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WESTERN AREA POWER ADMINISTRATION  
PUBLIC LISTENING SESSION  
TRANSCRIPT OF PROCEEDINGS  
JULY 31, 2012

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BRIGITTE GRINNAN  
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1 (The following proceedings were held in  
2 the Big Thompson Conference Room at the Embassy Suites,  
3 4705 Clydesdale Parkway, Loveland, Colorado, at  
4 6:04 p.m. on July 31, 2012, before Brigitte Grinnan, a  
5 Shorthand Reporter and Notary Public in and for the  
6 State of Colorado.)

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8 MR. WARREN: Okay. Good evening. Let's  
9 get started. For those of you who don't know me, I'm  
10 Brad Warren. I'm the Rocky Mountain regional manager  
11 for Western Area Power here in Loveland. Our office  
12 happens to be right across I-25 and just west of the  
13 Harley Davidson dealership, so we're very close. It's  
14 very convenient for us here. And we would just like to  
15 welcome you-all to the session tonight. Just briefly,  
16 the Rocky Mountain Region -- as many of you know but  
17 some of you may not know -- covers primarily Wyoming,  
18 Colorado, and Western Nebraska. And we market the power  
19 from the Pick-Sloan West Division and the Fryingpan-  
20 Arkansas Project. We have about 5,000 miles of  
21 transmission that we are responsible for maintenance in  
22 our region, and we have about 40 firm power customers --  
23 preference power customers that we market to in  
24 Loveland's territory; very brief summary of who we are  
25 and what we do.

1                   And I know you've all had a -- well,  
2 maybe not all of you; some have just come for tonight --  
3 but for those of you who have been here all day, it has  
4 been a long day and we appreciate the effort you put in  
5 today. We appreciate you being here tonight to provide  
6 feedback and information to the department and Western.

7                   I'd like to introduce the people at the  
8 head table. Here is LaVerne Kyriss. LaVerne is the  
9 Colorado River Storage Project Manager in the Salt Lake  
10 City office. In the center is Tony Montoya, our acting  
11 administrator of Western. And on my right, your left,  
12 is Lauren Azar. She is the senior policy advisor to  
13 Secretary Steven Chu, energy department. Before joining  
14 the energy department, Lauren was the commissioner at  
15 the PSC in Wisconsin. And one of the things that she  
16 was instrumental in her job at the commissions there in  
17 Wisconsin was organizing the eastern interconnection in  
18 38 states to do interconnection wide transmission plans.

19                   So, again, we're here to talk and listen.  
20 And Lauren will be conducting the meeting, so I'd like  
21 to turn it over to Lauren.

22                   MS. AZAR: Good evening, everybody. I am  
23 delighted to be here. I was -- I didn't go to the  
24 workshops. I heard the summary sessions -- the readouts  
25 and was incredibly impressed with the work the group did

1 here. So for those who sat through the workshop and  
2 participated in those and are going to speak tonight, I  
3 congratulate you on your stamina and thank you for  
4 sitting through almost 12 hours. For those who are new  
5 tonight, thank you for coming and we look forward to  
6 hearing your comments.

7           Before I get into some of the ground  
8 rules with regards to the listening session, I just  
9 wanted to give a little snapshot of what we've heard so  
10 far in the other listening sessions. The week of  
11 July 17th we were in Rapid City, South Dakota, and then  
12 went over to Billings, Montana. Last week we were in  
13 Phoenix, Arizona, and then up in Folsom, California.  
14 And in each of those locations, we learned quite a bit.  
15 And what is wonderful about Western is how unique each  
16 of the project areas are. There were some overreaching  
17 things that we heard throughout today that we also heard  
18 through the summary sessions. Those specifically are:  
19 Folks are concerned about their impact on rates. And we  
20 hear that loudly and clearly.

21           And for instance, the Upper Great Plains,  
22 they indicated; Look, if your rates go up, so will the  
23 food prices, and that's going to be hard for us to  
24 actually feed the nation and the world. And in each  
25 service territory, in each region of Western, we've

1 heard about the different benefits that they bring to  
2 our great nation and why it's important for those  
3 communities to be able to continue that access with the  
4 federal higher gains at cost.

