

BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE)
APPLICATION OF ROCKY)
MOUNTAIN POWER FOR)
CERTIFICATES OF PUBLIC)
CONVENIENCE AND NECESSITY)
AND NONTRADITIONAL)
RATEMAKING FOR WIND AND)
TRANSMISSION FACILITIES)

Docket No. 20000-520-EA-17
(Record No. 14781)

PUBLIC REDACTED SUPPLEMENTAL DIRECT TESTIMONY OF

Bryce J. Freeman

On behalf of the Wyoming Office of Consumer Advocate

Filed March 2, 2018
Hearing April 9, 2018

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

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

6 **Q. ARE YOU THE SAME BRYCE FREEMAN THAT PREVIOUSLY FILED**
7 **DIRECT TESTIMONY IN THIS PROCEEDING?**

8 A. Yes, I am.

9 **Q. DOES YOUR DIRECT TESTIMONY IN THIS PROCEEDING REMAIN**
10 **UNCHANGED?**

11 A. Yes, it does, subject to my thoughts and opinions expressed here.

12 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL RESPONSE**
13 **TESTIMONY IN THIS PROCEEDING?**

14 A. My supplemental response testimony responds to supplemental information provided by
15 Rocky Mountain Power (RMP) on January 16, 2018 and supplemented again on February
16 16, 2018. In its initial filing in this matter RMP advised the Commission that it would be
17 issuing a Request for Proposals (the 2017R RFP) to solicit up to 1,270 MWs of new wind
18 located in Wyoming. Because the 2017R RFP was issued after the original application
19 was filed, RMP averred that it would be necessary to supplement its original filing with
20 the results of the 2017R RFP when the results became known. RMP filed that updated
21 information on January 16, 2018 with an additional supplemental filing on February 16,
22 2018. I will also respond to some issues discussed by RMP in its rebuttal testimony filed
23 on December 18, 2017.

24 **Q. PLEASE DESCRIBE THE RESULTS OF THE 2017R RFP AT A HIGH LEVEL.**

25 A. Certainly. In its original application in this proceeding RMP proposed to acquire up to
26 1,270 MWs of new Wyoming wind, construct approximately 140 miles of 500 kV

1 transmission, and reconstruct and upgrade its 230 kV system in the vicinity of a proposed
2 new substation, Aeolus, in south central Wyoming. In developing the 2017R RFP, RMP
3 proposed four company benchmark wind projects totaling 860 MWs; TB Flats I and II,
4 McFadden Ridge II, and Ekola Flats. All four of the benchmark projects are in close
5 proximity to the proposed Aeolus substation.

6 As a result of the 2017R RFP, RMP has selected four projects totaling 1,311 MWs of
7 nameplate generation capacity. This satisfies RMP's stated intent in its original
8 application to acquire at least 1,100 MWs of new Wyoming wind. However, during the
9 initial final bid selection process, RMP selected only three of the benchmark projects; TB
10 Flats I and II (now combined as one project; TB Flats) and McFadden Ridge II for a total
11 of 609 MWs. The Ekola Flats benchmark project was not selected as a least cost resource
12 in the initial final bid selection. Instead, two other non-benchmark projects were selected;
13 the 400 MW Cedar Springs project and the 161 MW Uinta project. Together these two
14 projects total 561 MWs.

15 However, when the Company began the process of finalizing the interconnection and
16 system impact studies necessary to integrate the final bid selections into its system, it
17 discovered that it could not integrate the McFadden Ridge II project. This was due to the
18 fact that the McFadden project, which was a Company benchmark submission, had an
19 unfavorable position in RMP's interconnection queue in comparison to some other projects
20 in the queue. Essentially, in order to integrate McFadden, RMP would have had to build the
21 Gateway South transmission project which would have killed the economics of the
22 combined projects. Instead, the Company selected the Ekola project, which can be
23 integrated into its system, and has favorable economics as discussed more fully below. So,
24 in addition to the Ekola project, the combined wind projects continue to include TB Flats,
25 Cedar Springs and Uinta.

