

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Voluntary Request	)	Docket No. 17-035-39
Of Rocky Mountain Power for Approval	)	
Of Resource Decision to Repower	)	Response Testimony
Wind Facilities	)	of Donna Ramas
	)	For the Office of
	)	Consumer Services

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CONFIDENTIAL RESPONSE TESTIMONY

OF

Donna Ramas

FOR THE OFFICE OF CONSUMER SERVICES

April 2, 2018

REDACTED

1 **Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?**

2 A. My name is Donna Ramas. I am a Certified Public Accountant licensed in  
3 the State of Michigan and Principal at Ramas Regulatory Consulting, LLC,  
4 with offices at 4654 Driftwood Drive, Commerce Township, Michigan  
5 48382.

6 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS**  
7 **DOCKET?**

8 A. Yes. I submitted direct testimony and surrebuttal testimony in this docket  
9 on behalf of the Utah Office of Consumer Services (OCS) on September  
10 20, 2017 and November 15, 2017, respectively.

11 **Q. WHAT IS THE PURPOSE OF YOUR RESPONSE TESTIMONY?**

12 A. In this case, the Company proposes to establish a Resource Tracking  
13 Mechanism ("RTM") to recover the revenue requirement impacts of the  
14 proposed wind repowering projects. As part of its original RTM proposal,  
15 the Company indicated it would cap the amount being charged to  
16 ratepayers through the RTM for the wind repowering projects to the  
17 amount of associated cost savings flowing through the energy balancing  
18 account (EBA) for the same projects. The cap would result in no net  
19 increase in rates charged to customers for the wind repowering projects  
20 during the period the proposed RTM would be in place. In other words,  
21 the charges flowing through the RTM would not exceed the benefits  
22 flowing though the EBA for the wind repowering projects. As part of its  
23 original proposal, the Company would not defer any wind repowering

24 project revenue requirements that were in excess of the cost savings  
25 flowing through the EBA for future recovery. In the supplemental  
26 testimonies of Company witnesses Cindy A. Crane and Joelle R. Steward  
27 filed on February 1, 2018, the Company revised its proposal with regards  
28 to recovery of the wind repowering project costs from ratepayers,  
29 proposing that a portion of the revenue requirements that are in excess of  
30 the savings be deferred for recovery through other means. I address the  
31 revision to the recovery of costs proposed by the Company in its February  
32 1<sup>st</sup> supplemental filing.

33 **Q. DO YOU ADDRESS WHETHER OR NOT THE WIND REPOWERING**  
34 **PROJECTS, AS REVISED IN THE COMPANY'S FEBRUARY 1, 2018**  
35 **SUPPLEMENTAL FILING, SHOULD BE APPROVED BY THE**  
36 **COMMISSION AS PRUDENT AND IN THE PUBLIC INTEREST?**

37 A. No. OCS witness Phil Hayet addresses the wind repowering projects, as  
38 revised by the Company, and the Company's request that the projects be  
39 approved as prudent and in the public interest in his response testimony.  
40 My testimony focuses on RMP's proposed method of recovering the costs  
41 associated with the projects from Utah ratepayers outside of a general  
42 rate case filing.

43 **Q. IN YOUR DIRECT AND SURREBUTTAL TESTIMONY, YOU**  
44 **RECOMMENDED THAT THE COMPANY'S PROPOSED NEW**  
45 **RESOURCE TRACKING MECHANISM BE REJECTED. DID ANY**  
46 **INFORMATION PRESENTED IN THE COMPANY'S SUPPLEMENTAL**

47           **TESTIMONIES CAUSE YOU TO MODIFY YOUR POSITION THAT THE**  
48           **RTM SHOULD BE REJECTED?**

49    A.    No, absolutely not. I continue to strongly recommend that the  
50           Commission reject the proposed new Resource Tracking Mechanism. As  
51           indicated in both my direct testimony and surrebuttal testimony, there is no  
52           need to establish a complex recovery mechanism that would shift risk  
53           away from RMP's shareholders to its ratepayers and add substantial  
54           complexity to the regulatory process. As already addressed, adequate  
55           means exist to address the revenue requirements associated with the  
56           wind repowering projects being considered in this docket without the  
57           establishment of an RTM if the Company goes forward with the projects,  
58           the projects are found to be prudent, and the projects cause the Company  
59           to not be able to earn its authorized rate of return.