5 We also heard loudly and clearly that  
6 everybody wants beneficiaries to pay. And I can tell  
7 you, as a former commissioner, hearing about the  
8 concerns about rates and hearing the beneficiaries must  
9 pay is a theme we hear throughout the nation with  
10 regards to electricity issues. And I think the answer  
11 to "Should beneficiaries pay" is, "Of course, they  
12 should pay." Then the question then is, what is the  
13 best role for Western to take? What do they need to do?  
14 Who's benefiting from it? And, ultimately, who gains  
15 with regards to any changes that are made?

16 Other things that we heard in the Upper  
17 Great Plains -- and folks have been surprised to hear  
18 about this in other areas, but the large electric water  
19 heaters were a huge issue in the Upper Great Plains.  
20 Specifically, there is a recent federal policy that just  
21 came out on these electric water heaters, and the  
22 customers as well as samplers said, Look, that's a  
23 really bad idea. We can use those electric water  
24 heaters as storage devices -- electric storage devices  
25 much like we can use electric vehicle charging stations

1 in urban areas -- in certain urban areas for regulating  
2 portions for the grid. So they said don't discount  
3 that. Please help us with regards to this issue.

4 We also heard in Folsom some concern  
5 about the potential amount of federal electricity that  
6 could be generated from hydro dams based on some changes  
7 that the Bureau of Reclamation may be taking on and a  
8 request that we help with that and help -- and sort of  
9 collaborate with the Bureau in a much more intensive  
10 manner to make sure that the amount of power that's  
11 generated from the federal higher power does not go  
12 down. Because then, of course, customers are left  
13 buying electricity on the market which is much, much,  
14 much more expensive than the federal higher power  
15 sources.

16 Not surprisingly -- and we heard some of  
17 this today as well -- each of Western's regions is  
18 utterly -- not only are the assets unique, but the  
19 relationships with customers are unique and the enabling  
20 statues are unique. And even in each region, there are  
21 sometimes projects -- or some projects that differ from  
22 the others. And any component of this initiative that  
23 goes forward necessarily must recognize the differences  
24 in the regions with regards to all of those components.

25 Interestingly -- and I didn't hear this

1 today -- I don't know if it's true for the Rocky  
2 Mountain region, but in some areas of Western, the power  
3 costs are actually beginning to exceed the market rates.  
4 And that, of course, brings some new challenges to  
5 Western when that happens. And Western's already been  
6 doing a good job with responding to that. But some  
7 customers raised questions about, Well, we are dealing  
8 with this now? But just keep this in mind that our  
9 rates are already exceeding market rates in certain  
10 areas.

11 And then we also heard, and still hear,  
12 that customers believe that Western and the customers  
13 are doing just fine. And they don't know -- you don't  
14 know what this initiative is all about.

15 So why is this initiative happening?  
16 First and foremost, the electricity sector is changing  
17 in this nation much more than it has possibly throughout  
18 its entire history since 1882 when the first switch was  
19 switched on in Pearl Street Station in New York City.  
20 So we've got challenges. We've got emerging technology,  
21 and we've got new fronts in the electricity sector,  
22 which is pretty much through the PMA, which is proved  
23 through the entire sector.

24 And I can tell you that Secretary Chu is  
25 calling on all the participants in the electric sector

1 to step up and make sure that we as a nation are  
2 prepared for the changes that are occurring in the  
3 electric sector in response to new challenges and new  
4 threats. And so, in short, Secretary Chu does not  
5 single out the PMA. The PMA, of course, are the only  
6 federal component of the electric industry. Namely,  
7 through the PMA, the federal government owns about  
8 6 percent of the critical electricity in this nation.  
9 Of course, through the Bureau of Reclamation there's  
10 also a lot more there. But Secretary Chu's charge is to  
11 make sure that the PMAs are indeed discharging their  
12 responsibilities or responding to the new threats,  
13 challenges, and changes in the sector as is needed.

14 Second, the PMAs must and will continue  
15 to fulfill their primary mission of delivering power  
16 from the federal hydro dams. Over the last 75 years,  
17 since the PMA's first started, there have been new  
18 responsibilities for the PMAs in addition to that core  
19 mission. And FER and NER have also added new  
20 obligations on the PMAs, all of which require the PMAs  
21 to stand back and take a look and make sure that they  
22 are on which projector with regards of how to respond to  
23 the changing nature or their responsibilities.