26 **Q. IS THERE A DISCONNECT BETWEEN THE AMOUNT OF WIND**
27 **GENERATION CAPACITY THE COMPANY NOW EXPECTS TO ACQUIRE**
28 **AND THE AMOUNT OF TRANSMISSION CAPACITY AVAILABLE TO**
29 **INTEGRATE THAT NEW WIND GENERATION CAPACITY?**

1 A. I thought so when I initially reviewed the February supplement. Recall that in its original
2 filing the Company sought to acquire at least 1,100 MWs of new Wyoming wind and up
3 to 1,270 MWs of new wind. My understanding at that time was that 1,270 MWs was the
4 transfer limit of the planned Aeolus to Bridger 500 kV line. In his February supplemental
5 testimony, Mr. Vail indicates that after completing the system impact studies the Company
6 has determined that the Aeolus to Bridger 500 kV line will be able to connect up to 1,510
7 MWs of new wind in eastern Wyoming. This will more than accommodate the planned
8 acquisition of 1,311 MWs of new wind in the vicinity of the Aeolus substation.

9 **Q. DO THE PROJECTS CONTAINED IN THE 2017R RFP FINAL SHORT LIST, AS**
10 **UPDATED BY THE COMPANY ON JANUARY 16, 2018 AND FEBRUARY 16,**
11 **2018, IMPACT THE PROPOSED TRANSMISSION PROJECTS?**

12 Yes. As reflected in RMP's January 16, 2018 supplemental filing, both the Cedar Springs
13 and Uinta projects are remote from the terminus of RMP's proposed 500 kV transmission
14 line at Aeolus with the Cedar Springs project being located in northeast Converse county
15 and Uinta located in north central Uinta county. Generation from the Cedar Springs project
16 will flow on the proposed 500 kV Aeolus to Bridger/Anticline line. However, generation
17 from the Uinta project, which is located east of Bridger will not flow on the proposed
18 Aeolus to Bridger/Anticline line.

19 Additionally, on February 16, 2018, RMP filed a second supplement to its original filing
20 amending the final shortlist of selected wind projects reflecting the removal of the
21 McFadden Ridge II project and substituting the Ekola Flats project. The Ekola Flats
22 project is in the same general geographic vicinity of the Aeolus substation as McFadden
23 Ridge, but the Ekola project is much larger than McFadden Ridge II, 250 MWs compared
24 to 109 MWs. This difference will also necessitate some changes in the network upgrades
25 necessary to interconnect the Ekola project. However, no changes will be required for the
26 planned Aeolus to Bridger/Anticline 500 kV line.

27 According the supplemental testimony of Mr. Rick Vail on behalf of RMP, the proposed
28 configuration of the Aeolus to Bridger/Anticline line will not change due to the final wind
29 project selection. However, Mr. Vail indicates that additional upgrades will be necessary

1 to RMP's existing Wyoming transmission system to interconnect the Cedar Springs and
2 Uinta wind projects. These additional upgrades will increase the cost of the transmission
3 projects by roughly [REDACTED]. Further, in its February supplement, Mr. Vail indicates
4 that some additional upgrades will be needed to interconnect the Ekola project, beyond
5 what were planned for the McFadden project, which has been replaced by the Ekola
6 project. The Company estimates that these upgrades will add a net [REDACTED]¹ to the cost
7 of the combined projects (combined projects), in addition to the [REDACTED] included in
8 the January supplement.

9 **Q. DO YOU CONTINUE TO BELIEVE THAT THE TRANSMISSION**
10 **INVESTMENTS WILL PROVIDE RELIABILITY BENEFITS AND RELIEVE**
11 **CONGESTION IN RMP'S EXISTING EASTERN WYOMING TRANSMISSION**
12 **NETWORK?**

13 A. Yes. As I stated in my direct testimony in this proceeding, RMP's transmission system in
14 eastern Wyoming is heavily utilized. Currently, RMP re-dispatches generation in eastern
15 Wyoming to accommodate existing wind generation, which is zero fuel cost energy, and
16 to take advantage of attractively priced generation that is frequently available in the energy
17 imbalance market. No additional generation resources can be interconnected in eastern
18 Wyoming without upgrading the transmission network. Additionally, because of the
19 configuration of the existing system, RMP is unable achieve re-dispatch of its eastern
20 Wyoming generation resources in the most efficient manner. For example, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Construction of the new 500 kV line would help
24 to alleviate that problem.