60    **Q.    DO YOU STILL STAND BEHIND THE RECOMMENDATIONS**  
61           **PRESENTED IN YOUR DIRECT AND SURREBUTTAL TESTIMONIES**  
62           **FILED IN THIS PROCEEDING?**

63    A.    Absolutely. As such, the positions and recommendations presented in my  
64           direct and surrebuttal testimonies will not all be repeated herein.

65                   As part of my direct and surrebuttal testimonies, I addressed the  
66           significant risks associated with potential tax reform that was pending at  
67           the time the testimonies were filed. Since that time, new tax legislation

68 was signed into law<sup>1</sup>, hereinafter referred to as the Tax Reform Act,  
69 alleviating a lot of the tax uncertainty that existed at previous stages in this  
70 docket. In its supplemental filing, the Company incorporated the impacts  
71 of the Tax Reform Act, among other changes RMP made to the economic  
72 analyses associated with the wind repowering projects in this case. The  
73 passage of the Tax Reform Act does not change my position that RMP's  
74 proposed RTM should be rejected.

75 **Q. IN BOTH YOUR DIRECT AND SURREBUTTAL TESTIMONIES, YOU**  
76 **INDICATE THAT THE COMPANY HAS NOT PROVIDED ANY**  
77 **INFORMATION ADDRESSING WHETHER THE WIND REPOWERING**  
78 **PROJECTS WILL CAUSE IT TO BE UNABLE TO EARN ITS**  
79 **AUTHORIZED RATE OF RETURN IF ITS REQUESTED RTM IS**  
80 **REJECTED. DID THE COMPANY PROVIDE ANY INFORMATION IN**  
81 **ITS SUPPLEMENTAL FILING DEMONSTRATING THAT THE**  
82 **PROPOSED WIND REPOWERING PROJECTS WOULD CAUSE IT TO**  
83 **BE UNABLE TO EARN ITS AUTHORIZED RATE OF RETURN IN THE**  
84 **FIRST FEW YEARS AFTER THE PROJECTS ARE PLACED INTO**  
85 **SERVICE?**

86 **A.** No, it did not. Subsequent to the supplemental testimony being issued,  
87 the Company was asked in OCS Data Request 13.18 to provide the

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<sup>1</sup> On December 22, 2017, President Trump signed "An act to provide for reconciliation pursuant to titles II and V of the concurrent resolution of the budget for fiscal year 2018", also referred to as the "Tax Reform Act", into law.

88 projected rate of return on a total Company and on a Utah jurisdictional  
89 basis for 2018 and each subsequent year for which such projections have  
90 been made. The Company's response, provided with this testimony as  
91 Exhibit OCS 3.1 Response, did not provide the requested information.

92 The Company continues to request a special recovery mechanism  
93 to recover the costs at issue in this case associated with the wind  
94 repowering costs from ratepayers without providing any evidence  
95 demonstrating that it would be unable to earn its authorized rate of return  
96 absent the proposed new recovery mechanism. Under the Company's  
97 proposal, it could earn in excess of its authorized rate of return during the  
98 period the repowered wind assets are in service and the RTM is in place,  
99 plus collect additional amounts from its Utah ratepayers via the proposed  
100 RTM mechanism and also defer amounts to be recovered from ratepayers  
101 through other means.

102 **Q. WHAT CHANGE TO THE COMPANY'S PROPOSED RTM WAS**  
103 **PRESENTED IN MS. CRANE'S SUPPLEMENTAL TESTIMONY?**

104 A. The Company has proposed an RTM be established that would include  
105 both the repowered wind assets at issue in this case and the new wind  
106 and new transmission assets at issue in Docket No. 17-035-40. The  
107 Company previously proposed that for the portion of the RTM that is  
108 associated with the repowered wind projects, the RTM be capped such  
109 that ratepayers are not surcharged in any given year should the  
110 repowered wind projects result in a net cost to ratepayers during the

111 period the RTM is in effect. Under the Company's original RTM proposal,  
112 if the net impact on customers in any given year of the RTM operations is  
113 negative, or a net increase in costs, the Company would not defer the  
114 difference for future recovery for the portion of the RTM that is applicable  
115 to the wind repowering projects. Company witness Jeffrey K. Larsen  
116 described the RTM in his rebuttal testimony<sup>2</sup>, filed in October 2017, at  
117 lines 187 – 193, as follows:

