

PUBLIC

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

)	
)	DOCKET NO. 10-035-124
In the Matter of the Application of Rocky)	
Mountain Power for Authority to)	Exhibit No. DPU 14.0-SR RR
Increase Its Retail Electric Utility Service)	
Rates in Utah and for Approval of Its)	
Proposed Electric Service Schedules and)	Surrebuttal Testimony
Electric Service Regulations.)	Charles E. Peterson
)	
)	

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

CONFIDENTIAL

Surrebuttal Testimony of

Charles E. Peterson

July 19, 2011

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19 acquire the Apex plant. First, I introduce the surrebuttal testimony in this docket of the
20 Division's consultant, Richard Hahn, principal of La Capra Associates, Inc. (La Capra). Next
21 I provide additional comments on the Company's position. Finally, I make concluding
22 comments regarding the Division's position in this matter.

23

24 **La Capra Surrebuttal Testimony Summarized**

25

26 **Q. What is the substance of La Capra's testimony?**

27 A. Mr. Hahn, of La Capra, is filing his testimony as DPU Exhibit 15.0-SR RR and associated
28 exhibits. Mr. Hahn confirms that his position has not changed from his direct position. Mr.
29 Hahn's testimony supports the Division's continuing position that PacifiCorp prematurely
30 terminated the negotiations to acquire the Apex plant to the detriment of Utah ratepayers.

31

32 As part of the testimony filed in Docket No. 10-035-126, "In the Matter of the Application
33 of Rocky Mountain Power for Approval of a Significant Energy Resource Decision Resulting
34 from the All Source Request for Proposals," and included by reference in my direct
35 testimony in this Docket, Merrimack Energy, the Utah Independent Evaluator, asserted the
36 belief that the termination of negotiations for the Apex was "premature and hasty."²

37

² "Hasty" and "premature" are the terms used by the Utah Independent Evaluator in characterizing the Company's actions over this time frame. Errata Final Report of the Utah IE Dated January 25, 2011 but sent Feb 6, 2011. "Hasty" page 78, "Premature" pages 3, 4, 5, 91, 105, 111, 112.

38 Mr. Hahn also supports the Division conclusion that the current available information
39 suggests that the Apex plant had a net positive economic present value. The implication is
40 that the Company's premature termination of negotiations caused Utah ratepayers to suffer
41 economic damage.

42

43 **Q. What issues does Mr. Hahn specifically respond to?**

44 A. Mr. Hahn responds to the assertions and claims in Mr. Duvall's rebuttal testimony regarding
45 the Apex plant. Specifically, Mr. Hahn responds to these five claims discussed below that
46 were raised by Mr. Duvall.

47

48 1. First is that the methodology consistent with the Commission's "approved methodology"
49 supports the termination of Apex negotiations and supports the conclusion that Utah
50 ratepayers are actually better off by \$12 million because the Company did not acquire
51 Apex.

52

53 Mr. Hahn responds that the correct interpretation of the analysis Mr. Duvall cites is that
54 the Apex plant has a positive net present value of \$ [REDACTED] million for the system with \$ [REDACTED]
55 million allocated to Utah. That is, Utah ratepayers would benefit by a net present value of
56 \$ [REDACTED] million had the Apex plant been acquired.³

57

58 2. The second issue is that the Division's use of results based upon unmet energy

³ Surrebuttal Testimony of Richard S. Hahn, Docket No. 10-035-124, July 19, 2011, pages 5-7. The allocated Utah amount is set forth on my exhibit DPU Exhibit 14.1-SR RR.

59 costs is “inherently flawed.”

60

61 Mr. Hahn makes several observations including the following: “The Company’s
62 testimony on this issue contradicts itself... If there are resources available besides
63 the Apex plant and besides the Currant Creek II unit, then the Company should
64 perform the analysis requested by the DPU in data request 46.7 and 46.8. If there
65 are no other resources available, then it would make economic sense to acquire
66 the Apex plant. The Company cannot have it both ways.”⁴

67

68 3. That the Division ignores the possibility of additional transmission costs to
69 deliver power to the Wasatch Front. “The Company appears to try and make two
70 points; (1) that the acquisition of the Apex plant would require new transmission
71 upgrades to be built and (2) that the cost of those upgrades is uncertain.”⁵

72

73 Among other points, Mr. Hahn responds that “[m]ost new plants require some
74 transmission upgrades. This is why FERC requires all transmission owners to
75 have an Open Access Transmission Tariff (“OATT”) that contain a process for
76 requesting estimates of the cost of any needed upgrades and having needed
77 transmission facilities constructed. If the Company rejected all new resources that
78 required new transmission facilities, it would have a difficult time in meeting its
79 service obligations.”⁶

⁴ Ibid. page 9.