¹ Mr. Vail indicates that some upgrades necessary for the Cedar Springs project when the McFadden project was included will be deferred since the Ekola project has been substituted for the McFadden project.

1 Moreover, as discussed in my direct testimony, RMP's eastern Wyoming transmission
2 system suffers from chronic voltage and dynamic stability issues, and frequently is subject
3 to de-rating in order to maintain system stability and comply with requisite performance
4 standards adopted by the Western Electricity Coordinating Council (WECC). The network
5 upgrades, and the new Aeolus to Bridger/ Anticline 500 kV transmission line in particular,
6 would have a positive impact on voltage support and dynamic stability in eastern
7 Wyoming. Additionally, as shown in my direct testimony, these transmission investments
8 would help reduce transmission system losses.

9 However, as I described in my direct testimony, RMP is currently "living within its means"
10 regarding the existing transmission system in eastern Wyoming. Living within its means
11 requires RMP to operate its system in compliance with existing performance standards
12 which may result in less than optimal system efficiency when generation dispatch is
13 accounted for. Still, living within its means may be a less expensive alternative than the
14 approximately [REDACTED] investment that RMP is proposing in this case, all else being
15 equal. But for the opportunity to invest in the wind projects and acquire the associated
16 federal Production Tax Credits (PTCs), continuing to live within its means, at least for the
17 foreseeable future, might well be a more attractive alternative for customers than the
18 proposed transmission investments.

19 **Q. IN YOUR DIRECT TESTIMONY YOU FOUND THAT THE ECONOMICS OF**
20 **THE COMBINED PROJECTS RELIED ENTIRELY ON RMP'S ABILITY TO**
21 **CAPTURE THE PTCs ASSOCIATED WITH THE WIND PROJECT. IS THAT**
22 **STILL THE CASE?**

23 **A.** Yes. Without the PTCs to offset the cost of the combined projects, the investment in new
24 wind and transmission would add substantially to RMP's rate base and put significant
25 upward pressure on rates, as discussed at length in my direct testimony. If RMP is able to
26 complete the combined projects by December 31, 2020, and thereby capture the PTC
27 revenue produced by the wind projects, there will be a modest benefit to customers that
28 accrues over time. Without the PTC revenue, the combined projects will be very costly to
29 customers.

1 **Q. DO THE UPDATES IN THE SUPPLEMENTAL TESTIMONY REFLECT ONLY**
2 **THE RESULTS OF THE 2017R RFP?**

3 A. No. In its supplemental testimony and analysis RMP updated its original analysis to reflect
4 not only the results of the final short list wind projects, but also updated assumptions
5 regarding forward fuel and wholesale electricity prices, loads, CO₂ prices and other
6 assumptions. Importantly, RMP incorporated the impact of the “Tax Cut and Jobs Act”
7 passed by Congress in late 2017 on its original economic analysis. In its February
8 supplemental filing the Company indicates that total capital costs for the combined
9 projects will increase by approximately \$225 million from \$2 billion to \$2.25 billion. This
10 is the result of not only net additional capital costs for the transmission upgrades of about
11 [REDACTED], but increased capital cost for the larger Ekola project substituted for the
12 smaller McFadden project; this results in additional capital for the wind generation projects
13 of about [REDACTED].

14 **Q. WHAT IMPACT DO THESE UPDATES HAVE ON THE RESULTS OF THE**
15 **ECONOMIC ANALYSIS PROVIDED BY THE COMPANY IN ITS INITIAL**
16 **FILING?**

17 A. According to the Company’s supplemental filing the updates are a bit of mixed bag. The
18 updates related to the federal tax code changes tend to diminish the value of the PTCs since
19 there is a smaller tax obligation to offset with the PTCs. Reductions in the projected price
20 of natural gas and CO₂ also tend to diminish the relative value of the wind projects since
21 natural gas fired generation would be somewhat less expensive in comparison to wind
22 generation. However, zero fuel cost resources would still offset higher cost power
23 purchases.

24 In his second supplemental testimony on behalf of the Company, Mr. Link testifies that
25 with the substitution of Ekola for McFadden, on a per kW basis, the cost of the combined
26 projects will actually drop in comparison to what was included in the supplemental filing
27 made by the Company in January. For example, as explained by Ms. Crane, the projected
28 cost of the new wind generation contained in the Company’s original filing was about
29 \$1,590 per kW, \$1,320 per kW in the first supplemental filing, and with the substitution

1 of Ekola for McFadden in the second supplemental filing, is down to \$1,320 per kW, or
2 about an 18% reduction from the original filing.

