```
1
 2
       - BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -
 4
 5
     In the Matter of Rocky Mountain)
 6
     Power's Proposed Revisions to )
 7
     Electric Service Schedule
                                 ) DOCKET NO. 15-035-T06
     No. 37, Avoided Cost Purchases )
 8
     from Qualifying Facilities. )
 9
10
11
12
13
                      HEARING TRANSCRIPT
14
                      Salt Lake City, Utah
15
                   Monday, September 14, 2015
16
17
18
                      Before: Thad LeVar
19
                        Commission Chair
20
21
22
23
        Reported by: Daren S. Bloxham, RPR No. 000335
24
25
                          Job no. 259811
```

1	Page 2 Hearing transcript taken at Utah Public Service
2	Commission, located at 160 East 300 South,
3	4th Floor, Salt Lake City, Utah, on September 14,
4	2015, at 9:00 a.m., before Daren S. Bloxham,
5	Certified Court Reporter, in and for the State of
6	Utah.
7	
8	APPEARANCES
9	FOR THE UTAH PUBLIC SERVICE COMMISSION:
10	Thad LeVar, Commission Chair
11	David clark, Commissioner Jordan A. White, Commissioner
12	FOR ROCKY MOUNTAIN POWER:
13	Yvonne Hogle, ESQ. ROCKY MOUNTAIN POWER
14	201 S. Main, Ste. 2400 Salt Lake City, Utah 84111
15	Telephone: (801) 220-4050
16	FOR THE DIVISION OF PUBLIC UTILITIES:
17	Patricia E. Schmid, Esq. ATTORNEY GENERAL'S OFFICE
18	160 East 300 South, Ste. 500 Salt Lake City, Utah 84114
19	Telephone: (801) 366-0353
20	FOR THE OFFICE OF CONSUMER SERVICES:
21	Robert Moore, Esq. OFFICE OF CONSUMER SERVICES
22	170 S. Main, Ste. 400 Salt Lake City, Utah 84101
23	Telephone: (801) 533-8383
24	
25	
1	

HEARING DOCKET NO. 15-035-T06 - 09/14/2015

1	I N D E X	Page 3
2	WITNESS: BRIAN DICKMAN	
3	EXAMINATION	PAGE
4	By: Ms. Hogle	6
5	By: Commissioner Clark	17
6	By: Commissioner LeVar	22
7	WITNESS: ABDINASIR ABDULLE	
8	EXAMINATION	PAGE
9	By: Ms. Schmid	10
10	By: Commissioner Clark	17
11	By: Commissioner LeVar	22
12	WITNESS: BELA VASTAG	
13	EXAMINATION	PAGE
14	By: Mr. Moore	14
15	By: Commissioner Clark	17
16	By: Commissioner LeVar	22
17		
18	EXHIBITS	
19	DESCRIPTION PAGE	ADMITTED
20	Brian Dickman's direct testimony and attached	7
21	Exhibits A through H	
22	Division memorandums	11
23	Comments of Bela Vastag	15
24		
25		

1	Page 4 P-R-O-C-E-E-D-I-N-G-S
2	000
3	COMMISSIONER LeVAR: Good morning. We are
4	here for the time and place for the Public Service
5	Commission hearing in the matter of Rocky Mountain
6	Power's Proposed Revisions to Electric Service,
7	Schedule No. 37, avoided cost purchases from qualified
8	facilities, Public Service Commission Docket
9	No. 15-035-T06.
10	We'll take appearances at this point from the
11	applicant.
12	MS. HOGLE: Good morning, Your Honor.
13	Yvonne Hogle on behalf of Rocky Mountain Power. And
14	with me on the phone today is our witness, Mr. Brian
15	Dickman.
16	COMMISSIONER LeVAR: He's on the phone now?
17	MS. HOGLE: Yes. And behind me is
18	Bob Lively, who's the regulatory affairs manager for
19	the State of Utah.
20	COMMISSIONER LeVAR: Okay. Thank you.
21	Division of Public Utilities?
22	MS. SCHMID: Good morning. Patricia E.
23	Schmid with the Utah Attorney General's Office
24	representing the Division of Public Utilities. And
25	with me is the division's witness is Dr. Abdinasir