⁵ Ibid., page 10.

⁶ Ibid., pages 10-11. Issue 3 is discussed on pages 10-11.

80

81 4. That the Division is attempting to use “unprecedented ratemaking to penalize the
82 Company solely because the DPU disapproves of the process by which the
83 Company terminated the negotiations.”

84

85 Mr. Hahn concludes his comments with “[t]hese examples indicate that the
86 remedy proposed by the DPU in this proceeding is not unprecedented at all.”⁷

87

88 5. Regulatory examples from Maine and Massachusetts supplied by Mr. Hahn in his
89 direct testimony are irrelevant to Utah rate making.

90

91 Aside from a legal argument that he cannot answer because he is not an attorney,
92 Mr. Hahn points out that his testimony does not criticize the Company for not
93 acquiring the Apex plant, but rather for prematurely terminating negotiations for
94 the Apex plant, a view shared by the Utah Independent Evaluator.⁸

95

96 The details of Mr. Hahn’s points may be found in his surrebuttal testimony.

97

98

99

100

⁷ Ibid., page 12.

⁸ Ibid., page 13.

101 **Additional Comments on the Rebuttal Testimonies of Messrs. Bird and Duvall.**

102

103 **Q. Please outline your testimony from this point.**

104 A. First, I will review the facts and contentions that the Company has not disputed or attempted
105 to rebut. Next I will discuss the Company's refusal to answer certain Division data requests.

106 This is followed by some items that lead into a review and response to the principal
107 arguments of Mr. Duvall, which are summarized in Mr. Bird's testimony. I will show that the
108 Company has failed to provide persuasive evidence or argument that it acted in the public
109 interest when it prematurely terminated negotiations for the Apex plant. Finally I will
110 reiterate the Division's position and recommendations.

111

112 **Q. What are the facts and issues related to the termination of negotiations for the Apex**
113 **plant that the Company does not dispute or attempt to rebut?**

114 A. The Company does not dispute the following facts and contentions made by the Division or
115 Merrimack Energy, the Utah Independent Evaluator (IE).

- 116 1. The timeline the Division offered into evidence in Docket No. 10-035-126.
117 For convenience, I include the timeline exhibit here as DPU Exhibit 14.1-SR
118 RR.⁹ Perhaps the events and dates cited by the Company in the quotation
119 regarding dividend financing should be added to the timeline.
- 120 2. The Company has never explained why it had to perform a new analysis and
121 arrive at an irrevocable decision regarding the Apex plant acquisition over the
122 weekend of December 10-12, 2010.¹⁰ The Company has admitted that the

⁹ In Docket No. 10-035-126, it was submitted as DPU Exhibit 1.2.

¹⁰ This point was also made by the Division and the IE in Docket No. 10-035-126 and stated again in my direct testimony in this Docket. See Docket No. 10-035-126, Surrebuttal Testimony of Wayne J. Oliver, page 4;

123 analysis performed during this weekend contained errors, which when
124 corrected yielded a positive net present value of the Apex acquisition of \$29
125 million. However, the Company has declined to change or review its Apex
126 decision in light of this new analysis citing uncertain future benefits.¹¹
127 3. The Company did not consult with the IE, the Oregon IEs, or the Division
128 before making its weekend analysis and decision. This behavior was
129 inconsistent with the Company's approach to other decisions, such as the
130 Final Short List. This was all discussed in Docket No. 10-035-126.
131 4. At the time they were terminated, the state of the negotiations for the Apex plant
132 included the mutual agreement that the Company would take possession of the Apex
133 plant at the end of 2011, over a year after the decision to terminate was made.
134 5. The Company had plenty of time to perform and have vetted the additional analyses
135 necessary to significantly reduce the uncertainties around the transmission issues
136 raised by the Company as the basis for terminating the negotiations for the Apex
137 plant.

