interclass subsidies;

10
11 3) special consideration of the challenges and opportunities of providing a
12 demand side management program when the load base is primarily made
13 of large industrial users, such as we see in Wyoming;

14
15 4) a proposal of a program component that places performance
16 responsibility on the Company to attain the specified goals; and

17
18 5) discussion and consideration of financial disincentives to investing in
19 energy efficiency, and approaches for overcoming them, by the Company.

20 **Q. DOES THE COMPANY’S PROPOSAL IN THE AMENDED APPLICATION**
21 **REFLECT THE CONCERNS OF THE COMMISSION?**

22 A. No. In its amended application, the Company appears to focus almost exclusively on
23 item number two enumerated by Commissioner Byrnes in the above list, the cross-
24 subsidy issue, which was also a concern identified by the Commission in the main body
25 of its order. However, the Company essentially ignores the other four equally important
26 areas specifically called out by Commissioner Byrnes for consideration.

27 **Q. WHAT IS THE IMPORTANCE OF A GOAL OR STANDARD TO A ROBUST**
28 **AND COMPREHENSIVE DSM PROGRAM?**

29 A. The importance of a goal or standard by which to measure program performance cannot
30 be overstated. Without a well articulated and accountable measure of overall program
31 performance, it is nearly impossible to reflect the value of the DSM resource in the
32 ongoing resource plans of the utility company. Just as we measure the performance of a

⁴ Ibid.

1 supply side generation resource on its availability and the benefits it provides to
2 customers in comparison to other resource options, we must measure the performance
3 and consumer benefits provided by DSM resources relative to a well defined standard.

4 Yet, in her testimony, Carol Hunter, on behalf of the Company, states that the Company
5 proposes to base the success of the amended DSM program on a cost-effectiveness
6 standard rather than a specific resource acquisition target. Ms. Hunter states that specific
7 DSM targets are difficult to manage due to the fact that the programs are voluntary and
8 that specific DSM targets can lead to decisions to adopt DSM measures that are not cost
9 effective “solely to achieve the target goal.”

10 In response to data requests on this topic, the Company indicates that it determines the
11 benefits of energy and capacity savings due to DSM programs by measuring the cost of
12 avoided energy and capacity. It further states that avoided capacity is incorporated into
13 the load forecasting process comparing the reduction in load attributable to the programs
14 to the actual historical system load.

15 This is certainly not the basis of comparison that is used to measure the value of supply
16 side resource options. For example, if the company plans to acquire a one hundred
17 megawatt supply side resource, the relevant measure of performance is the amount of
18 capacity and energy acquired in comparison to what was sought. Such a resource could
19 not properly be considered successful if it provided only half of the energy or capacity
20 planned for. Likewise, comparing new demand side resources with historical levels of
21 load does nothing to quantify the level of system benefit associated with those resources.
22 Simply observing that system demand or energy requirements have declined as a result of
23 DSM programs does not mean that they provided system benefits consistent with
24 expected performance if no performance expectations are specified. In that regard, a
25 specific goal or target DSM savings is essential to a well functioning DSM program.

26 **Q. DOES THE FUNDING MECHANISM PROPOSED IN THE AMENDED FILING**
27 **ADDRESS THE CONCERNS EXPRESSED BY THE COMMISSION IN ITS**
28 **ORDER REJECTING THE STIPULATION?**

1 A. To the extent that the incentive for large customers that was contained in the stipulation
 2 can be accurately characterized as a subsidy, which the parties to the stipulation argued it
 3 was not, then the funding mechanism proposed by the Company in the amended
 4 application provides numerical equivalence, on a percentage basis, for the contributions
 5 of all customers. However, as shown on the table below, which was provided by the
 6 Company in response to an OCA data request, the industrial customers will be
 7 contributing the majority of the funding for the DSM initiative if the amended application
 8 is approved.