3 **Q. WHAT IS THE IMPACT OF THE NEW CAPITAL COSTS AND OTHER**
4 **UPDATED ASSUMPTIONS ON THE OVERALL ECONOMICS OF THE**
5 **COMBINED PROJECTS?**

6 A. According to the testimony of Mr. Link in his second supplement, the economics of the
7 combined projects just keep getting better. RMP originally estimated customer benefits
8 from the construction of the combined projects would be in the range of \$137 million over
9 the period 2017 through 2050, based on a medium gas and CO₂ price policy scenario. In
10 his supplemental testimony filed on January 16, 2018, Mr. Link estimated the customer
11 benefits at \$151² million. Remember that his analysis in January still included the
12 McFadden project as well as the Cedar Springs and Uinta projects that were selected in
13 the final short list. In his February update, which substitutes Ekola for McFadden, Mr.
14 Link now estimates the customer benefits of the combined projects over the period 2017
15 to 2050 to be approximately \$167³ million in the medium price policy scenario.

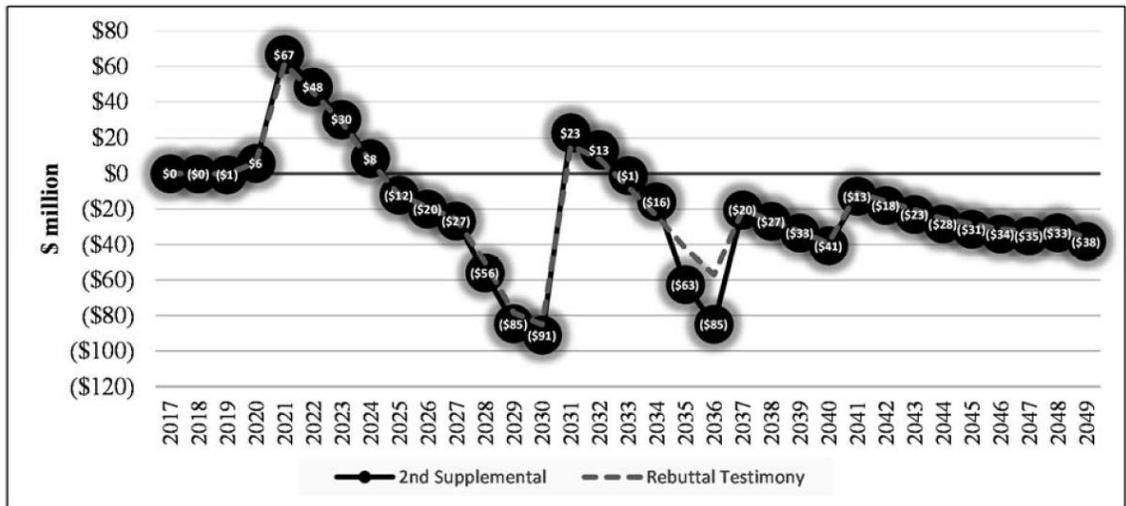
16 As described in Ms. Crane's testimony, the first year revenue requirement of the latest
17 update will be slightly less than that of the original filing but slightly more than that
18 reflected in the first supplemental filing, at 1.9%. The revenue requirement impacts for
19 the first and second supplemental filings are 1.6% and 1.7% respectively. This increased
20 revenue requirement will decline but persist through the first four years of the period.
21 Thereafter, the combined projects, based on the projected PTC revenue, will provide
22 customer benefits until the PTCs expire in 2030, at which time the combined projects will
23 be a cost to customers for two years. Over the period 2033 to 2050 the projects will provide
24 net benefits to customers. It is instructive to review the estimated revenue requirement

² From RMP's Corrected Supplemental Filing received on February 23, 2018, the best information available to the OCA at the time this testimony was drafted.

³ Ibid.