138

139 **Q. What do you conclude from this list of undisputed points?**

140 A. Clearly from items 4 and 5 the Company had plenty of time and opportunity to reduce or
141 eliminate the uncertainty surrounding the transmission issue it claims is the basis for
142 terminating negotiations. But more significantly, the Company's failure to explain its driving
143 motivation causing the Company to rush through the Apex decision over a weekend without
144 any consultation with regulators or the IE—should constitute *prima facie* evidence that the
145 Company was not acting in the public interest by engaging in and acting upon this rushed
146 weekend activity.

147

Surrebuttal Testimony of Charles E. Peterson, page 4, lines 83-85. See Docket No. 10-035-124 Direct Testimony of Charles E. Peterson, DPU Exhibit 14.0 D-RR, lines 122-124.

¹¹ Docket No. 10-035-126, Direct Supplemental Testimony of Gregory N. Duvall, lines 203-211.

148 **Q. Under Item 2 Mr. Hahn refers to the Division data requests 46.7 and 46.8 stating that**
149 **the Company did not perform the requested analyses. Has the Company fully**
150 **cooperated with the Division's efforts to refine its analysis of the economic value of the**
151 **Apex plant to Utah ratepayers?**

152 A. No. The Company has refused to provide analyses and model runs that only it can perform,
153 with information only it has, requested by the Division in data requests first submitted in
154 early May 2011. The Division had made these requests in an effort to refine the Division's
155 economic evaluation of the Apex plant. The specific data requests are DPU 46.7 and 46.8.
156 As a result of the Company's refusal to answer the data requests fully and accurately, on July
157 5, 2011, the Division filed a Motion to Compel seeking answers to these data requests.

158
159 As follow-up to the rebuttal testimony filed by Messrs. Bird and Duvall, the Division sent to
160 the Company data request DPU 51. The Company is refusing to provide the requested data
161 for DPU 51.5. For the convenience of the Commission, DPU 51.5 is included as DPU
162 Exhibit 14.1-SR RR.

163
164 While the Company has the right to dispute the Division's interpretation or the relevance of
165 the requested analyses and data should it want to, the Division believes that it is highly
166 inappropriate and indeed effectively obstructs the process and disadvantages the Division
167 when the Company simply refuses to perform analyses and provide data that only it can
168 perform or provide.

169

170

171 **Q. Did the Division refer to these data requests in its direct testimony in this docket?**

172 A. Yes. I discussed the expectation of receiving answers to data requests (DPU 46.7 and 46.8)
173 on page 10 of my direct testimony (DPU Exhibit 14.0-D RR). The Division offered to file
174 supplemental direct testimony as quickly as reasonably possible following the receipt of the
175 answers to those data requests.

176

177 **Q. Has the Company provided any additional arguments or proofs to what it provided in**
178 **Docket No. 10-035-126?**

179 A. No. While there has been some re-wording, the Company's arguments are essentially the
180 same as it presented in Docket No. 10-035-126. Interestingly, whereas in Docket No. 10-
181 035-126 the Company frequently made reference to the findings and reports of the Utah
182 Independent Evaluation, those references are largely absent in this docket where many of the
183 same issues are at play.

184

185 **Q. Has the Company's shareholder benefitted from the termination of the Apex plant**
186 **negotiations?**

187 A. Yes, in at least one respect. The Company reported to the Division that one source of funds
188 for the payment of dividends to the Company's stockholder was the termination of the
189 acquisition of the Apex plant. In the response dated February 17, 2011, to Division data
190 request 1.1a regarding the Company's dividend declaration, the Company stated that

191

192

193

194 [REDACTED]
195 [REDACTED]
196 [REDACTED]
197 [REDACTED] The dividend was declared on January 28, 2011
198 according to a letter to the Commission from PacifiCorp dated February 1, 2011. The
199 dividend paid at the end of February 2011 amounted to \$275 million. A second dividend paid
200 on April 20, 2011 was also in the amount of \$275 million, for a total of \$550 million in
201 dividends paid over approximately a seven week period.
202

203 **Q. Are there specific points in the rebuttal testimonies of Messrs. Bird and Duvall in this**
204 **docket that you want to respond to?**

205 A. Yes, they make several assertions that need to be rebutted. I note that because I do not
206 attempt to comment on all of the many statements of Messrs. Bird and Duvall it does not
207 mean that I necessarily agree in any way with their claims.
208

209 **Q. What is the first point you want to respond to?**

210 A. Mr. Bird claims that negotiations for the Apex plant were terminated “after a comprehensive
211 and thorough due diligence process and economic evaluation.”¹²
212

213 **Q. Did the IE agree with Mr. Bird’s conclusion regarding the nature of the due diligence**
214 **and economic analysis immediately preceding the Company’s decision to abandon**

¹² Rebuttal Testimony of Stefan A. Bird, page 38, lines 838-839; Confidential Rebuttal Testimony of Gregory N. Duvall, page 109, lines 2374-2375.