9 Table 1.1

**ESTIMATED EFFECT OF PROPOSED PRICES FOR CUSTOMER EFFICIENCY SERVICES CHARGE
 ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS IN WYOMING
 DISTRIBUTED BY RATE SCHEDULE
 FORECAST TEST PERIOD 12 MONTHS ENDED AUGUST 2008**

Description	Average No. of Customers	KWH (000) Actual	Present	CESC Charge		Average Monthly Bill Impact
			Revenues Actual (\$000)	(\$000)	Percent	
Residential	105,336	1,004,849	\$76,266	\$735	0.96%	\$0.58
General Service	25,363	1,512,109	\$97,165	\$936	0.96%	\$3.08
Agricultural Pumping Service	577	16,215	\$1,192	\$11	0.96%	\$1.66
Large General Service	124	6,324,270	\$247,858	\$2,389	0.96%	\$1,607.41
Public Street Lighting	3,975	16,659	\$2,946	\$28	0.96%	\$0.60

10

11 The Company provides no information in its application or data responses regarding
 12 whether or not the benefits derived by each of the classes listed above will be
 13 commensurate with the costs shown in the table.

14 Additionally, although the proposed funding mechanism provides proportional
 15 equivalence, it ignores the Commission’s guidance contained in both the body of the
 16 order rejecting the stipulation and in Commissioner Byrnes’ special concurrence. In the
 17 body of its order, the Commission concluded that large customers “...might find it
 18 unacceptable to be in a position of contributing to the DSM programs of other large
 19 customers after already having paid for their own.”

1 Moreover, in her concurring opinion, Commissioner Byrnes stated that she wished to
2 review an amended application in which:

3 3) special consideration of the challenges and opportunities of providing a
4 demand side management program when the load base is primarily made
5 of large industrial users, such as we see in Wyoming;
6

7 The Company's proposed amended DSM program addresses neither the challenges nor
8 the opportunities associated with providing an effective DSM program when the load
9 base is primarily composed of large industrial users.

10 **Q. IN THE STIPULATION THAT WAS REJECTED LARGE CUSTOMERS**
11 **WOULD HAVE HAD THE OPPORTUNITY TO OPT OUT. WOULD THAT**
12 **PROVISION HAVE ADDRESSED THE COMMISSION'S CONCERN IN THIS**
13 **REGARD?**

14 A. For those customers who have already undertaken all practically and economically
15 achievable DSM measures, as noted in the Commission's order, the ability to opt out of
16 the mandatory surcharge would have relieved them from the obligation to contribute to a
17 program for which they get no direct benefit. At the same time, a voluntary DSM
18 program raises the age old phenomenon known in DSM parlance as "free ridership."
19 Free ridership occurs when a utility consumer benefits from a reduction in the system cost
20 of electricity, through reduced capacity and energy requirements, without having to pay
21 for it. Depending on the funding structure of a DSM program free ridership can occur in
22 any class of customers on the system.

23 However, for customers who have previously undertaken significant demand side
24 management measures outside of a DSM program, they have provided a system benefit to
25 all other customers on the system essentially turning all of the other customers into free
26 riders, without the award of direct incentives. These could be residential, commercial or
27 industrial customers. Such is the case with regard to the industrial customers in
28 Wyoming, many of whom have made substantial energy efficiency and demand reduction
29 investments without receiving direct incentives to do so. I am equally sure that there are

1 many, mostly smaller customers who have not made such investments so that they would
2 truly be free riders in the absence of an obligation to contribute to DSM costs.

3 **Q. HAS THE COMPANY MADE ANY SIGNIFICANT CHANGES TO THE SELF**
4 **DIRECTION PROGRAM IN THE AMENDED APPLICATION?**

5 A. Beyond eliminating the incentive discussed earlier, the Company has included a provision
6 in the tariff that has its origins in the Utah self direction program. This provision,
7 “Availability of 50% Self Direction Credit,” allows large customers who have already
8 implemented all cost effective demand side measures, to apply for a credit of 50% of their
9 monthly DSM surcharge. When I inquired of Company personnel on this provision, they
10 indicated that the 50% credit was meant to recognize that these customers could not
11 derive direct benefits from the program through participation but that those customers
12 would still receive system benefits theoretically equal to one half of their monthly
13 surcharge payment. However, the Company did not produce any information showing
14 that to be the case, nor did the Company provide any other analysis or testimony to
15 support this provision in the amended application.