Page 5 Abdulle. And would you like me to spell that for the 1 2 court reporter? 3 COMMISSIONER LeVAR: Please. 4 MS. SCHMID: A-B-D-I-N-A-S-I-R, and the last 5 name is A-B-D-U-L-L-E. Thank you. 6 COMMISSIONER LeVAR: Thank you. For the 7 Office? 8 MR. MOORE: Robert Moore for the Office of Consumer Services. I have with me Bela Vastag, a 9 10 utility analyst with the Office. 11 COMMISSIONER LeVAR: Okay. I do not see any 12 other participants present to make an appearance. Any preliminary matters before we go forward then? Let me 13 ask this question then since it goes to the issue of 14 whether we'll take the three witnesses as a panel or do 15 each individually. Do the parties present intend any 16 17 cross-examination of any of the three presentations? Then I think what it makes sense to do is 18 19 have all three presentations, and then there may be 20 some questions from the Commission. But I think it might make sense to get all three on the record first, 21 22 and then we'll go forward if we have any questions. So Ms. Hogle, we'll go to you. 23 24 MS. HOGLE: Thank you, Your Honor. 25 company calls Mr. Brian Dickman, who is on the phone.

1	Page 6 He needs to be sworn.
2	000
3	BRIAN DICKMAN,
4	having been first duly sworn to tell the
5	truth, was examined and testified as follows:
6	EXAMINATION
7	BY MS. HOGLE:
8	Q. Good morning, Mr. Dickman. Can you please
9	state and spell your name and place of employment for
10	the record?
11	A. Yes. Good morning. My name is Brian
12	Dickman, D-I-C-K-M-A-N. And I am the Director of Net
13	Power Costs and Load Forecasting for PacifiCorp.
14	Q. And in that capacity, did you prepare or
15	cause to prepare cause to be prepared your direct
16	testimony and attached Exhibits A through H?
17	A. Yes, I did.
18	Q. So if I were to ask you the questions and
19	your testimony again here today, would your answers be
20	the same?
21	A. Yes, they would.
22	Q. And in that capacity, did you also prepare or
23	cause to prepare cause to be the prepared the reply
24	comments the company filed September 9th, 2015?
25	A. Yes, I did.
i	

Page 7 1 And are you adopting those reply comments as 0. 2 your own here today? 3 Α. Yes. 4 Do you have any changes to the reply comments 5 that you'd like to make? 6 Α. No. MS. HOGLE: At this time, we'd like to move 8 for the admission as evidence into the record Mr. Brian Dickman's direct testimony and attached Exhibits A 9 10 through H, as well as the reply comments. 11 COMMISSIONER LeVAR: Any objection from the 12 Division or the Office? 13 MS. SCHMID: None. 14 MR. MOORE: No objection. 15 COMMISSIONER LeVAR: Okay. They'll be entered into evidence. Thank you. 16 17 MS. HOGLE: Thank you. (By Mr. Hogle) Mr. Dickman, do you have a 18 19 short summary that you'd like to give to the 20 commissioners and parties here today? Yes, I do. Good morning, Commissioners. 21 22 Thank you for particularly letting me appear by phone 23 today. On April 30th, 2015, the company filed its annual update to Schedule 37, avoided cost practices. 24 25 This filing was required to update Schedule 37 prices

