BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Modification of Contract Term of PURPA Power Purchase Agreements with Qualifying Facilities	)))))))))	**DOCKET NO. 15-035-53** **Exhibit No. DPU 1.0 DIR** **Direct Testimony of** **Charles E. Peterson**

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

Direct Testimony of

Charles E. Peterson

September 16, 2015

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I. INTRODUCTION

Q. Please state your name, business address and title.

A. My name is Charles E. Peterson. My business address is 160 East 300 South, Salt Lake City, Utah 84114. I am a Technical Consultant in the Utah Division of Public Utilities (Division, or DPU).

Q. On whose behalf are you testifying?

A. The Division.

Q. Would you summarize your background for the record?

A. I am currently a Technical Consultant for the Division. I have been employed by the Division for 10 years, during which time I have filed testimony and memoranda with the Commission involving a variety of economic, financial and policy topics.

Most significant for this docket is that I have been the primary Division staff person reviewing power purchase agreements (PPAs) under Schedule 38 for five or more years and I testified as one of the Division's witnesses in Docket No. 12-035-100, in which the Commission considered changes to the method used for computing avoided costs for

qualifying facilities (QFs) under Schedule 38. More recently, I filed testimony on behalf of the Division in the wind and solar QF capacity contribution determination phase in Docket No. 14-035-140.

I have an M.S. in Economics and Master of Statistics degree, both from the University of Utah. My resume is attached as DPU Exhibit 1.1 DIR.

Q. What is the purpose of your testimony in this matter?

A. I present the Division's analysis and comments concerning the request by PacifiCorp, dba Rocky Mountain Power (PacifiCorp, or the Company), for a reduction in the length of new QF contracts to a maximum term of three years.[1]

As explained below, at this time the Division favors a maximum contract term of five years with a capacity payment based upon a twenty year analysis.

Q. Please briefly outline your understanding of the issues raised by PacifiCorp in this matter.

A. PacifiCorp in its Application and supported by testimony of its witness Mr. Paul H. Clements raises the following issues:

[1] Application of Rocky Mountain Power, May 11, 2015, page 1.

- There has been a "dramatic increase in QF pricing requests" for contracts under PURPA[2] over the last two or three years.[3]
- If all of the potential projects come about, the Company could be forced to purchase more power from QFs than it needs for its total load.[4]
- The Company does not need additional power now, and does not expect to need additional resources[5] for ten or more years in the future.[6]
- Ratepayers are being asked to pay higher prices to support new QF contracts than they might have to pay in the future without the QF contracts.[7]
- 20-year contract terms are inconsistent with the Company's risk management policies and the hedging policies that resulted from the hedging collaborative with regulators and ratepayers.[8]

The implication of the extreme case where QF generation exceeds the Company's load is that the Company would have to idle all of its owned generation fleet (including its own renewable resources), and/or sell excess power into the wholesale markets, perhaps at a loss.

[2] PURPA refers to the Public Utilities Policies Act of 1978, as amended.
[3] Application, page 6, supported by the Direct Testimony of Paul H. Clements, Docket No. 15-053-53, May 2015, pages 2 and 10-13.
[4] Clements, pages 2-3 and 10-13.
[5] In the Company's 2015 Integrated Resource Plan, the Company indicates that it will meet increasing demand primarily with demand side management/efficiency programs and short-term contracts referred to as front office transactions. See PacifiCorp 2015 Integrated Resource Plan, Table 1.1, page 2. http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Integrated_Resource_Plan/2015IRP/PacifiCorp_2015IRP-Vol1-MainDocument.pdf (last accessed September 15, 2015).
[6] Application pages 7-8; Clements, Ibid.
[7] Application, pages 8-9; Clements, pages 10-13 and 21-22.
[8] Application, pages 11-13; Clements, pages 15-20.

It also seems likely that severe system reliability issues could arise given the intermittent, non-dispatchable nature of much of the current QF development.

Q. Please outline your testimony.

A. I will discuss the Division's viewpoint concerning the issues raised by the Company as well as consider some questions and issues not raised by the Company in the direct testimony filed by Mr. Clements. First I will discuss the potential for massive inclusion of non-dispatchable renewable energy on the Company's system and preliminary ramifications of that potential. Then, I will discuss the hedging issue brought up by Mr. Clements. Next, I will discuss the question of renewable project financing and the possibility of future renewable QF development in Utah should the Commission adopt the Company's proposal. Finally, I will briefly discuss the recent Idaho commission order which established a two-year term for QF contracts as well as discuss some additional items.