16 **Q. IS THIS PROVISION A SUITABLE SUBSTITUTE FOR THE OPT OUT**
17 **PROVISION CONTAINED IN THE STIPULATION?**

18 A. According to the Company, it was intended to be a substitute for the opt out provision
19 contained in the earlier filing. It was simply lifted out of the Utah self direction program
20 and included in the Company’s amended filing. Nor do I believe it would be an effective
21 substitute for the opt out provision, even if that was the intent. While this provision
22 would ostensibly allow large customers to get credit for half of their surcharge payment,
23 the terms of the schedule impose an extraordinarily high hurdle for customers wishing to
24 qualify for the credit. For instance, the application process requires customers to pay for
25 an independent auditor directed by the Self Direction Administrator to demonstrate that
26 there are no cost effective DSM projects available to the customer. If the Self Direction
27 Administrator approves the audit, only then is the customer eligible for the credit.
28 Further, the customer must repeat this process every two years to remain eligible for the
29 credit. This type of “negative check off” process is onerous and burdensome on

1 customers and perhaps that is why the Company reports that none of the Utah industrial
2 customers have taken advantage of the 50% credit, even though it has been available for
3 some time in that state.

4 **Q. IN VIEW OF THE FOREGOING DISCUSSION, WHY IS IT SO IMPORTANT IN**
5 **YOUR VIEW TO GET THE PROGRAM RIGHT FOR LARGER CUSTOMERS?**

6 A. First and foremost, it is important to develop and implement a program that will
7 encourage the participation of the large customers who have the most cost effective DSM
8 projects to offer in the near term. Furthermore, unlike the smaller customer classes for
9 whom the issue is primarily one of fairness on an intra-class basis, the issue for the larger
10 customers is one of competitive equity. For example, while some residential customers
11 may have invested in energy efficiency measures without the benefit of direct incentives,
12 those customers only forfeit the opportunity to receive the incentives that other residential
13 customers will receive by participating in the programs directly. For the industrial
14 customers, due to their contribution to the funding of the program, the issue is much
15 larger and was summarized concisely by Mr. Robert Pomeroy on behalf of the Wyoming
16 Industrial Energy Consumers at the close of the hearing regarding the stipulation when he
17 said:

18 Investments have been made with industrial customers as has been
19 testified to in the testimony of Mr. Jones and Mr. Bumgarner. They have
20 been made that have benefited the system already, and to some extent for
21 the people who just went through that exercise, they ought to in a three-
22 year transition period be able to say, you know, we paid our own money.
23 Now, we're really not very excited about paying more money for our
24 competitors to get energy efficient. Maybe they should do that with
25 somebody else's money other than ours. Because we are -- in WIEC alone,
26 there are five companies that compete in the soda ash business, and that
27 would be an example of sort of the competitive situations that might not
28 apply in the residential area. I would acknowledge that a residential
29 customer could be pretty annoyed if they find out next week that there is
30 this program and they just invested last week, they're going to be annoyed,

1 but at least they're not in a business competitively like some of the
2 industrial companies are.⁵

3 **Q. CAN THIS ISSUE BE QUANTIFIED?**

4 A. It can't be quantified in terms of total dollars or in terms of its specific effect on the
5 competitive equity among firms competing against each other in the industrial class.
6 However, in the Company's application, it is clear, based on the various cost
7 effectiveness tests performed by the Company on the DSM measures that it proposes
8 here, that customers who participate in the programs benefit to a much greater degree
9 than those who do not. This is true both for customers who can participate and choose
10 not to, as well as those who have already implemented all cost effective DSM measures.

11 In Exhibit RMP_BKH 1, attached to the testimony of Brian K. Hedman, various cost
12 effectiveness tests are performed for each of the measures proposed in the application as
13 well as aggregated measures for the overall portfolio and for portfolios distinguished
14 between residential and commercial and industrial customers. As evidenced on this
15 exhibit the proposed measures are cost effective for all customers on the system, but
16 particularly so for those who participate. For example, as can be seen on this exhibit, the
17 Total Resource Cost test or TRC, which Mr. Hedman argues in his testimony is most
18 indicative of the value of a demand side measure, is consistently much lower than the
19 Participant Cost Test or PCT. In the case of commercial and industrial customers at the
20 aggregated level the TRC result is 1.744 while the PCT is 5.578. Those cost
21 effectiveness tests show a similar relationship for the residential measures on an
22 aggregated basis. The results of these tests provide useful insight as to the distribution of
23 benefits between customers who are able to participate in the programs and those who are
24 either not able to participate or who simply choose not to.