Page 8 to reflect the 2015 Integrated Resource Plan filed 1 2 earlier on March 31st. In addition to updating the inputs to the 3 Schedule 37 prices, the company proposed to change the 4 5 method for calculating Schedule 37 avoided costs. Specifically, we proposed to no longer include capacity 6 costs related to the deferral of a simple cycle combustion turbine or SCCT. 8 During the sufficiency period, the 2015 IRP 9 10 calls for the company to utilize front office transactions or FOPs, which represent short-term firm 11 12 wholesale market purchases, and use those to meet our capacity needs during this deficiency period. 13 14 The company also proposed to differentiate 15 Schedule 37 prices during this deficiency period based on the relationship of Palo Verde on- and off-peak 16 17 market prices. Rather than imputing capacity costs based on 18 fictitious SCCT, avoided costs during this deficiency 19 20 period should be calculated using the GRID model, including the value of FOPs that can be displaced by QF 21 22 as proposed by the company. 23 The company's proposed changes result in 24 avoided cost prices that best represent the costs that 25 will actually be avoided when a QF is added to our

Page 9 The Division of Public Utilities and the 1 system. 2 Office of Consumer Services filed comments that were generally supportive of the company's filing. However, 3 the Renewable Energy Coalition filed public comments 4 5 arquing that the sufficiency period represented in our filing was too long and did not adequately compensate 6 OFs. 8 REC argued that during the sufficiency period, Schedule 37 avoided cost prices should include 9 10 capacity costs related to environmental upgrades as some of our existing coal-fired generation facilities, 11 12 and that existing QFs renewing their contracts should receive a capacity payment regardless of the company's 13 14 future resource needs. 15 As mentioned by Ms. Hogle on September 9th, the company filed reply comments demonstrating that 16 17 REC's proposals would not accurately reflect costs that can actually be avoided by the company. And those 18 proposals should be rejected by the Commission. 19 20 I recommend that the Commission approve the 21 company's filing, update Schedule 37 prices, including 22 the change to eliminate the SCCT from the sufficiency 23 period. That concludes my summary. COMMISSIONER LeVAR: Anything further? 24 25 MS. HOGLE: The company rests its case.

Page 10 1 Thank you. 2 COMMISSIONER LeVAR: Okay. Thank you. 3 Ms. Schmid? Thank you. The Division would 4 MS. SCHMID: like to call Dr. Abdinasir Abdulle as its witness. 5 6 he please be sworn. --000--8 ABDINASIR ABDULLE, 9 having been first duly sworn to tell the 10 truth, was examined and testified as follows: 11 --000--12 COMMISSIONER LeVAR: Thank you. You had already decided to stay where you are, but that makes 13 14 the most sense considering where we are this morning. 15 THE WITNESS: All right. Thank you. 16 EXAMINATION 17 BY MS. SCHMID: Good morning. Could you please state your 18 0. full name, employer, and business address for the 19 20 record? My name is Abdinasir Abdulle. And I work for 21 Α. 2.2 the Division of Public Utilities as a utility analyst. 23 My address is in this building, 160 East 300 South in Salt Lake. 24 25 In your -- in connection with your employment Q.

Page 11 1 as a utility analyst, have you worked on behalf of the Division in this docket? 2 3 Yes, I did. Α. 4 Did you prepare or cause to be prepared under 5 your direction comments the Division filed July 16th, 2015, entitled "15-035-TO6 in the matter of Rocky 6 7 Mountain Power's Proposed Revisions to Electric Service 8 Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities," and also the Division's comments filed 9 10 September 9th, 2015, in reply to the comments of the 11 Renewable Energy Commission? Renewable Energy Coalition. Yes, I did. 12 Α. 13 0. Do you adopt those comments as your testimony 14 today? 15 Yes, I do. Α. Do you have any changes or corrections that 16 you need to make to those? 17 18 Α. No. MS. SCHMID: With that, the Division asks 19 20 that its filed memorandums be admitted as evidence in this docket. 21 22 COMMISSIONER LeVAR: Thank you. objection from the applicant or from the Office? 23 MS. HOGLE: No. 24 25 MR. MOORE: No.