118 The RTM is a tool to capture the costs and benefits of the wind  
119 repowering project and fairly treat shareholders and customers, with  
120 the protection of a proposed cap. To the extent costs exceed  
121 benefits in any given year until the project is fully reflected in rates,  
122 the Company bears the risk. In other words, the RTM is  
123 asymmetrical in customers' favor and would credit customers with  
124 the net benefits of the project annually until the next general rate  
125 case. This would have downward pressure on the Company's  
126 earnings, to the extent costs exceed the benefits in any given year.  
127  
128

129 The supplemental direct testimony of Cindy A. Crane substantially  
130 changes this prior position, stating on lines 21 – 25 as follows:

131 Based on the changes in the federal income tax code, the Company  
132 proposes one refinement to its proposed ratemaking treatment. The  
133 Company requests that the proposed Resource Tracking  
134 Mechanism ("RTM") continue to be capped in the early years, but  
135 that the revenue requirement impact associated with the changes to  
136 the federal tax code that exceed the cap be deferred for future  
137 ratemaking treatment.  
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<sup>2</sup> The direct and rebuttal testimonies of Mr. Jeffrey K. Larsen in this case have been adopted by RMP witness Joelle R. Steward.

139 Thus, now that the economics associated with the project would result in  
140 net costs instead of net benefits during the period the proposed RTM  
141 would be in effect, the Company no longer agrees to “bear the risk” by not  
142 deferring the costs and is no longer proposing that the RTM be  
143 “asymmetrical in customers’ favor” as originally asserted by RMP witness  
144 Larsen. Now that the wind repowering projects are not economic in the  
145 early years as originally projected due to changes in tax law, the Company  
146 no longer proposes to bear the risk. Rather, it now wants to defer a  
147 portion of the excess costs during the term the RTM would be in place.  
148 This deferral would occur under the Company’s proposal even if the  
149 Company earns in excess of its authorized rate of return in the periods the  
150 RTM would be in place.

151 **Q. SINCE THE COMPANY HAS MODIFIED ITS PROPOSAL TO NO**  
152 **LONGER FULLY BEAR THE RISKS DURING THE PERIOD THE RTM**  
153 **IS IN PLACE, WAS THE COMPANY ASKED IF IT WOULD BE WILLING**  
154 **TO INCLUDE A CAP WITH ITS PROPOSED RTM THAT TAKES INTO**  
155 **CONSIDERATION THE OVERALL RATE OF RETURN BEING EARNED**  
156 **BY THE COMPANY?**

157 A. Yes. OCS Data Request 13.6 posed the following question: “Would the  
158 Company be willing to implement an RTM that includes a cap such that if  
159 the RTM or the deferrals proposed in the RTM would cause the Company  
160 to earn in excess of its currently authorized rate of return, then the amount  
161 either deferred or flowing through the RTM would exclude the portion that



162 would cause the Company to earn in excess of its authorized rate of  
163 return?" The Company responded as follows:

164 No. The Company believes this would result in an asymmetrical  
165 earnings test specifically targeted to keep equity earnings below  
166 currently authorized returns without the possibility of a similar  
167 opportunity to increase equity under-earnings up to the currently  
168 authorized return when so warranted.  
169

170 The Company's proposed RTM is very one-sided to provide RMP  
171 recovery of costs associated with the wind repowering projects until the  
172 next rate case following the projects being placed into service regardless  
173 of the Company's overall earnings.

174 **Q. HOW DOES RMP WITNESS JOELLE R. STEWARD ADDRESS THE**  
175 **CHANGES IN THE RTM BEING PROPOSED BY RMP IN THE**  
176 **SUPPLEMENTAL PHASE OF THIS DOCKET?**

177 A. Confusingly, at lines 102 through 105 of her supplemental testimony, Ms.  
178 Steward indicates that the Company is not proposing changes in the RTM  
179 "...for interim ratemaking treatment." However, she continues at lines 106  
180 through 122 of her testimony to discuss proposed changes to allow  
181 deferral of costs for recovery by the Company, with recovery occurring by  
182 offsetting new deferrals with the impacts of tax reform being addressed in  
183 another docket. Clearly the Company has modified its RTM proposal to  
184 allow it to now recover amounts associated with wind repowering projects  
185 since it now projects net costs instead of net benefits during the period the  
186 RTM would be in place.