215 **pursuing Apex?**

216 A. No. The IE plainly concludes that:

217 “While PacifiCorp did follow the process for evaluation and selection of
218 resources, the IE is of the view that PacifiCorp prematurely terminated
219 negotiations *and due diligence* on the Apex project.”¹³ (Italics added)

220

221 **Q. Does the Division agree with Mr. Bird’s claim?**

222 A. No. The Company is clearly deficient in its failure to perform the sub-synchronous studies
223 that may have significantly reduced or eliminated many of the uncertain transmission costs
224 and risks claimed as the basis for terminating negotiations. The Company had also negotiated
225 to give itself an entire year to research or negotiate the other transmission issues related to
226 NV Energy’s transmission system.

227

228 The claims Mr. Bird makes about the quality of the due diligence Apex was subjected to

¹³ Merrimack Energy, “Final Report of the Utah Independent Evaluator, PacifiCorp All Source Request for Proposals, Confidential Version, Docket No. 07-035-94 And Docket No. 10-035-126,” January 25, 2011, page 4.

In the Surrebuttal of Wayne J. Oliver, Docket No. 10-035-126, Exhibit No. Utah-IE 2.0, March 24, 2011, pages 3-4, the IE provides the following testimony:

“Mr. Duvall’s Rebuttal Testimony provides several examples that support my conclusions. On page 11 of his testimony, Mr. Duvall states that ‘Apex is dependent on transmission yet to be built in order to deliver the output to load, which has a risk of never being built leaving the Apex plant stranded from retail loads. It also has a risk that the transmission costs may be hundreds of millions of dollars higher than currently estimated in the analyses presented in this docket even if it were to be built. These are significant differences that should be part of any decision to purchase or not purchase a resource.’ This is exactly my point with regard to my conclusion that PacifiCorp terminated due diligence prematurely. In my view, due diligence should have been extended until such time as these highly uncertain cost factors could have been better defined and addressed in the economic analysis. A reasonable decision would have been to step back and reassess the results of the due diligence exercise at that time rather than making an immediate decision to terminate negotiations two days after indicating the Company would proceed with the project based on the due diligence and economic analysis at that time Furthermore, I see no reason, and PacifiCorp has provided no justification, why the Company needed to make a definitive decision regarding the acquisition of the Apex project on December 12, 2010 when PacifiCorp did not plan to close on the plant until late 2011.”

229 simply ignore the deficiencies cited by the IE and the Division. Because the Company did a
230 complete 180 degree flip-flop on Apex between Friday December 10 and noon Sunday
231 December 12, 2010, this “comprehensive due diligence” must have occurred during that two-
232 day period. Importantly, even the Company admits that the due diligence conducted during
233 the two day timeframe was deficient. Mr. Duvall on January 13, 2011 admitted that the
234 Company had made mistakes in its economic evaluation over the December 10-12, 2010 time
235 period, such that any “comprehensive and thorough due diligence process and economic
236 evaluation” could not have been completed any earlier than a month after negotiations were
237 terminated.

238

239 Therefore, given the strong opinion of the IE and the Company’s admission that due
240 diligence was not completed on Apex any earlier than January 13, 2011, the Commission
241 should conclude that the Company had not completed its due diligence of the Apex plant at
242 the time the Company abandoned negotiations with Apex.

243

244 **Q. What is the next issue you wish to comment on?**

245 A. Next I will comment on the Company witnesses’ unsupportable claims that the Division
246 ignores the alleged transmission costs and risks.