Page 12 They'll be 1 COMMISSIONER LeVAR: Thank you. 2 entered. 3 MS. SCHMID: Thank you. (By Ms. Schmid) Dr. Abdulle, do you have a 4 0. 5 short summary to give today? 6 Α. Yes. 7 Please proceed. 0. 8 Α. Thank you, Commissioners, for giving me the 9 opportunity to speak before you. The company has filed 10 updates on the Schedule 36 consisting of some routine 11 updates and some non-routine updates. 12 non-routine updates were the ones that were just outlined by Mr. Dickman. 13 14 The Division reviewed that, the application 15 of the company, including the appendices that came with it which were illustrating the mathematical proof of 16 what they were looking for and what they were 17 proposing. The Division did not find any problems with 18 the calculations or the concepts behind to justify 19 20 their proposed listing. 21 Consequently, the Division recommended 22 approval of that given the fact that this was 23 determined by the Division that it is reasonable and in the public interest. 24 25 Later on, Renewable Energy Coalition filed

Page 13 their own comments proposing certain additional things 1 2 and also recommended the Commission not to accept the 3 proposal of the change in the methodology for -- by the 4 company. 5 The Division reviewed item by item the 6 proposals put forward by the Renewable Energy Coalition and looked into the justifications that they provided, 8 which were mainly that it violates the principles and 9 the state laws. 10 And there were other things that they were 11 saying that should be considered in the methodology to 12 ensure that the avoided costs numbers will be fair for the qualifying facilities. The Division reviewed 13 14 those, concluded that there was no evidence put forward 15 to justify whatever they were proposing the inclusion of certain things. 16 17 Based on that, the Division is proposing that the proposals put forward by the Renewable Energy 18 Coalition not be accepted by the Commission. 19 20 conclusion, the Division stands by and recommends that 21 the proposals put forward by the company be accepted as 22 they are. Thank you. 23 MS. SCHMID: Thank you. That's everything from the Division. 24 25 Okay. COMMISSIONER LeVAR: Thank you. We'll

Page 14 move ahead to the Office. 1 Thank you. 2 MR. MOORE: The Office calls Bela Vastag and asks for him to be sworn. 3 4 --000--5 BELA VASTAG, having been first duly sworn to tell the 6 truth, was examined and testified as follows: 8 EXAMINATION 9 BY MR. MOORE: 10 0. Can you please state your name, employment, 11 and place of employment. 12 My name is Bela Vastag. I'll spell that for you. First name B-E-L-A, last name V as in Victor 13 A-S-T-A-G. I'm a utility analyst, and I work for the 14 15 Office of Consumer Services. And our offices are here in this building at 160 East 300 South, Salt Lake City. 16 17 Did you prepare, participate in preparing, or have prepared under your direction the July 16th 18 initial comments in this Docket 15-035-TO6 and the 19 20 reply September 9th comments in this docket? Yes, I did. 21 Α. 22 Do you adopt these comments as your Q. 23 testimony? 24 Α. Yes. 25 Would you have any changes to make with this Q.

Page 15 docket? 1 2 Α. No changes. 3 MR. MOORE: Your Honors, we would move to have these comments admitted as evidence. 4 5 COMMISSIONER LeVAR: Any objection from the 6 applicant or the Division? MS. SCHMID: No. 8 MS. HOGLE: None. 9 COMMISSIONER LeVAR: Thank you. They'll be 10 entered. (By Mr. Moore) Have you prepared a summary of 11 0. your testimony today? 12 13 Yes, I have. Α. 14 Q. Would you like to read that into the record? 15 Yes, please. Good morning. In its Α. December 30th, 2014, order in the previous Schedule 37 16 update filing, Docket No. 14-035-T04, this Commission 17 stated, and I'll quote, "We await the presentation of 18 evidence in future Schedule 37 proceedings describing 19 20 any alternative approach for valuing avoided capacity costs and peak and off-peak avoided costs during the 21 22 period of resource sufficiency." 23 Therefore, in this current docket, 24 15-035-T06, the company has presented an alternate 25 approach for valuing peak and off-peak avoided costs as