II. POTENTIAL RENEWABLE GENERATION CAPACITY IN THE PRICING QUEUE

Q. Please briefly describe the issue related to the amount of potential capacity in the Company's pricing queue.

A. In its Application and the direct testimony of Mr. Clements, the Company indicates that "The Company currently has 1,041 megawatts[9] ("MW") of existing PURPA contracts in Utah and 2,253 MW of proposed PURPA contracts in Utah, together totaling 3,294 MW of nameplate

[9] Unless specifically noted, values in my testimony are rounded to the nearest full MW.

capacity. The 3,294 MW of existing and proposed PURPA contracts in Utah at their nameplate capacity would be enough to supply 111 percent of the Company's average Utah retail load…."[10]

Q. If much of this potential capacity is actually built, what does the Division believe will be the ultimate effect on ratepayer prices?

A. The Division can only speculate at this time. However, it seems likely that an obligation for the Company to purchase such a large amount of additional energy and capacity through QF projects would mean that the Company may have to idle much of its existing fleet during certain times of the day, keep some of it running as back-up and balancing reserves for the intermittent wind and solar resources, and sell excess power into the wholesale markets, possibly at unfavorable prices. It does not appear to the Division likely to create an efficiently operating electric service system.

Q. Won't lower avoided cost prices ultimately create a ceiling on the amount of QF energy that will be offered to PacifiCorp?

A. Yes. However, at this time it is unknown how much potential capacity might be realized before low prices completely discourage the creation of new supply. The problem with predicting at what point new supply of QF energy might cease is that there are a number of moving parts. Besides the avoided cost prices offered by the utility, there are large government subsidies that have no direct connection to the actual supply and demand for

[10] Clements, page 2.

electricity that make up a large part of QF economics. Second, the Division understands that the cost of new QF plant is trending downwards. Finally, there are new financing opportunities that are opening up new sources of financing for these projects at potentially reduced costs. All of this is happening within the environment of Federal law mandating that utilities purchase all of the power generated by QFs.

Q. Didn't the Division and other parties successfully recommend to the Commission amendments to Schedule 38 in Docket No. 14-035-140 that had the intent of gaining more control over the pricing queue and to reduce the number of projects in the queue?

A. Yes, that was part of the purpose behind the amendments to Schedule 38. The hope, in part, was that speculators and those with otherwise unviable projects would be discouraged from holding positions in the queue for long periods of time: i.e. developers are required to either move forward with their projects in a timely fashion, or release their position in the queue to those who are ready to move forward.

Q. Have those changes to Schedule 38 had the desired effect?

A. The Division believes that insufficient time has elapsed since the approval of the recommended changes coming out of Docket No. 14-035-140 to see much of an effect. The Commission approved the stipulation amending Schedule 38 in an order dated June 9, 2015; the Commission approved the new capacity contribution values for wind and solar plants in its order dated June 26, 2015. These orders came out approximately a month or more after the Company filed its Application in this docket. The Division believes that it will take

several months following the issuance of those orders to see whether or not the changes are having any effect on QF development. The Division notes too, that there are other significant forces at play such as the December 31, 2016 deadline for QF operations after which the federal subsidies will be reduced that may confound attempts to definitively determine the effects of the changes to Schedule 38 on the number of projects in the pricing queue.

III. HEDGING WITH RENEWABLE QFs

Q. What is the issue with long-term renewable contracts and hedging?

A. The Company, correctly, observes that it does not generally hedge beyond 36 months. Indeed, in what is referred to as the Hedging Collaborative, the Company, regulators, and interested parties agreed to general rules that the Company would follow in its natural gas and electricity hedging program, which included the 36 month limit.[11] Briefly, the Company enters into contracts as part of its hedging program in order to stabilize prices and assure supply at stable prices. While not rejecting the claimed benefits of hedging outright, the parties in the Hedging Collaborative believed that the Company was previously hedging too much of its expected future needs too far out into the future (at the time the Company said it was going out 48 months). The result of the Hedging Collaborative, was an agreement to reduce the maximum time to 36 months and reduce the percentage of expected needs that could be hedged out to 36 months.