25 Additionally, as discussed in Mr. Hedman's testimony, the Ratepayer Impact Measure or
26 RIM test, which measures the impact of the proposed programs on the utilities rates, are
27 consistently below the threshold for showing cost effectiveness. Mr. Hedman discusses

⁵ In the matter of the application of Rocky Mountain Power for authority to establish a demand-side management program in Wyoming, establish DSM tariffs and increase rates to fund DSM, Docket No.20000-264-EA-06 (Record

1 the reasons for this in his testimony and concludes that “focusing on rate impacts leads
2 one to prefer programs that increase, rather than decrease, kWh sales.”⁶ While I agree
3 conceptually with Mr. Hedman’s conclusion, still the RIM test should remind us that
4 rates will increase as a result of implementing the DSM measures proposed by the
5 Company in its amended application. The hope would be, subject of course to a
6 substantial showing by the Company, that rates would not increase as much as they
7 otherwise would under a supply side only resource plan. This is particularly problematic
8 for the industrial customers who have already undertaken significant demand side
9 measures as discussed in the Commission’s order.

10 **Q. MR. FREEMAN, DO YOU FAVOR THE INTERESTS OF THE INDUSTRIAL**
11 **CUSTOMERS OVER THOSE OF OTHER CUSTOMERS IN THIS**
12 **PROCEEDING?**

13 A. Absolutely not. Beyond the fact that the OCA is obligated to represent the interests of all
14 utility customers and citizens of the state, including those of the industrial customers in
15 this proceeding, I am simply responding to a vexing and complex issue that was called
16 out by the Commission for special consideration in this amended application. My
17 analysis shows that the Company offered no alternatives for the Commission to consider
18 in addressing this problem, and I think it is important for the Commission to thoroughly
19 understand the issue before rendering a decision on it. Moreover, the OCA is still of the
20 opinion that much of the most valuable DSM savings to be achieved in Wyoming are
21 savings that could be achieved from industrial customers. This opinion is based on
22 months of analysis and interaction with the Company and other parties that led to the
23 filing of the original application and stipulation in this proceeding. In the stipulation, the
24 parties agreed to address this issue through the opt out and incentive provisions for the
25 industrial customers. In its amended application, the Company chose not to address this
26 issue at all.

27 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

No. 10960), transcript of hearing proceedings Volume II of II, page 365.

⁶ Docket No.20000-264-EA-06, Direct Testimony of Brian K. Hedman, Page 7.

1 A. Whatever policy the Commission formulates on this issue, it should acknowledge that the
2 Company's approach of simply making the funding for the program mandatory and
3 proportional will not achieve the objectives for the program contained in the
4 Commission's order rejecting the stipulation. It will not encourage participation from the
5 industrial customers who could provide the most value to the program at the lowest cost,
6 and it will not advance the interests of the overall body of RMP's Wyoming ratepayers on
7 a comparative basis.

8 **Q. EARLIER YOU MENTIONED THAT THE DSM MEASURES PROPOSED IN**
9 **THE AMENDED APPLICATION ARE NOT CONSISTENT WITH A ROBUST**
10 **AND FULLY DEVELOPED DSM PROGRAM. WHY IS THAT?**

11 A. The DSM measures proposed by the Company in its amended application, as I stated
12 earlier, are essentially unchanged from those agreed to in the stipulation. The agreed to
13 measures reflected the consensus of the parties that the DSM program should be limited
14 in scope and moderate in cost. Accordingly, the measures agreed to in the stipulation
15 focused on measures designed to reduce energy consumption.

16 In a fully developed and robust DSM program, consistent with the funding that the
17 Company has proposed in the amended application, one would expect a much wider array
18 of DSM programs aimed both at energy savings as well as capacity savings. Upon
19 inquiry by the OCA, the Company states that it has not proposed any demand directed
20 measures in its application due to resource opportunity and program availability. Yet, in
21 answer to another data request by the OCA the Company suggests that it considered, but
22 did not propose, the inclusion of three demand response programs in the amended
23 application: curtailable rates, critical peak pricing and demand buy back programs.

24 The Company also states in its data responses that it intends to seek proposals in 2008 for
25 a commercial and industrial curtailment program that may qualify as Class 1 firm
26 resources. Additionally, the Company stated at a recent Integrated Resource Plan focus
27 meeting that there may be demand response and demand reduction measures that could be
28 cost effectively implemented in Wyoming. None have been proposed in the amended
29 filing. Again, without a full compliment of demand side resources and programs on

1 which to draw, it appears that we have a program tool box that is more consistent with a
2 pilot program than with the full scale program that the Commission anticipated and for
3 which the Company now seeks funding.