Page 16 requested by the Commission. 1 2 For the sufficiency period, the company has eliminated from the Schedule 37 avoided cost 3 calculation, the costs related to a simple cycle 4 5 combustion turbine or SCCT. Instead, the capacity value the OF receives during the sufficiency period is 6 based on the avoided front office transactions or FOTs. 8 The company has also shaped the flat monthly energy prices that are the output of the GRID model 9 10 into on-peak and off-peak hourly prices. This shaping provides higher prices to QFs for energy delivered on 11 12 peak, and also produces as a matter of fact 20-year levelized prices for tracking solar OF which are higher 13 14 than the prices for a base load resource. 15 Therefore, the Office believes that these revisions to Schedule 37 pricing are appropriate and 16 reflect the actual costs that could be avoided by the 17 company. Thus, the Office recommends that the 18 Commission should approve the Schedule 37 filing by the 19 20 company. 21 And finally, in response to the comments that 22 were filed by the Renewable Energy Coalition or REC, 23 the Office recommends that the Commission reject the changes proposed by REC because they -- because REC has 24 25 not demonstrated that their proposed changes represent

Page 17 costs that are actually avoided as required by PURPA 1 That concludes my statement. 2 and FERC. 3 COMMISSIONER LeVAR: Thank you. MR. MOORE: The Office rests. 4 5 COMMISSIONER LeVAR: Thank you. We'll go to 6 Commissioner Clark. Do you have any questions for any of the three witnesses? 8 COMMISSIONER CLARK: Thank you, Mr. Chair. Ι 9 do. 10 EXAMINATION 11 BY COMMISSIONER CLARK: First, to Mr. Dickman, if you could turn to 12 the question that begins at the bottom of page 8 of 13 your testimony, begins at about line 186. 14 15 I'm turning there. Α. So the question is, "How did the company 16 17 calculate Schedule 37 avoided costs -- I'm sorry -avoided capacity costs during the sufficiency period in 18 this filing?" 19 20 And regarding your answer, I think I understand from it that in this case, you've included 21 22 displacement of front office transactions as identified 23 in the IRP. 24 And I want you to address how you treated 25 this same subject in 14-035-T04, if you're aware and

Page 18 1 acquainted with that docket. Do you have familiarity 2 with the past immediately previous docket in this area? 3 Α. I do. Okay. So in that docket, did the company 4 5 include displacement of front office transactions in its application? 6 Α. In the 14 -- the 2014 docket, the company 8 used the GRID model to calculate the sufficiency period avoided costs. And the GRID model utilized market 9 10 transactions. However, it did not include the blocked FOTs from the IRPs, which are representative of market 11 12 transactions. But -- so the two cases are a little bit 13 14 different. The 2014 did not include the specific 15 blocks from the IRPs, but it did go to the market or avoid market transactions to the extent the model does 16 17 that on its own. 18 0. So could you --19 In the current case, the 2015 filing, the 20 company did also include in the model the block FOT transactions from the IRPs, and those are displaced by 21 22 the QF. 23 Right. Thank you. So could you help me 0.

understand the difference between the market purchases

that you've described and the GRID model's treatment of

24

25

Page 19 those in contrast to what's identified as front office 1 2 transactions in your testimony in this docket? 3 Certainly. The GRID model has the ability --Α. has models within it a component that includes 4 5 wholesale market hubs. And we reference those as, for example, the Mid-Columbia hub, the Palo Verde hub. 6 the model balances itself every hour utilizing 8 transactions in the market. The difference between what the model just 9 10 does on its own, these balancing transactions, are that really it's a matter of granularity. 11 The GRID model 12 can balance itself every hour in these markets to any fraction of a megawatt. Whatever the model needs, it 13 14 can go to the market and get it or avoid it with a OF. 15 On the other hand, the block FOTs that we refer to from the IRP are -- are represented in the IRP 16 as two different products. The one that we -- the one 17 that is used in the preferred portfolio and used in our 18 modeling in this case is a third quarter blocked 19 20 transaction. 21 So it's an on-peak I should say, so it's a --22 for all on-peak hours, we assume that the company will 23 buy in the market. And so that's represented in the GRID model as a single transaction over all on-peak 24 25 hours, and the quantity is as specified in the IRP.