1 impacts of the combined projects contained in Mr. Link’s direct, supplemental and second
 2 supplemental testimony on a side-by-side comparison. I have provided each of those
 3 charts below⁴:

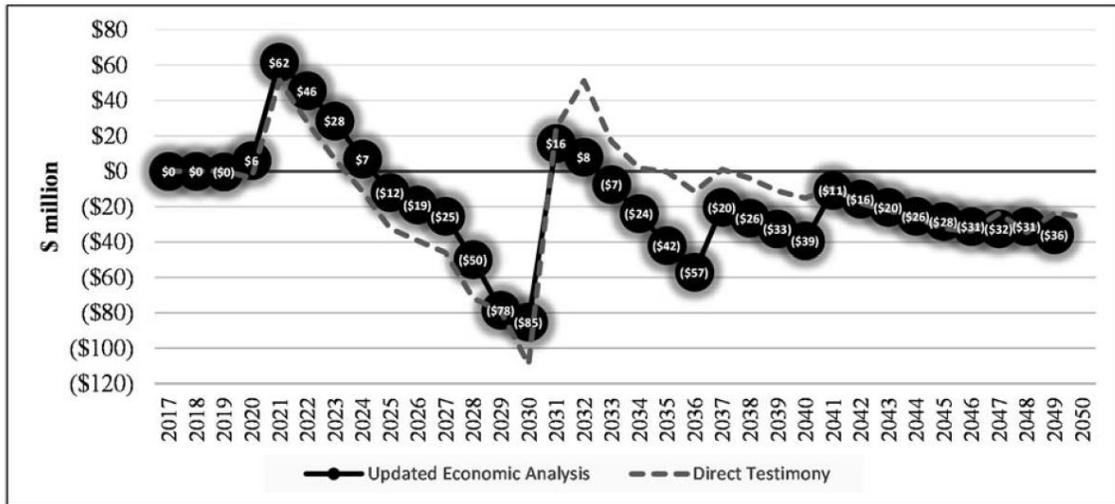
**CORRECTED Figure 1-SS Updated Total-System Annual Revenue Requirement
 With the Combined Projects (Benefit)/Cost (\$ million)**



4

⁴ From RMP’s Corrected Supplemental Filing received on February 23, 2018, the best information available to the OCA at the time this testimony was drafted.

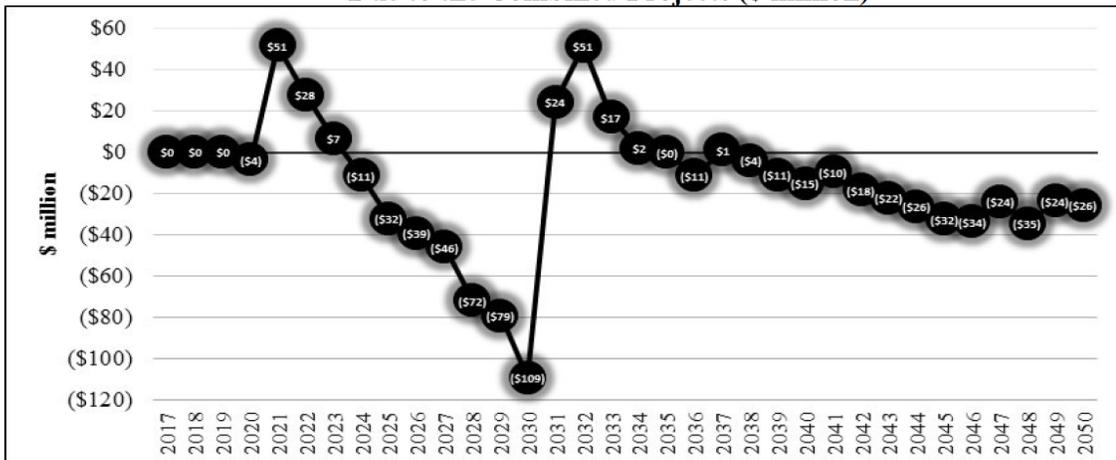
CORRECTED Figure 5-SD Updated Total-System Annual Revenue Requirement With the Combined Projects (Benefit)/Cost (\$ million)



1

2

Figure 5. Total-System Change in Annual Revenue Requirement Due to the Combined Projects (\$ million)



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4

5

These charts show how the shape of the estimated revenue requirement impact has changed as the Company has firmed up its plans for the combined projects.