4 **Q. ARE THERE OTHER MEANS OF FACILITATING DEMAND REDUCTIONS**
5 **AND ENERGY SAVINGS THAT THE COMPANY HAS NOT PROPOSED IN**
6 **THIS PROCEEDING?**

7 A. There are number of other strategies that could be employed by the Company to facilitate
8 demand reduction and energy efficiency savings. Most of these would be classified as
9 either direct load control programs or pricing mechanisms that encourage reduced peak
10 consumption or energy efficiency. For example, in its other operating jurisdictions, the
11 Company successfully operates direct load control programs that give it the ability to
12 reduce system peak usage by directly controlling lighting, air conditioning and irrigation
13 loads. In its other states, the Company also has alternative pricing mechanisms in place,
14 such as critical peak pricing, demand buyback and inverted block rates, which
15 theoretically give customers the requisite price signal to reduce demand during system
16 peak periods.

17 **Q. WOULD THESE TYPES OF PROGRAMS AND PRICING STRUCTURES BE**
18 **BENEFICIAL IN WYOMING?**

19 A. Perhaps. Anything that can be shown to be cost effective for customers, on net, would be
20 helpful in achieving meaningful demand reductions and energy savings. The Company
21 has not proposed any price based usage or peak reducing programs in this proceeding, and
22 so it does not provide any information on whether or not these types of pricing
23 mechanisms would be beneficial to Wyoming customers.

24 However, I did propound several data requests about usage based pricing mechanisms
25 that are in place in the Company's other jurisdictions. In response, the Company
26 provided information regarding an inverted block rate structure in Utah. This information
27 shows that pricing schemes designed to reduce usage are certainly no panacea. Pursuant
28 to the inverted block rate structure adopted in Utah in 2004, customers are billed

1 according to a tiered rate structure consisting of three blocks of usage: 0-400 kWh/mo. at
2 7.5¢/kWh, 400-1000 kWh/mo. at 8.5¢/kWh, and greater than 1000 kWh/mo. at 10¢/kWh.
3 The tiered rate structure is in effect for the months of May through September and is
4 focused on reducing summer peak usage for residential customers.

5 Information regarding this program, compiled by the Company, indicates that since it was
6 implemented in 2004, the average summer time residential usage has increased by twenty
7 nine percent across all of the blocks and in the highest use or “tail block” usage has
8 increased by seventy nine percent. Although there may be pricing structures that would
9 facilitate peak reduction strategies, based on the Company’s experience in Utah where
10 even a 33% increase in rates for the largest residential users has had no effect on peak
11 usage, I would urge extreme caution before adopting such a rate structure in Wyoming, if
12 it were proposed.

13 **Q. IS THE COMPANY PROPOSING TO MODIFY ITS UTAH RESIDENTIAL**
14 **INVERTED BLOCK STRUCTURE?**

15 A. Yes. In its most recent rate case filing in Utah, among other proposed rate design
16 changes, the Company is proposing to convert the three block structure to a two block
17 structure and modify the monthly customer charge to give customers a more accurate and
18 persistent price signal with regard to their usage. It remains to be seen whether or not
19 these changes will stimulate a reduction in usage. At any rate, this sort of rate design
20 experimentation, which could have substantial adverse impacts on Wyoming customers if
21 it were applied here without further investigation, seems to fit better with the pilot
22 program concept agreed to by the parties in the stipulation. A program that was designed
23 to accommodate such new and unproven DSM measures and rate structures, without the
24 potential of imposing undue burdens on customers, would be preferable to adopting all of
25 these measures in one blind leap of faith. But, again, the funding mechanism proposed by
26 the Company is more consistent with a broad adoption of all measures aimed at reducing
27 usage.

28 If the Commission wants a program that is broad in its scope and scale and that does
29 more than “test the appetite of consumers” for demand side management, which the

1 Company argues that it has proposed in this case, then the full suite of demand
2 management, energy efficiency and alternative pricing tools should be considered for
3 adoption in Wyoming. If the program measures offered are less than the full suite of
4 available measures, the funding and structure of the program should likewise be limited.