Page 20 So, for example, the Palo Verde market hub or 1 2 the New Columbia market hub, the IRP calls for a certain quantity of purchases on peak during the third 3 4 quarter. So we model those in GRID as such, a big block transaction. And the model then balances itself 5 around that as well. It's -- that transaction may 6 cause there to be excess energy in certain hours, and 8 the model would have to sell that off. Anyway, in this case, we've included those 9 10 block transactions in the model. And then when we 11 assume that a OF is brought on to the system, we partially displace that block in the size of the QF. 12 And we reduce the level of purchases from the market, 13 14 and then we let the model rebalance itself. 15 think I described this as similar to what we currently do for the Schedule 38 PDDRR method. 16 17 Thank you, Mr. Dickman. 0. Now a question for Dr. Abdulle. Is it your 18 view that the use of the block front office 19 20 transactions that Mr. Dickman's described constitutes an appropriate way to identify avoided capacity costs 21 22 and represent their displacement? 23 The short answer is yes. According to the IRP, the company's use of front office transactions all 24 25 were bringing qualifying facilities into the system.

Page 21

- 1 It will avoid the most expensive costs.
- 2 And given the fact that it's in the model
- 3 already, the front office transactions are in the
- 4 model, then their avoidance represents the true avoided
- 5 costs of the company. And we think that's the
- 6 appropriate way to do it.
- 7 Q. Thank you, Doctor.
- 8 Mr. Vastag, would you address the same
- 9 question, please?
- 10 A. Yes. The Office believes that the avoidance
- 11 of the front office transaction is a measure of the
- 12 capacity value that's being avoided. If I could point
- 13 back to the 12-035-100 docket, this issue was addressed
- 14 fairly extensively in that docket.
- 15 And the Office had the same opinion at that
- 16 time. And we also hired a consultant, a power
- 17 consultant, who analyzes the way the modeling is being
- 18 done and agreed that the FOTs represented -- there was
- 19 capacity value within the FOT, this block transaction.
- 20 We continue to assert that that's the situation.
- 21 Q. Thank you.
- 22 COMMISSIONER CLARK: That concludes my
- 23 questions.
- 24 COMMISSIONER LeVAR: Thank you. Commissioner
- 25 White, do you have any questions for any of the

Page 22 1 witnesses? 2 COMMISSIONER WHITE: Thanks. I have no 3 questions. 4 COMMISSIONER LeVAR: I just have a couple. 5 EXAMINATION 6 BY COMMISSIONER LeVAR: Mr. Dickman -- I'll wait for the microphone Ο. 8 to get put by your phone. Forgive me if this was 9 answered in your reply to Commissioner Clark. I just 10 wanted to clarify. You talked about the distinction between the 11 12 balancing market purchases and the FOTs. Your testimony is that the FOTs and the GRID model reflect 13 capacity, but that's not the case for the market 14 15 balancing purchases, correct, or am I misunderstanding that? 16 17 I would say that's incorrect. The market 18 transactions represent the company's ability to go to market and satisfy its capacity needs. The difference 19 20 between the two, the so-called FOTs from the IRP and what the model would just do on its own, is really just 21 22 one of granularity. 23 So the model can go to the market on its own 24 in each hour up to fractions of a megawatt. And