6

7

8

Q. DO YOU HAVE ANY REASON TO DOUBT THE VERACITY OF THE COMPANY'S ANALYSIS REGARDING THE ECONOMICS OF THE COMBINED PROJECTS?

1 A. No, I do not. As I indicated in my direct testimony, the Company's analyses supporting
2 the combined projects is essentially an extension of the Company's Integrated Resource
3 Planning (IRP) analysis. RMP's IRP process is a robust and exhaustive process with ample
4 opportunity for input from interested stakeholders. In the analysis provided in this case the
5 Company has studied nine distinct price policy scenario alternatives and other sensitivities,
6 including the impact of its companion wind repowering proposal on the economics of the
7 combined projects. This analysis shows that the combined projects will benefit customers
8 in all nine of the price policy scenarios over the period to 2036, and seven out of the nine
9 price policy scenarios over the period to 2050. Only if gas and CO2 prices remain low
10 over that entire period would customers be burdened with a cost rather than a benefit from
11 the combined projects. In my view, it is more likely, on balance, that customers will benefit
12 rather than be harmed. I do, however, even at the higher estimated benefits shown in the
13 February update, believe that the potential benefit to customers is modest and will accrue
14 over time, and only if the Company is able to develop the combined projects exactly as
15 planned.

16 **Q. IS THERE A RISK THAT THE COMPANY WILL NOT BE ABLE TO DEVELOP**
17 **THE PROJECTS AS PLANNED?**

18 A. Yes. As I indicated in my direct testimony, the economics of the combined projects turn
19 on RMP's ability to realize the PTCs that will be produced by the new wind projects. To
20 the extent that RMP is unable to complete the projects by December 31, 2020, the wind
21 projects will not qualify for the PTCs which will turn the economics of the combined
22 projects upside down from customers' perspective. That risk has not diminished with the
23 filing of either the January or February supplemental filings. If anything, the risk has
24 increased by virtue of the risk associated with the delay in finalizing the wind project
25 selections. And, as I stated in my direct testimony, this risk is asymmetric. If the combined
26 projects are constructed according to plan, customers will see a modest benefit and the
27 Company will be able to recover a return on and of its investment. If, on the other hand,
28 the Company is unable to finish the combined projects in time to claim the federal PTCs,
29 customers will be burdened with huge costs while the Company will simply place the
30 investment in rate base and recover a return on and of that investment over its useful life.

1 **Q. WHAT ARE THE RISKS ASSOCIATED WITH THE COMBINED PROJECTS?**

2 A. They are essentially the same risks enumerated in my direct testimony. First, there is the
3 risk that the current regulatory process will delay the start of construction to the point that
4 RMP is unable to meet its construction schedule. The recent dust up regarding the
5 McFadden versus Ekola project is an example of the sorts of regulatory delays that might
6 ultimately doom construction of the combined projects.

7 In addition, the Company is in the early stages of acquiring the rights of way necessary to
8 construct the combined projects and there are still a number of permits outstanding from
9 state and local governments that must be obtained before construction can begin. The
10 number of interveners in this proceeding raising property rights issues is testament to the
11 fact that acquiring the necessary rights of way won't be easy or inexpensive. There is also
12 one intervener who is also a wind project developer and it is my understanding that this
13 intervener will raise questions about the propriety of the 2017R RFP process itself. If not
14 resolved satisfactorily by the Commission, that party would certainly have the right to
15 appeal a Commission decision which could lead to further delay.

16 **Q. WHAT OTHER FACTORS MIGHT KEEP RMP FROM PLACING THE**
17 **COMBINED PROJECTS INTO COMMERCIAL SERVICE BY DECEMBER 31,**
18 **2020?**

19 A. As I stated in my direct testimony, there is a litany of risks beyond permitting and right of
20 way acquisition that could delay the projects, including weather, supply disruptions,
21 delivery delays, difficulty in hiring and maintaining a sufficient labor force, and probably
22 other factors that I haven't thought of. It could also be the case that some of these issues,
23 while they may not cause RMP to miss the 2020 deadline, could turn out to be far more
24 expensive than anticipated.