5 **Q. RETURNING TO THE COMMISSION'S ORDER AND COMMISSIONER**
6 **BYRNES' SPECIAL OPINION, HAS THE COMPANY PROPOSED A**
7 **PROGRAM COMPONENT THAT PLACES PERFORMANCE**
8 **RESPONSIBILITY ON THE COMPANY?**

9 A. No. In fact, consistent with her testimony on setting a goal or energy savings target for
10 the program as I discussed earlier, Ms. Hunter indicates in her testimony that the
11 Company intends to base its evaluation of the performance of the program on the
12 estimated cost effectiveness of individual program measures. Since the Company is not
13 proposing goals or target amounts of DSM savings to be achieved, establishing
14 performance metrics and holding the Company accountable for achieving the goals is
15 moot.

16 Again, however, I question the efficacy of a program in which the Company is able to
17 acquire funding through a mandatory surcharge on customer bills but is ultimately only
18 required to show that individual measures it is offering to customers are cost effective on
19 a stand alone basis. The logic of how savings could then be rationally incorporated in the
20 planning for future resources escapes me. The Company argues that DSM savings are
21 treated as a decrement to load and captured naturally in the load forecast within the IRP
22 planning process.

23 But, if DSM is to be treated as a resource on par with supply side resources, it should be
24 included in the IRP on the basis of its ability to satisfy future resource requirements, not
25 on the basis of its historic contribution to reducing load. As I stated earlier, if the
26 Company is unable to deliver the specified amount of the DSM resource, then it should
27 only be entitled to recover the costs of the portion that is delivered and is, therefore, used
28 and useful to customers. This is the same level of scrutiny and prudence review that any
29 supply side resource would undergo. Setting specific goals and targets for the DSM

1 resource and holding the Company responsible for meeting those goals would, therefore,
2 seem to be imperative to a well functioning DSM program.

3 **Q. WHAT WOULD BE AN APPROPRIATE SAVINGS TARGET FOR THE**
4 **PROGRAM PROPOSED BY THE COMPANY IN THIS PROCEEDING?**

5 A. Based on the information filed by the Company in this proceeding, it is impossible to
6 determine an appropriate DSM savings target. The Company's case focuses primarily on
7 the cost effectiveness of the individual measures included in the application while
8 referring back to the DSM potential study conducted by Quantec for achievable savings
9 figures. At the same time, the Quantec study presents the results of the DSM potential
10 study in aggregated terms for the PacifiCorp division (California, Oregon and
11 Washington) and the Rocky Mountain Power division (Idaho, Utah and Wyoming).
12 There is no way to divine a Wyoming specific DSM potential from the information
13 contained in the Quantec study.

14 The study, however, does provide some interesting insights and statistics about DSM
15 potential on a divisional basis. For instance, the study shows that of the total achievable
16 energy directed (Class 2) DSM savings available to the Company, fully eighty three
17 percent (83%) are located in the RMP division, or the states of Idaho, Utah and
18 Wyoming. Likewise, for capacity directed savings (Class 1 and Class 3) the study
19 indicates that ninety one percent (91%) of the achievable potential is located in the RMP
20 division. The study caveats these figures with the acknowledgement that the state of
21 Oregon is not included, presumably due to the fact that DSM programs in Oregon are
22 administered by an independent third party administrator. Still, based on the Quantec
23 study, there seems to be real potential for both demand and energy savings in the RMP
24 division. Further, I don't believe it would be too difficult for the Company to ascertain a
25 more definitive and reliable savings target for Wyoming using this information as a
26 starting point.

27 **Q. MR. FREEMAN, ARE YOU OPPOSED TO DSM PROGRAMS?**

1 A. Certainly not. The OCA has long been on record as supporting cost effective DSM
2 programs. In fact, in several cases we have insisted on a more thorough and sincere
3 treatment of the DSM resource by utilities who would rather have focused exclusively on
4 supply side resources. The DSM resource is a real resource, that if properly developed,
5 can cost effectively save both energy and capacity to the benefit of both consumers and
6 shareholders. On a personal note, I am committed to energy efficiency and demand
7 reduction strategies and try to practice those in my daily life. Good stewardship of
8 limited resources is logical and I know that cost effective energy efficiency will reduce
9 my utility bills. Cost effective energy efficiency and demand side management is a
10 consumer's first line of defense against rising energy costs.