[11] The Company may seek Commission approval to enter into specific longer-term agreements when it appears to be in the public interest to do so. Any longer-term hedges count toward the hedging limits imposed under the Hedging Collaborative Agreement. So far, the Company has sought approval one time in Docket No. 12-035-102.

To the extent that a fixed-price twenty-year contract is viewed as a price hedge, the term is clearly far beyond what parties and regulators considered reasonable in other contexts. Furthermore, as described above there are limits imposed on the total percentage of future needs that the Company may hedge. Under PURPA as it is presently written, there is no limit on the amount of QF energy a utility must purchase. This situation is also inconsistent with the principles espoused in the Hedging Collaborative to limit the amount of long-term hedging to a fraction of the Company's anticipated need.

Q. Does the Division believe that twenty-year contracts constitute a hedge that is in the public interest?

A. No. As described above, the Company correctly points out that a twenty-year contract is generally inconsistent with the hedging principles agreed upon in the Hedging Collaborative as representing reasonable hedging practices by the Company.

Q. Are there possible justifications for twenty-year QF contracts?

A. Yes. There may be justifications for twenty-year contracts that are not necessarily tied to hedging. The justifications would likely revolve around public policy that determined that twenty-year contracts were in the public interest, probably by legislative determination. (An example of current legislative guidance related to renewable energy is set forth in Utah Code Ann. §54-17-602). For example, it might be determined that Utah must acquire a certain

amount of renewable resources, and that the best way to acquire those resources was to enter into twenty-year contracts.

Q. So, the Division does not consider a twenty-year QF contract to be a price or supply hedge that is in the public interest, is that correct?

A. That is correct. There may be other public policy reasons for allowing, or even encouraging, twenty-year contracts, but the Division does not believe that they can be reasonably considered a good example of electricity price or supply hedging.

Q. The Division has not opposed the twenty-year contract terms to this point, do you have a comment on that?

A. The Division has understood in the past that start-up renewable resource projects required price certainty for an extended period (e.g. twenty years) in order to attract financing. The twenty-year contract necessitates a forecast of future avoided costs by the Company for twenty years, which is all but certain to be wrong, even after a year or two, and consequently puts ratepayers at price risks they may not otherwise have been faced with. This means that ratepayers may not be indifferent to the term for renewable QF contracts. The Division considers the current twenty-year contract term to clearly benefit renewable QF developers and is a concession to a strict ratepayer indifference standard. At the time this concession was made, there was no expectation that there would be large amounts of renewable energy coming into the system via renewable QFs. Indeed, relatively little renewable QF energy has been developed in Utah for sale to PacifiCorp until the last two years or so, and most of that

is still under construction. With this contract term concession to strict ratepayer indifference, the Division increased its focus and concern about keeping ratepayers indifferent regarding the other characteristics of a QF contract: specifically that the pricing does not exceed the best estimate of the avoided cost of the Company at the time the contract was entered into; and that the QF developer make some showing within a reasonable time after the execution of the contract or Commission approval that the project is a real, viable project that the Company and ratepayers can rely on to come online in a reasonable time.

Given the changing circumstances highlighted by the Company in its Application, the Division believes that it is time to reconsider the previous positions related to the term of the QF contracts given the changes in the amount of renewable QF projects potentially coming online including the potential changes in financing discussed briefly below.

IV. PROJECT FINANCING

Q. Does the Division understand that one objection to reducing the QF contract term much below the current twenty-year term is that that will make it difficult, if not impossible, for any further renewable QF development to occur in Utah?

A. The Division understands and expects that that will be one of the objections to reducing the term of QF contracts. Indeed, Mr. Clements in his direct testimony discusses the Idaho experience where the Idaho commission reduced the QF term to five years in the late 1990s and saw little QF activity thereafter. The Idaho commission subsequently raised the term

back to twenty years in 2002.[12] In its latest decision, briefly discussed below, the Idaho Commission reduced the term to two years over the objections of parties who claimed that developers would not be able to get financing.