25 For example, right of way acquisition costs could exceed RMP's projections, particularly
26 if the Company is forced to resort to eminent domain proceedings. Faster production and
27 delivery of the wind and transmission components is probably feasible, but at a cost. It is
28 true that almost no obstacle can't be overcome with enough money. In my view, any one
29 of these factors by itself could delay the commercialization of the combined projects

1 beyond the December 31, 2020 deadline. Yet, RMP seems to be supremely confident that
2 it can complete the projects on time and on budget. I am less confident, but hope springs
3 eternal.

4 **Q. HAVE YOU SOFTENED YOUR VIEW ON THE RISK ASSOCIATED WITH THE**
5 **COMBINED PROJECTS SINCE YOU FILED YOUR DIRECT TESTIMONY?**

6 A. Yes, if ever so slightly. In my direct testimony I identified a number of exogenous risk
7 factors that the Commission should consider in making its determination in this case. For
8 example, I identified the possibility that the Wyoming Legislature might increase the
9 Wyoming wind production tax or that Congress might act to diminish or eliminate the
10 federal PTC. In my direct testimony I argued that RMP shareholders should bear all of the
11 risk, both endogenous and exogenous.

12 In its rebuttal testimony, RMP argued that shareholders should not be solely responsible
13 for endogenous risks that are beyond the control of Company management. Upon further
14 reflection, I agree, although I am not advocating in this proceeding that shareholders be
15 relieved of any responsibility for such risk. Rather, those types of risks are better addressed
16 in the context of a rate proceeding when they can be fully fleshed out and appropriately
17 reflected in rates. This is consistent with the Commission's past practice, as well as with
18 basic regulatory principles underpinning the regulatory process. History shows that
19 regulated utilities are not typically held liable for exogenous risks such as governmental
20 impositions. Rather, it is the reaction to management of those risks by the Company that
21 is held to account in the rate making process.

22 At any rate, it now appears that after the passage of the "Tax Cut and Jobs Act" (TCJA)
23 passed by Congress in December of last year, the federal wind PTCs are safe for the time
24 being. Further, a possible increase to the Wyoming wind tax that I called out in my direct
25 testimony will almost certainly not be enacted during the 2018 legislative session, although
26 it may be resurrected in the future. However, upon reflection, it would be unfair, as well
27 as perhaps imprudent, to make RMP's shareholders unilaterally responsible for all future
28 risks that are arguably beyond its control. Taken to its logical end, such an argument would
29 almost certainly mean that RMP would never build anything. Imagine if RMP had known

1 that it would be held responsible for environmental regulations enacted in the last decade
2 when it finished the last Bridger unit in 1981. I'm certain that RMP would not have made
3 that investment. The same is true for an increase in the wind production tax, or any other
4 government imposed tax or regulation that might be enacted in the future. Utility
5 shareholders are risk averse and would not likely take that bet.

6 **Q. WHAT ABOUT THE RISKS THAT THE UTILITY CAN CONTROL**
7 **REGARDING THE COMBINED PROJECTS IN THIS PROCEEDING?**

8 A. I continue to believe that those risks are appropriately placed squarely on shareholders.
9 Obviously, those are not risks that can be controlled or even managed by customers. In
10 my view, due to the time limited opportunity associated with the federal PTCs, the risks in
11 this case are extraordinary and are simply not comparable to the risks that are attendant to
12 a typical utility CPCN filing. The Company remains confident that it can manage those
13 risks and as such it should assume those risks.

14 **Q. HOW SHOULD THE COMMISSION ADDRESS THOSE RISKS IN ITS**
15 **DETERMINATION IN THIS PROCEEDING?**

16 A. If the Commission is inclined to grant the CPCN sought by RMP in this proceeding it
17 should make clear that shareholders will be held accountable for the risk that the combined
18 projects are not completed by December 31, 2020. The Commission should also make
19 clear in its order approving the CPCN, if the Commission issues such an order, that if RMP
20 fails to obtain the PTCs as planned, sufficient revenue will be imputed in a future rate case
21 where these investments are at issue, to offset the missing PTCs, at least to the extent that
22 customers are held harmless with regard to construction of the combined projects.