187 **Q. COULD YOU PLEASE ELABORATE ON THE NEW PROPOSAL, AS**  
188 **DESCRIBED BY RMP WITNESS STEWARD?**

189 A. Yes. Ms. Steward indicates that the Company now proposes to  
190 "...separately defer the net costs in excess of the cap associated with tax  
191 law changes, and seek recovery through an offset to the deferral for the  
192 impacts from tax reform, pending in Docket No. 17-035-69." Thus, instead  
193 of sticking with the "asymmetrical" RTM the Company originally proposed  
194 and bearing the risk previously addressed in Mr. Larsen's rebuttal  
195 testimony, the Company now proposes to recover additional amounts  
196 during the period the RTM would be in place by deferring costs and  
197 recovering the deferrals through another means. Apparently the Company  
198 will propose in Docket No. 17-035-69 to reduce the amounts due to  
199 ratepayers as a result of the Tax Reform Act to enable it to recover  
200 additional wind repowering costs from customers outside of a general rate  
201 case.

202 **Q. HOW WOULD THE NEW DEFERRAL INTRODUCED IN THE**  
203 **COMPANY'S SUPPLEMENTAL FILING BE DETERMINED?**

204 A. In response to OCS Data Request 13.10, the Company explains that:  
205 "The additional Tax Reform Deferral is calculated by subtracting the cap  
206 benefit using the previous 35 percent federal tax rate from the cap benefit  
207 using the Tax Reform 21 percent federal tax rate" and that "[t]he cap  
208 benefit difference is the amount to be deferred and addressed in the Tax  
209 Reform docket." Essentially, during the term the proposed RTM is in

210 place the Company will calculate what the revenue requirements  
 211 associated with the wind repowering projects would have been if the  
 212 federal corporate income tax rate had stayed at 35% and compare that to  
 213 the revenue requirements under the actual 21% federal corporate income  
 214 tax rate. The table below is from the attachment provided with the  
 215 Company’s response to OCS Data Request 13.10:  
 216

**Example Calculation of Additional RTM Cap Adjustment due to Federal Tax Law Change**

		<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1	Cap Benefit @ 21% Tax Rate	952	9,132	3,664	-
2	Cap Benefit @ 35% Tax Rate	-	3,409	-	-
3	Additional Deferral until Tax Reform Case	952	5,722	3,664	-
4	Cumulative Tax Reform Additional Deferral	952	6,674	10,339	10,339

217 Under the example provided by the Company, it would be able to recover  
 218 an additional \$10,339,000 from customers above and beyond the amount  
 219 to be recovered through its proposed RTM by reducing the amount that  
 220 will otherwise be due to customers in Docket No. 17-035-69. This amount  
 221 was re-affirmed in response to DPU Data Request 23.4 in which the  
 222 Company indicated that it estimated the amount of additional deferral to  
 223 be \$10.3 million. This would result in additional amounts recovered by the  
 224 Company from ratepayers outside of a general rate case.

226 **Q. IN YOUR DIRECT TESTIMONY, YOU TESTIFIED THAT IF THE WIND**  
 227 **REPOWERING PROJECTS ARE FOUND TO BE PRUDENT AND**  
 228 **CAUSE THE COMPANY TO BE UNABLE TO EARN ITS AUTHORIZED**

229 **RETURN, ADEQUATE MEANS EXIST TO ADDRESS THE REVENUE**  
230 **REQUIREMENTS ASSOCIATED WITH THE PROJECTS WITHOUT THE**  
231 **NEED TO ESTABLISH A COMPLEX RECOVERY MECHANISM. DOES**  
232 **THE NEW DEFERRAL PROPOSED FOR THE FIRST TIME IN THE**  
233 **COMPANY'S SUPPLEMENTAL FILING INCREASE THE COMPLEXITY**  
234 **OF THE COMPANY'S PROPOSED RECOVERY?**

235 A. Absolutely. In addition to the unnecessary complexities associated with  
236 the proposed Resource Tracking Mechanism addressed in my direct  
237 testimony, additional calculations would now be made under the  
238 Company's proposal. In addition to the substantial assumptions and  
239 calculations used in calculating the Company's proposed annual Resource  
240 Tracking Mechanism filing and surcharge amounts, the annual filing will  
241 now include further calculations that essentially "pretend" that the 35%  
242 federal income tax rate is still in effect and compare the results to the  
243 calculations using the actual federal income tax rate. It also increases the  
244 complexity in another docket, Docket No. 17-035-69, in which the impacts  
245 of tax reform are being considered and would introduce a new deferral in  
246 that docket that would need to be considered by the parties.