247

248 **Q. What is your response to that assertion?**

249 A. As can be seen by reviewing the Division’s testimony in this docket, and its testimony from
250 Docket No. 10-035-126 which has been incorporated into this docket, the Division and its
251 consultant are well aware of the potential risks and costs for transmission. In my testimony in

252 Docket No. 10-035-126 I discuss the transmission issue.¹⁴ In my direct testimony in this
253 Docket I present the Division's offer to terminate any rate reductions if the Company
254 demonstrates that customers are at least no worse off than if the Company had concluded the
255 Apex transaction. This is an explicit invitation to the Company to complete the due diligence
256 discussed above.¹⁵ Furthermore, Mr. Hahn in his surrebuttal testimony in this Docket also
257 responds to the Company's claims about transmission.¹⁶

258

259 **Q. Mr. Duvall asserts that the "Commission's Approved Evaluation Methodology"**
260 **supports the Company's response to DPU 2.7 in Docket No. 10-035-126. He then claims**
261 **that that response shows that Utah ratepayers would have been harmed by \$12 million**
262 **should the Company have acquired the Apex plant. Do you agree with that analysis?**

263 A. No. This new phrase "Commission's Approved Evaluation Methodology" appears to be used
264 by the Company to try to defend itself against the economic loss suffered by Utah ratepayers
265 as a result of its actions. In fact Mr. Duvall makes statements about the "Commission's
266 Approved Evaluation Methodology" and then conveniently ignores that methodology when
267 he asserts his \$12 million harm figure. In reality, DPU 2.7 in Docket No. 10-035-126
268 demonstrates a positive system net benefit of \$ [REDACTED] million.¹⁷ For convenience, DPU 2.7 in
269 Docket No. 10-035-126 is included as DPU Exhibit 14.2-SR RR. DPU Exhibit 14.4-SR RR
270 sets forth the Utah allocation of the \$ [REDACTED] million (\$ [REDACTED] million) and sets forth the levelized
271 10-year calculations similar to my previous exhibits DPU Exhibits 14.2 (D) to 14.4 (D).

¹⁴ For example, see lines 108-138 in my direct testimony lines 208-216, and lines 108-138 in my surrebuttal testimony.

¹⁵ Direct Testimony of Charles E. Peterson, Docket No. 10-035-124, pages 13-14, lines 325-338.

¹⁶ Richard Hahn, Op. Cit. Issue #3, pages 10-11.

¹⁷ Mr. Duvall, Op. Cit. page 107, lines 2327-2330, and footnote 24.

272

273 **Q. Mr. Duvall claims the benefits from the acquisition of the Apex plant are in the far**
274 **future. What do you have to say in response?**¹⁸

275 A. Mr. Duvall misrepresents the Division's position when he claims that customers would
276 receive an immediate benefit. The Division uses the same numbers the Company uses in
277 these analyses, which are *present values*. Mr. Hahn discusses this further in his surrebuttal
278 Testimony in this Docket. Specifically, Mr. Hahn points out that all of the bids in the RFP,
279 including the successful Lakeside 2 bid, were not going to provide immediate benefits.¹⁹

280

281 Additionally, the Commission has in the not too distant past made rate decisions based upon
282 long-term forecasted events. For example, the Commission had long imputed costs to the
283 Sacramento Municipal Utility District (SMUD) contract. In 2009, the Commission used the
284 present value of the forecasted remaining credits to customers due to this imputation as an
285 offset to PacifiCorp's DSM rider long-term forecast that flowed into rates.²⁰ In Docket No.
286 97-035-04 the Commission ordered that PacifiCorp's interstate allocation methodology in
287 Utah would go to rolled-in as of January 1, 2001 following a five-year phase-in using
288 declining "merger fairness adjustments." The "merger fairness adjustments" were derived
289 from the Pacific Power/Utah Power & Light merger. The Commission adopted the present
290 value of the "merger fairness adjustments" in order to "pay" to go to rolled-in. Later, with
291 modifications, the Commission adopted the MSP stipulation that resulted in the "Revised

¹⁸ Ibid., page 108, lines 2343-2346.

¹⁹ Richard Hahn, Op. Cit., pages 7-8.

²⁰ See Docket No. 09-035-T08.

