

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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	)	<b>DOCKET NO. 15-035-03</b>
<b>IN THE MATTER OF THE</b>	)	
<b>APPLICATION OF ROCKY</b>	)	<b>Exhibit DPU 2.0 Dir Supplemental</b>
<b>MOUNTAIN POWER TO INCREASE</b>	)	
<b>THE DEFERRED EBA RATE</b>	)	<b>Testimony and Exhibits</b>
<b>THROUGH THE ENERGY</b>	)	
<b>BALANCING ACCOUNT</b>	)	<b>Richard S. Hahn</b>
<b>MECHANISM.</b>	)	<b>and</b>
	)	<b>Dan F. Koehler</b>
	)	

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**FOR THE DIVISION OF PUBLIC UTILITIES  
DEPARTMENT OF COMMERCE  
STATE OF UTAH**

**Testimony of**  
**Richard S. Hahn**  
**and**  
**Dan F. Koehler**

**July 30, 2015**

ATTACHMENTS

Exhibit DPU 2.2 Dir Supp, La Capra Associates Revised EBA Audit Report for Calendar Year 2014 – Public Executive Summary (redline version)

Exhibit DPU 2.2 Dir Supp, La Capra Associates Revised EBA Audit Report for Calendar Year 2014 – Public Executive Summary (clean version)

Confidential Exhibit DPU 2.3 Dir Supp, La Capra Associates Revised EBA Audit Report for Calendar Year 2014 (redline version)

Confidential Exhibit DPU 2.3 Dir Supp, La Capra Associates Revised EBA Audit Report for Calendar Year 2014 (clean version)

1 **I. Introduction**

2 **Q: Please state your names, business address and titles.**

3 A: My name is Richard S. Hahn. I am employed by La Capra Associates, Inc. (“La Capra  
4 Associates”) as a Principal Consultant. My business address is One Washington Mall,  
5 Boston, Massachusetts, 02108.

6 My name is Dan F. Koehler. I am employed by La Capra Associates as a consultant. My  
7 business address is One Washington Mall, 9th Floor, Boston, Massachusetts 02108

8 **Q: Did you previously file testimony in this docket (15-035-03)?**

9 A: Yes.

10 **Q: What is the purpose of the supplemental testimony that you are now filing?**

11 A: We are filing supplemental direct testimony to address additional information that has  
12 been provided to us since we finalized our Energy Balancing Account (EBA) audit report  
13 dated July 15, 2015. Specifically, the Company has provided additional information on  
14 the impact on the EBA of an outage at one of its peaking units as well as the reasoning  
15 behind certain power physical balancing transactions during extreme winter conditions in  
16 February. In addition, we correct a typographical error that appeared on page 21 in our  
17 original report. We are filing revised redline and clean versions of our confidential audit  
18 report and public executive summary reflecting the above changes.

19 **Q: What changes have you made to your report with regard to the peaking unit  
20 outage?**

21 A: In its response to OCS Data Request 2.5, the Company estimates the replacement power  
22 costs associated with an outage at one of its peaking units to be \$25,808. We accept this

23 estimate, and we recommend that replacement power costs be removed from the EBA  
24 and Company-wide NPC costs should be reduced by \$25,808 as a result of this outage.  
25 Our recommendation for total reductions to Company-wide NPC costs is now  
26 \$1,213,050, compared to \$1,187,242 in our July 15, 2015 report. The impact of these  
27 recommendations on Utah's EBA deferral balance is calculated in the supplemental  
28 testimony and exhibits of Division Witness Matthew Croft.

29 **Q: Does this conclude your testimony?**

30 **A:** Yes.

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