23 **Q. HAS YOUR OPINION REGARDING THE RTM CHANGED SINCE YOU FILED**
24 **YOUR DIRECT TESTIMONY?**

25 A. No. I continue to believe that the RTM proposed by RMP in this proceeding is overly
26 complex, burdensome and unnecessary. While I agree with Ms. Steward of the Company
27 that the regulatory matching principle dictates that costs and revenues from the combined
28 projects should be reasonably matched, my view continues to be that, that is best

1 accomplished in the context of a general rate proceeding where all costs and revenues can
2 be matched. In her rebuttal testimony, Ms. Steward welcomed my offer to use a future
3 test year to ensure that costs and revenues from the combined projects are properly
4 matched, but expressed doubt that such an approach would be universally accepted by all
5 other parties in a future rate case. For my part, I would not be offended if the Commission
6 found that a future test year, or a test year that incorporated all known and measurable
7 changes attributable to the combined projects, to be prudent in the context of this CPCN
8 proceeding, particularly in view of the RTM alternative proposed by RMP.

9 **Q. PLEASE SUMMARIZE YOUR SUPPLEMENTAL TESTIMONY IN THIS**
10 **PROCEEDING.**

11 A. Certainly. By way of summary I want to emphasize the following points:

- 12 • I believe that the new 500 kV line from Aeolus to Bridger/Anticline and the lower
13 voltage network upgrades proposed by RMP in this case will relieve congestion
14 and enhance reliability on the Company's eastern Wyoming system.
- 15 • I agree that if the combined projects are constructed according to RMP's plan and
16 result in RMP receiving the federal PTC's it anticipates, the combined projects
17 will result in a modest benefit to customers that will accrue over time.
- 18 • In my view, there is considerable risk that the combined projects will not meet the
19 commercial operation deadline of December 31, 2020.
- 20 • If the Company fails to achieve commercial operation by 2020, the Commission
21 should require the Company to impute sufficient revenue in a rate case proposing
22 recovery of these investments to at least hold customers harmless from the
23 Company's failure to obtain the requisite PTC's.
- 24 • The Commission should reject the Company's proposed RTM in favor of
25 traditional recovery of the Company's investments in the combined projects. In
26 that regard, the Commission may desire to specify a future test year that
27 appropriately matches the costs and benefits of the combined projects.

1 **Q. DOES THAT CONCLUDE YOUR SUPPLEMENTAL TESTIMONY IN THIS**
2 **PROCEEDING?**

3 A. Yes, it does, although I would note that RMP filed a correction to its supplemental
4 testimony as I was preparing this testimony. I have done my best to incorporate those
5 changes into my testimony given the limited amount of time available to review them. To
6 the extent that RMP provides any additional corrections to its Application or testimony in
7 this proceeding, I would certainly reserve my right to address those corrections in
8 additional supplemental testimony or at the time of the hearing in this matter.

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AFFIDAVIT, OATH AND VERIFICATION

Bryce J. Freeman (Affiant) being of lawful age and being first duly sworn, hereby deposes and says that:

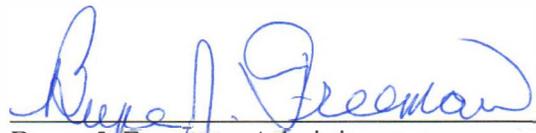
Affiant is the Administrator of the Office of Consumer Advocate which is a party intervenor in this matter pursuant to its Notice of Intervention filed on July 19, 2017.

Affiant prepared and caused to be filed the foregoing testimony. Affiant has, by all necessary action, been duly authorized to file this testimony and make this Oath and Verification.

Affiant hereby verifies that, based on Affiant's knowledge, all statements and information contained within the testimony and all of its attached schedules are true and complete and constitute the recommendations of the Affiant in his official capacity as Administrator of the Wyoming Office of Consumer Advocate.

Further Affiant Sayeth Not.

Dated this 23rd day of February, 2018.



Bryce J. Freeman, Administrator
Wyoming Office of Consumer Advocate
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Cheyenne, WY 82002
(307) 777-5742

STATE OF WYOMING)
) SS:
COUNTY OF LARAMIE)

The foregoing was acknowledged before me by Bryce J. Freeman on this 23rd day of February, 2018. Witness my hand and official seal.

Betty M Abernethy

Notary Public

My Commission Expires: *1-10-19*



CERTIFICATE OF SERVICE

I hereby certify that on March 2, 2018, I served the foregoing Direct Testimony of Bryce Freeman by delivering copies thereof to the individuals/entities below, by the method(s) indicated:

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