Q. Does the Division believe this is a valid objection?

A. No. While there may be valid public policy reasons why such a result should be avoided, the Division is unaware of any statute or regulation that requires that the Commission ensure that QF projects are economically viable, or that a certain number QF projects be successfully developed. In Docket No. 12-035-100, certain parties raised the issue of the economic viability (which broadly would also include the ability to obtain financing). The Division responded that "…the Division believes that it is not the regulators' place to ensure that economic success is likely. The Division's position is that the avoided cost pricing that a WQF [wind QF] receives should be high enough such that ratepayers are indifferent between obtaining power from the WQF versus other available resources, but the price should be no higher than that."[13] The Division in that case also quoted from Dr. Bonbright's treatise regarding the use of utility rates to effect social policy:

> "…public utility rates are ineffective instruments by which to minimize inequalities in income distribution and that alternative instruments . . . are better designed to accomplish this objective. . . ."
>
> American rate making has adhered in the main to the standard of service at cost," which in this case is an avoided cost to which the rate payer is indifferent, "and that even most departures therefrom have

[12] Clements, page 8.
[13] Pre-filed Rebuttal Testimony of Charles E. Peterson, Docket No. 12-035-100 (Phase I), December 7, 2012, page 3.

been due to administrative, historical, and business reasons rather than 'social' reasons.[14]

The Division believes Dr. Bonbright's comments continue to be applicable. It remains the Division's position that it is not the regulator's place to ensure economic viability of a QF project or, absent a legislative mandate, to implement social policy.

Q. Does the Division agree, though, that significantly reducing the contract term will make it difficult or impossible for renewable QF developers to obtain financing to build their projects?

A. The Division does not necessarily disagree with that assertion since it has been, essentially, the "received wisdom" for a number of years, and this claim was brought up in the Idaho case briefly discussed below. However, the ability to finance will depend in part on who the developer is and what the purpose of the QF is. For example, bottoming cycle or other co-generation facilities at industrial plants and non-renewable QFs will likely be unaffected by any contract term reduction. Similarly, QF developments funded by municipalities will probably not be affected since they are doing QF projects, presumably, as a matter of the municipalities' public policy and without profit motive.

[14] James C. Bonbright, Principles of Public Utility Rates (New York: Columbia University Press, 1961), republished on the web (July 2005): http://www.terry.uga.edu/bonbright/publications , pages 30 and 115.

Developers who are independent companies in business to develop new green field renewable resources and sell the output to a utility for a significant return on investment are most likely to be effected by any change in the term of the contract. But even with them, the situation may be changing with the rise of very large developers presumably with their own considerable financing arrangements and capabilities, and new financing vehicles that are becoming available.

Q. Could you give some idea about what new financing vehicles you are referring to?

A. Specifically there is a type of financing vehicle that is being used by renewable energy developers referred to as the "yieldco," which is short for "yield" (or dividend paying) company. In a yieldco a number of renewable energy and, perhaps, other projects are bundled into a company and a portion of the stock is sold to the public. The net cash flows from energy projects are used to invest in new projects for the yieldco in order to grow dividends and to pay current dividends to the yieldco shareholders. While the yieldco structure is somewhat like a master limited partnership between the sponsoring developer and the public shareholders, the purpose is to raise money for the developer and to lower the cost of capital. The need for a yieldco to constantly acquire new projects will, potentially, create demand for projects which have, individually, different characteristics and terms. The following links provide new additional details on yieldcos (last accessed September 11, 2015):

http://social.csptoday.com/markets/what-yieldco-finance-can-do-solar-industry

http://about.bnef.com/blog/mccrone-liebreich-yieldcos-two-big-questions/

http://ipu.msu.edu/surfa/presentations/2015/Dumoulin-Smith%20SURFA%20Pres%20-%202015.pdf

https://financere.nrel.gov/finance/content/deeper-look-yieldco-structuring

http://blog.rmi.org/blog_2013_07_17_a_rock_that_churns_out_cash_solar_yieldcos

http://www.forbes.com/sites/tomkonrad/2014/07/16/clean-energy-yield-cos-growing-pains/

Another type of funding is "crowdfunding." Whereby a developer solicits funds directly from large numbers of people, typically over the internet. More information on crowdfunding can be found at the following sites (last accessed September 11, 2015):

http://blog.rmi.org/blog_2013_03_6_Other_Peoples_Money

https://en.wikipedia.org/wiki/Crowdfunding

Finally, some developers may be achieving a size and stability whereby they can obtain favorable financing through traditional bond and stock issuances based more on the size and reputation of the company and not so much on any particular project. For example, in its latest SEC Form 10-Q, SunEdison, Inc. lists its total assets at $17.5 billion as of June 30, 2015, which places it in the top 500 largest publicly traded companies as measured by assets.[15]