11 **Q. WHY, THEN, HAVE YOU EXPRESSED RESERVATIONS ABOUT THE**
12 **COMPANY'S PROPOSAL IN THE AMENDED FILING?**

13 A. I am expressing concerns about certain aspects of the Company's filing because I do
14 support cost effective energy efficiency and demand side management programs that
15 benefit all customers on the system, not because I oppose them. It is clear to me that the
16 Company has not adequately demonstrated the benefits of its proposed program to
17 Wyoming customers, either in terms of direct benefits or system benefits, nor has it
18 shown the distribution of those benefits to be fair and equitable to all consumers relative
19 to the proposed funding mechanism. Perhaps most importantly, the Company has not
20 demonstrated how DSM and energy efficiency resources will be rationally included in the
21 integrated resource planning process so that those resources are treated in a manner
22 consistent with all other resources that the Company considers in planning to serve its
23 future loads.

24 Although the Company arguably has less control over the acquisition of savings produced
25 by energy efficiency measures, nevertheless, a target or potential range for these savings
26 should be included in the IRP process in lieu of a backcast of the savings actually
27 achieved. A full and fair showing on all of these points is essential in determining
28 whether or not the Company's proposal is in the public interest.

1 **Q. WHAT DO YOU CONCLUDE FROM THE COMPANY'S AMENDED**
2 **APPLICATION IN THIS PROCEEDING?**

3 A. This is a matter that calls for the Commission's informed judgment as to the policy path
4 that it wishes to pursue regarding DSM and energy efficiency. One path is symbolized by
5 the proposals contained in the original application and stipulation and leads to the
6 implementation of a modest, but scaleable, DSM program for RMP's Wyoming
7 customers. A more modest approach to both the funding and implementation of a DSM
8 program would allow for the thoughtful identification of both obstacles and additional
9 DSM opportunities over time and, I believe, would ultimately result in the development
10 of a robust and well developed DSM program in Wyoming. I prefer that path.

11 The other path is contained in the Company's amended filing in this proceeding. It
12 assumes a fully developed DSM program on day one and proposes program funding
13 consistent with that assumption. Yet, the Company's proposal fails to incorporate what
14 Commissioner Byrnes has identified as the essential elements of a well developed DSM
15 program in her special opinion rejecting the earlier stipulation.

16 Therefore, my recommendation is that the Commission either pursue a more modest and
17 limited DSM path for RMP's Wyoming customers, with the goal of growing it into the
18 type of program contemplated in the order rejecting the stipulation, or direct the Company
19 to revise the proposal in the amended application to reflect the program anticipated by the
20 Commission in that order. The need for acquiring new resources to serve increasing
21 demands in Wyoming is growing more pressing with every passing day. DSM resources
22 can and should be used to satisfy a portion of that growing demand. However, since the
23 lead time for acquiring both supply side and demand side resources is relatively long, and
24 both are costly in comparison to the average embedded cost of the system, the
25 Commission must ensure that all resource options are cost effective over the long term.
26 Avoiding missteps now will benefit customers over the long term.

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

28 A. Yes, it does.

APPENDIX A

CASES IN WHICH BRYCE FREEMAN HAS PRESENTED TESTIMONY BEFORE THE WYOMING PUBLIC SERVICE COMMISSION AS OF 5/27/08

<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
30022-84-GA-06	Source Gas/Kinder Morgan/KMRUH; Knight HoldCo LLC, Knight Acquisition Co.	2/18/2007	Sale/Acquisition/Reorganization
30085-85-GA-06			
30016-41-GR-06	Pinedale Natural Gas Company	3/21/2007	General Rate Case/ROR
10016-47-CR-06	WYRULEC	7/2/2007	General Rate Case
20003-90-ER-07	Cheyenne Light, Fuel & Power, Inc.	10/22/2007	General Rate Case/WYGEN II Prudence
30005-112-GR-07			
70009-294-TT-07	Embarq Communications	11/2/2007	Access Charges/USF
10016-47-CR-06	WYRULEC	12/10/2007	Amended General Rate Case
20000-277-ER-07	Rocky Mountain Power	3/3/2008	General Rate Case/ROR
20000-264-EA-06	Rocky Mountain Power	5/27/2008	Amended DSM Application

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