247 **Q. PREVIOUSLY IN THIS TESTIMONY, YOU INDICATED THAT THE**  
248 **ECONOMICS ASSOCIATED WITH THE WIND REPOWERING**  
249 **PROJECTS NOW RESULT IN NET COSTS INSTEAD OF NET**  
250 **BENEFITS DURING THE PERIOD THE PROPOSED RTM WOULD BE**  
251 **IN PLACE. WOULD YOU PLEASE ELABORATE?**

252 A. Yes. The reduction to the corporate federal income tax rate resulting from  
 253 the Tax Reform Act, reducing the rate from 35% to 21%, has a substantial  
 254 impact on the revenue requirements associated with the wind repowering  
 255 projects proposed in this docket. The table below shows the anticipated  
 256 revenue requirement impacts associated with the RTM as contained in the  
 257 Company's direct testimony, in its rebuttal testimony, and in its  
 258 supplemental testimony:

Revenue Requirements - Utah Allocated Basis

	2019	2020	2021
Direct Testimony	(2,531)	2,735	(4,012)
Rebuttal Testimony	(1,138)	(737)	(7,433)
259 Supplemental Testimony	952	9,132	3,664

260

261 In response to OCS Data Request 13.12, the Company indicates that it  
 262 currently anticipates it will file its next general rate case during calendar  
 263 year 2020 with a 2021 test year. Thus, the above table presents the  
 264 revenue requirement impacts associated with the proposed new wind  
 265 repowering projects through 2021, which presumably would extend  
 266 beyond the period the proposed RTM would be in effect. As is clear from  
 267 the above table, the Tax Reform Act had a substantial impact on the  
 268 revenue requirements associated with the wind repowering projects during  
 269 the years the RTM will potentially be in effect under the Company's  
 270 proposal. The Company has revised its RTM at this late stage to allow it  
 271 to defer the negative impacts of the Tax Reform Act on its projected

272 revenue requirements associated with the wind repowering projects for  
273 recovery from ratepayers.

274 It is interesting to note that in her rebuttal testimony, filed in October  
275 2017, Ms. Crane stated in lines 72 – 75 that the economic analysis for the  
276 years 2019 through 2022 estimated "...a Utah customer net benefit in  
277 each year, with the net benefits of up to \$12.4 million by 2022" and that  
278 under the proposed RTM "...these benefits will flow directly to customers."  
279 Now that those net benefits are a net cost for that same period, the  
280 Company is removing the previously offered "cap" in the portion of the  
281 RTM associated with the wind repowering projects such that a portion of  
282 the net costs will be deferred to be recovered from ratepayers through  
283 another docket.

284 **Q. TO BE ABUNDENTLY CLEAR, IS IT STILL YOUR POSITION THAT**  
285 **THE COMPANY'S PROPOSED RTM SHOULD BE REJECTED?**

286 A. Yes. I continue to recommend that the Company's proposed RTM be  
287 rejected, as well as the new deferrals to be calculated in conjunction with  
288 the RTM that were proposed by the Company for the first time in its  
289 supplemental filing. As indicated in my direct testimony, if RMP goes  
290 forward with the projects, the projects are found to be prudent, and the  
291 projects cause RMP to earn below its authorized rate of return, adequate  
292 means exist for the Company to recover its prudently incurred costs  
293 without the need to implement a complex new recovery mechanism.  
294 There is nothing precluding the Company from filing a general rate case

295 should it determine that the projects at issue in this docket, as well as the  
296 new wind and new transmission projects at issue in Docket No. 17-035-  
297 40, would cause the Company to be unable to earn a fair and reasonable  
298 rate of return. In such a general rate case, parties would have the  
299 opportunity to review all factors impacting the Company's revenue  
300 requirements rather than focusing on select projects of RMP's choosing in  
301 isolation, akin to single-issue-ratemaking, that could result in a distorted  
302 view of the Company's overall revenue needs.