Q. Has the Division supported QF Developers getting favorable terms in their contracts?

A. Yes. In several ways. For example, in recently approved solar QFs the Division recommended that PacifiCorp make methodological changes that increased the avoided costs. The Division was prepared to recommend contract amendments that would have

[15] http://www.sec.gov/Archives/edgar/data/945436/000094543615000216/suned-630201510q.htm
Asset size ranking based upon the online data base maintained by Value Line of approximately 6,000 publicly traded companies. Last accessed September 11, 2015.

increased prices if the developers were willing to delay the contract approvals while the amendments were made (they were not). Those changes are expected to be implemented going forward.

The Division has also taken a position favorable to renewable QF developers by advocating that the QF keep renewable energy credits (RECs, or "green tags") unless PacifiCorp explicitly negotiates the acquisition of those RECs from the QF. This serves to keep the environmental attributes with the QF developer who can then benefit from whatever additional value those attributes may have. The Commission accepted the Division's position, which was also advocated by renewable developers and their supporters, in Docket No. 12-035-100.[16]

V. IDAHO DECISION

Q. The Idaho Public Service Commission recently issued a decision on QF terms; what is your understanding of that decision?

A. Because I am not an attorney, my comments are not made as legal analysis or legal interpretation. Idaho utility companies Idaho Power, Avista, and PacifiCorp recently applied to the Idaho commission to reduce the term of QF contracts to five years, or less. This is similar to PacifiCorp's request in this docket. The three utilities, the commission's staff and several large commercial/industrial power and users and some municipalities generally

[16] PSC Order on Phase II Issues, Docket No. 12-035-100, August 16, 2013, pages 7-12.

supported the change. Developers, environmentalist groups, and others opposed the change. In what appears to have been a fully litigated case, the Idaho commission issued its decision on August 19, 2015. The Idaho commission determined that twenty-year contracts were no longer in the public interest and reduced the term to two years.[17]

VI. THE DIVISION'S POSITION IN NON-QF MATTERS AND OTHER CONSIDERATIONS

Q. Has the Division supported long-term contracts in other contexts?

A. Yes. The Division has supported electric service agreements (ESA) of up to about seven-year terms, although somewhat reluctantly. A fairly recent example is the 2006 ESA between PacifiCorp and Nucor Steel. The agreement was for seven years. While recommending approval of the agreement, the Division noted that the length of the agreement was longer than the "Division's policy…to not accept as in the public interest contracts such as these that are longer than five years; preferring in fact that shorter than five years might be better."[18] In that 2006 docket the Division went on to state that "one reason for the Division's position is that a lot of unanticipated events can occur in five years, let alone seven, that could move the contract from being in the public interest to being outside the public

[17] The Idaho commission decision can be found at (last accessed September 11, 2015) http://www.puc.idaho.gov/fileroom/cases/elec/PAC/PACE1503/ordnotc/20150820FINAL_ORDER_NO_33357.PDF.
[18] Division of Public Utilities, "Memorandum," Docket No. 06-035-147, page 5.

interest."[19] Similarly, the Office of Consumer Services (then the Committee of Consumer Services) also has expressed concerns for contracts over five years.[20]

Q. Do these concerns in the ESA dockets parallel the QF power purchase agreements?

A. Yes. The fundamental problem with all of these agreements is that, to a greater or lesser extent, they are based upon forecasts. And the longer the forecast period is, the more likely it is that the forecast will depart substantially from the reality as it actually occurs. Thus the longer the forecast period, the more risk ratepayers in particular take on since they ultimately will likely bear the cost of that departure. This situation is exacerbated under PURPA because the utility continues to be obligated to purchase all of the power that a QF generates even when it makes no economic sense (for the utility and ratepayers) to do so.

Possible Benefits to QF Developers

Q. We have discussed that renewable QF Developers may experience difficulty obtaining financing due to a shortened term. But, are there potential benefits to QF Developers from a shortened term?