292 Protocol” based upon a long-term forecast.²¹ The current MSP 2010 Protocol stipulation
293 before the Commission is also based upon a six-year forecast.²² Thus, the Commission has
294 made rate decisions based upon long-term forecasts in the past. Furthermore, the
295 Commission has also made decisions that affected rates based upon failures to act, such as
296 the partial disallowance ordered in the Hunter Plant outage in Docket No. 01-035-23.²³

297

298 **Q. Mr. Duvall says that this issue has been raised because the “DPU disapproves of the**
299 **‘process’ by which the Company Terminated its negotiations for the Apex facility.”²⁴**
300 **Do you have a comment on this contention?**

301 A. Mr. Bird and Mr. Duvall try to reframe the question into a mere difference of opinion about
302 process. They seem to be implying that the Division is, at best, making a mountain out of a
303 molehill. Significantly, Mr. Duvall completely ignores that the IE also questioned the
304 “process” and the result of that process (for example, see IE quotations above).²⁵ As
305 discussed extensively in the IE and Division reports and testimony in Docket No. 10-035-
306 126, the IE and the Division concluded that the Company prematurely terminated
307 negotiations for the Apex plant. The Commission should ignore Mr. Duvall’s testimony on
308 this point.

309

310 **Q. The Company witnesses recommend that the solution to this issue is for the Company**
311 **to “hold a stakeholder workshop in advance of the issuance of the next RFP to consider**

²¹ See Docket No. 02-035-04.

²² See Docket No. 02-035-04, filings beginning in September 2009.

²³ Two deferred accounting dockets were also involved in the settlement of this matter: Docket Nos. 01-035-29 and 01-035-36.

²⁴ Mr. Duvall, Op. Cit., page 108, lines 2347-2350.

²⁵ Mr. Bird also completely ignores the IE’s position on line 841 of his rebuttal testimony.

312 **process improvements and revisit the Approved Evaluation Methodology to assess and**
313 **implement improvements to address more unique opportunities like Apex.”²⁶ Do you**
314 **agree with this solution?**

315 A. No. Again the Company’s approach is to trivialize the Apex issue. Both the Division and IE
316 believe that the Company prematurely terminated negotiations and due diligence for the
317 Apex plant. The Division believes it has demonstrated that the Company did not act in the
318 public interest; it also believes it has demonstrated that ratepayers have suffered significant
319 harm by the Company’s actions. These are not trivial issues to be “solved” in a “workshop”
320 for some future RFP. What is needed is for the Company to transparently adhere to the terms
321 of the RFP as approved by the Commission,²⁷ and for the Commission to hold the Company
322 responsible in a meaningful way when it deliberately does not follow the Commission-
323 approved RFP process and acts outside the public interest.

324

325 **Q. What are your conclusions regarding the Company’s Apex rebuttal testimony in this**
326 **Docket?**

327 A. First the Company raises no new substantive issues from what it previously argued in Docket
328 No. 10-035-126. The Company has provided absolutely no testimony that would justify its
329 actions respecting Apex during the December 10-12, 2010 weekend. Consequently the
330 Company fails to rebut the Division’s position and instead the Company wants the
331 Commission to believe that what happened is a trivial “process” detail; but if, for some
332 reason, the Company’s “process” is slightly questionable, then ratepayers are not harmed

²⁶ Mr. Duvall, Ibid., page 109, lines 2365-2368.

²⁷ In the event unexpected issues arise, the Company should consult with the IE and Division and, as necessary take the issues to the Commission.

333 because there remain unanswered questions about transmission costs and availability. The
334 Commission should examine the facts and hold the Company accountable for its actions that
335 resulted in ratepayer harm.

336

337 **Recommendations.**

338

339 **Q. Please summarize the Division's recommendations.**

340 A. The Division's unchanged recommendations are as follows:

- 341 1. The Commission should find that the Company's actions that resulted in the
342 premature termination of negotiations for the acquisition of the Apex plant
343 were not in the public interest.
- 344
- 345 2. As a result of the premature termination of the Apex plant negotiations, Utah
346 ratepayers suffered economic loss.
- 347
- 348 3. The economic loss suffered by Utah ratepayers has a present value range of
349 [REDACTED] to [REDACTED]
- 350
- 351 4. The Division recommends that the Commission adopt the intermediate value
352 of \$57.6 million as the present value of economic loss suffered by Utah
353 ratepayers.
- 354
- 355 5. In lieu of a \$57.6 million lump-sum deduction in the current rate case docket,
356 the Commission could adopt a levelized deduction of \$8.6 million per year to
357 be applied over ten years.

358

359 **Q. Does this complete your testimony?**

360 A. Yes.