303 **Q. IN YOUR SURREBUTTAL TESTIMONY, FILED ON NOVEMBER 15,**  
304 **2017, YOU RECOMMENDED THAT IF THE COMMISSION APPROVES**  
305 **ANY OF THE REPOWERING PROJECTS IN THIS CASE, THAT THE**  
306 **AMOUNT OF APPROVED PROJECT COSTS BE BASED ON THE**  
307 **UTAH JURISDICTIONAL AMOUNT. WOULD YOU PLEASE DISCUSS**  
308 **THIS RECOMMENDATION PRESENTED IN YOUR SURREBUTTAL**  
309 **TESTIMONY?**

310 A. Yes. Starting at line 494 of my surrebuttal testimony, I expressed my  
311 understanding that there is currently a Multi-State Process underway  
312 considering changes to the allocation of costs between the various  
313 jurisdictions in which PacifiCorp operates. This has been referred to as  
314 the MSP. It is my current understanding that there is a high level of  
315 uncertainty associated with the MSP placing greater risk on Utah  
316 ratepayers regarding the portion of the costs associated with the wind  
317 repowering projects that they will ultimately be asked to be responsible for,

318 as well as the uncertainty in the MSP regarding the portion of the benefits  
319 associated with the zero cost wind energy and PTC credits Utah  
320 ratepayers will receive. Thus, I recommended that the Commission find  
321 that the amount considered to be the approved costs in this case under  
322 Section 54-17-4029(7)(a) be based on a Utah jurisdictional amount.

323 I recommend that the Commission approved repowering projects, if  
324 any are approved, be capped at the Commission determined Utah  
325 jurisdictional amount in this case with costs exceeding that Utah  
326 jurisdictional cap excluded from rates charged to Utah ratepayers. This  
327 would further protect Utah ratepayers should the Commission approve all  
328 or a portion of the wind repowering projects and the jurisdictional  
329 allocation process changes such that the projects are no longer beneficial  
330 or economic for Utah ratepayers. The Company has consistently applied  
331 a Utah SG jurisdictional factor of 42.6283% to the capital costs in the  
332 revenue requirement analyses it has presented in this case.<sup>3</sup> If the  
333 Commission approves a subset of the proposed wind repowering projects,  
334 it could apply the 42.6283% jurisdictional allocation factor to the per-  
335 project capital costs presented in Confidential Exhibit RMP\_\_TJH-1SD  
336 included with the supplemental testimony of RMP witness Timothy J.  
337 Hemstreet in determining the cap.

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<sup>3</sup> The Utah SG factor of 42.6283% is reflected in the Company's supplemental filing in Exhibit RMP\_\_(JRS-2SD) and Exhibit RMP\_\_(JRS-4SD).



338 **Q. IN YOUR SURREBUTTAL TESTIMONY, YOU PROVIDED THE**  
339 **PROJECT COSTS REQUESTED BY THE COMPANY, AS WELL AS**  
340 **COSTS ASSOCIATED WITH A SUBSET OF THE PROJECTS**  
341 **REQUESTED, ON A UTAH JURISDICTIONAL BASIS. HAVE THOSE**  
342 **AMOUNTS CHANGED AS A RESULT OF THE COMPANY'S**  
343 **SUPPLEMENTAL FILING AND THE OFFICE'S RESPONSE**  
344 **TESTIMONY THERETO?**

345 A. Yes. At lines 70 – 73 of his supplemental testimony, Company witness  
346 Rick T. Link indicates that the updated capital investment for the wind  
347 repowering project is now \$1.101 billion. Based on the Utah SG  
348 jurisdictional factor of 42.6283%, the Utah jurisdictional amount associated  
349 with the now updated capital investment projection for the repowering  
350 projects, in their entirety, would be \$469.3 million.

351 In his response testimony, Office witness Phil Hayet recommends  
352 that the Commission deny the Company's repowering request as he does  
353 not believe the Company has proven that the projects will most likely  
354 result in the acquisition, production and delivery of electricity to Utah  
355 customers at the lowest reasonable cost and least risk possible. Mr.  
356 Hayet also provided an analysis of the most cost-effective subset of  
357 projects to repower should the Commission be inclined to permit the  
358 Company to proceed with the repowering of wind projects. Based on his  
359 analysis, Mr. Hayet determined that a portfolio of six of the twelve  
360 proposed projects were more cost effective. As indicated in Mr. Hayet's

361 response testimony, the projected up-front capital cost for the six projects  
362 is **\*\*\*BEGIN CONFIDENTIAL\*\*\*** [REDACTED] **\*\*\*END CONFIDENTIAL\*\*\***.

363 If the Commission were to approve these six projects, the Utah  
364 jurisdictional amount, based on the 42.6283% Utah SG factor, would be  
365 **\*\*\*BEGIN CONFIDENTIAL\*\*\*** [REDACTED] **\*\*\*END CONFIDENTIAL\*\*\***.

366 **Q. DOES THIS COMPLETE YOUR PREFILED RESPONSE TESTIMONY?**

367 **A. Yes.**