A. With a twenty-year fixed price contract signed, a QF project is assumed to be able to earn at least the minimum required return demanded by its investors. But there is an opportunity cost

[19] Ibid.

[20] Testimony of Philip Hayet, Docket No. 06-035-147, Hearing transcript, December 12, 2006, pages 37, 39-40. The Committee of Consumer Services commented on a five year contract term in Docket No. 04-035-68 in its memorandum dated February 16, 2005 stating that "The proposed five-year contract term is acceptable to the Committee. It is consistent with the Committee's recommended contract term for the recent US Magnesium special contract (Docket [No.] 03-035-19)."

to the QF owner. Specifically, the QF project owner foregoes the chance to earn a higher return if the market price of its delivered energy increases above the contractual amount. With a shorter term (e.g. two years in Idaho, or three years under the Company's proposal) the QF has the opportunity to periodically increase its return, either by re-signing with the utility at the then avoided cost or to look for higher-valued alternatives such as it might find selling directly into the spot market, signing a purchased power agreement with another utility, municipality, or large commercial/industrial energy user, or some combination of the those or other possibilities. These opportunities should appeal to the entrepreneurial spirit.

Company Positions in Other Dockets

Q. Has the Company recently taken positions inconsistent with its position in this docket when it was seemingly favorable to the Company to do so?

A. Yes. The Company proposals in the ongoing Docket No. 15-035-61, the Solar Subscriber program, are in consistent with the Company's proposal here. In its original proposal in the Solar Subscriber docket, the Company wants to do a power purchase agreement with third party developer under approximately a twenty-year contract and transfer all risk to ratepayers generally should the program fail to meet its subscription goals.[21] Thus the Company's current proposal in the Solar Subscriber docket increases risk to ratepayers and is contrary to its request for three-year contracts with QF developers here.[22]

[21] Direct Testimony of Paul H. Clements, Docket No. 15-035-61, June 16, 2015, lines 284 and lines 506-508.
[22] See, for example, Clements, Docket No. 15-035-53, pages 14-15.

VII. CONCLUSIONS AND RECOMMENDATIONS.

Q. What are your conclusions?

A. There has been a marked change in the landscape regarding renewable resources and QFs from the time when many of the rules, conditions, or expectations for QF contracts were put in place. The Company's Application in this docket highlights these changes. Many of the issues were previously grappled with by parties and the Commission in Docket No. 14-035-140. The changes made to Schedule 38 along with the updates in the capacity contribution values are expected to resolve some of the problems cited by the Company, but probably not enough time has elapsed to tell if those changes are going to result in an improvement. Also, because the federal production tax credits are scheduled to go away or be reduced after December 31, 2016, it is likely that we are seeing significantly increased activity due to that deadline. Utah regulators, of course, have no control over Federal tax policy.

Q. Does this mean the Division is against reducing the term of QF contracts?

A. No. The Division agrees with the Company that a twenty-year fixed-price QF contract is not an acceptable price hedge. The length of the contracts increases price risk to ratepayers. In other, at least tangentially similar, types of contracts the Division has consistently taken the position that contracts terms, without contract specific extenuating circumstances, should be five years or less.

Given that the neither the Company nor regulators have control over the QF and that the QF keeps the environmental attributes represented by RECs, QF projects may not be an effective hedge for the Company or ratepayers against changing environmental regulations.

The Division, however, believes that the three-year term limit proposed by the Company is lower than the Division believes is necessary to satisfactorily mitigate the Division's concerns.

Q. What is the Division's recommendation?

A. The Division recommends that the Commission adopt a five-year contract term limit for QFs, but with the express provision that a party may propose a longer term if it can show that the longer term is in the public interest under the specific circumstances of a QF contract being brought before the Commission.

For purposes of determining a capacity payment for a five-year contract, the Division is willing to accept the assumption that the QF will renew its contract through twenty years of service. In other words, energy prices would be calculated as they are now, but just for the next five years; but any capacity payments would be set exactly the way they are now based on the present value of the future deferred plant capacity over the next twenty years. This proposal could be viewed as a twenty-year contract with a price reopener every five years, but giving the QF the option every five years to seek higher prices elsewhere.

The Division does not foreclose that there may be alternative solutions to the issues raised in this docket. In that regard, the Division may modify its recommendation if other workable solutions become apparent.

Q. Does this conclude your testimony?

A. Yes.