that's -- the company isn't always able to do that in

25

Page 23

- 1 reality. And so the block FOTs are a nice
- 2 representation of an on-peak product that is modeled in
- 3 the IRP for capacity needs.
- 4 And that's why we believe it's also
- 5 appropriate to include in the -- in the GRID model for
- 6 avoided costs. So they both represent going to the
- 7 market for capacity and energy.
- 8 Q. Okay. Thank you. That's helpful. Just one
- 9 more question for you, Mr. Dickman. Could you describe
- 10 what -- what process you went through to choose the use
- of the Palo Verde market as a way to align the prices
- 12 with on- and off-peak pricing? What was -- what was
- 13 the process in choosing that methodology.
- 14 A. So just to make sure I heard you correctly,
- describe why the company chose to use the Palo Verde
- 16 market to shape the on- and off-peak prices?
- 17 Q. Yes. That's the question.
- 18 A. Okay. It's -- we decided to do it really
- 19 because it's the most straightforward way to take the
- 20 output of the GRID model, which most routinely reports
- 21 on a monthly basis. So it was -- it's a representation
- 22 of these monthly flat avoided costs that are reported
- 23 by GRID and then shaping them into these buckets based
- 24 on the value that is perceived by the market.
- 25 The Palo Verde market is relatively close to

Page 24

- 1 the Utah service territory that we're talking about and
- 2 generally provides a signal to -- as to the value of
- 3 energy and capacity during on- and off-peak hours.
- 4 So it was a matter of taking the routine
- 5 reporting out of the GRID model, which again is just a
- 6 flat monthly amount, and trying to find the most
- 7 straightforward and transparent way to get into the
- 8 same sort of shape that we see in the market that sends
- 9 the right price signal to the QFs at the company.
- 10 Q. Thank you, Mr. Dickman.
- 11 I'd like to ask a follow-up question to
- 12 Dr. Abdulle and to Mr. Vastag. If both of you could
- 13 explain your process in coming to the conclusion that
- 14 that Palo Verde model is a reasonable path to -- to
- 15 peak and off-peak pricing and Schedule 37.
- 16 Start with Dr. Abdulle, please.
- 17 A. In deciding that, frankly, we did not compare
- 18 how using Palo Verde as compared to others would affect
- 19 the results. We did not do that. However, we looked
- 20 at Palo Verde from the proximity point of view in terms
- 21 of territorial proximity, and we thought that would be
- 22 a proper way to -- to -- proper market value to use to
- 23 shape a price that is similar to it. And that's all we
- 24 did. And we did not compare it with others.
- 25 Q. Thank you, Dr. Abdulle.

	Daga 2E
1	Page 25 Mr. Vastag?
2	A. This shaping method we've run into a few
3	times when we evaluated the QF PPAs that have come
4	before the Commission. The company does something
5	similar in shaping prices to be hourly for QF contracts
б	in Schedule 38.
7	So the method seemed reasonable because I've
8	seen it before. The use of Palo Verde honestly just
9	makes sense because it's a very liquid market that's
10	geographically near us. And it seemed reasonable
11	because of that.
12	COMMISSIONER LeVAR: Thank you. I don't have
13	any other questions. Are there any follow-ups from
14	either of you?
15	COMMISSIONER CLARK: Not from me.
16	COMMISSIONER LeVAR: Okay. Go back to the
17	applicant. Anything further this morning?
18	MS. HOGLE: Nothing further, Your Honor.
19	Thank you.
20	COMMISSIONER LeVAR: Okay. We will be
21	adjourned. Thank you.
22	MS. SCHMID: Thank you.
23	(The proceedings concluded at 9:30 a.m.)
24	
25	

1	Page 26 REPORTER'S CERTIFICATE
2	STATE OF UTAH)
3	COUNTY OF UTAH)
4	
5	I, Daren S. Bloxham, a Notary Public and
6	Certified Shorthand Reporter, Registered Professional
7	Reporter, hereby certify:
8	THAT the foregoing proceedings were taken
9	before me at the time and place set forth in the
10	caption hereof; that the witnesses were placed under
11	oath to tell the truth, the whole truth, and nothing
12	but the truth; that the proceedings were taken down by
13	me in shorthand and thereafter my notes were
14	transcribed through computer-aided transcription; and
15	the foregoing transcript constitutes a full, true, and
16	accurate record of such testimony adduced and oral
17	proceedings had, and of the whole thereof.
18	I have subscribed my name on this 23rd day of
19	September, 2015.
20	
21	Daren S. Bloxham
22	Registered Professional Reporter #335
23	
24	
25	