24 So these challenges in the electric  
25 sector are what has prompted this initiative in addition



1 to the PMAs' changing responsibilities. Through our  
2 16th memo, the secretary asked the PMAs to step up and  
3 help lead the nation through the changing electric  
4 sector, and also, of course, recognizing their changing  
5 responsibilities. Western alone -- just to give you a  
6 snapshot of how much of the electric infrastructure  
7 Western owns, they own -- I think somebody mentioned  
8 17,135 miles of transmission lines, some of which is in  
9 the eastern interconnect, some of which is in the  
10 western interconnect. They own 321 substations, and our  
11 actions today are designed to ensure that the PMAs are  
12 effectively transitioned to a more resilient, flexible  
13 grid while, at the same time, captures efficiency when  
14 we can.

15           And I heard some of that -- I was really  
16 quite excited today -- in the summary sessions. Hearing  
17 some proposals on how Western can increase rather than  
18 driving down the cost of preference customers; it's  
19 those kind of capturing of efficiencies that we all need  
20 to look for. And if you think of any more, please,  
21 please let the JOT team know. Last Monday -- I want to  
22 talk just a little bit about the changing electric  
23 sector and the threats and challenges.

24           Not yesterday, but a week ago on Monday,  
25 there was a pretty sobering meeting that the heads of

1       EEI, which is the trade association for the IOU's; APPA  
2       is the trade association for the utilities; MRICA is the  
3       trade association for the co-ops; NELI, which is the  
4       trade association for the nuclear industry, and the CEO  
5       from some of the largest utilities in the nation came  
6       and asked for a meeting with Secretary Chu. And they  
7       specifically asked was -- asked to the secretary were,  
8       We've got a concern about the resiliency of the grid and  
9       the new challenges and threats that we know are not only  
10      at our doorsteps but sometime we're already experiencing  
11      them. And they asked the secretary for a private public  
12      partnership where we could all work together to make  
13      sure, collectively, we are responding to those threats.  
14      As you know, the grids are incredibly interconnected.  
15      So unfortunately, all the players have to be on the same  
16      page or if just one person is behind the times, we can  
17      potentially create challenges for everybody else.

18                   I hope everybody in this room shares the  
19      same goal of wanting a prospering, secure, safe, and  
20      robust economy and nation. That's necessarily going to  
21      include having a reliable, safe, and affordable source  
22      of electricity as well as a flexible and resilient  
23      group. I just want to talk about one of the challenges  
24      that Western faces in achieving -- achieving these  
25      goals. And let me just put it as plainly -- this is

1 potentially project specific. The date I'm about to  
2 give you is Western-wide, but the challenges are located  
3 in some project areas more than others.

4 With regards to Western wood poles, over  
5 61 percent of Western wood poles -- 61 percent are over  
6 50 years old. Manufacturers' estimate they expect the  
7 wood poles should only last 50 years, so they're beyond  
8 that expected usable lifetime. 17 percent are between  
9 40 and 50 years, so they are soon to exceed that  
10 manufacturers' expected life period. So 78 percent of  
11 Western wood poles are going to need to be replaced, not  
12 immediately, but in the near term. And let me just say,  
13 the fact that Western has poles that are this old is a  
14 testament to Western's maintenance abilities to keep  
15 poles that are this far along in their expectancy --  
16 life expectancy and a compliment to the customers, as  
17 well, who have helped fund the maintenance.

18 So what about the transformers? With  
19 regard to Western transformers, 24 percent are over  
20 forty years old, and that's the useful life expectancy  
21 of transformers; 6 percent are nearing the useful life,  
22 which puts us at about a third of Western transformers  
23 are nearing or having extended their useful life. And  
24 as you probably know, if you're in the electrical  
25 industry, you know that obtaining transformers can

1 actually take quite a long time depending on the size of  
2 the transformers and take a long lead time in order to  
3 ensure that you get it on time for installation.

4           So there are other challenges in addition  
5 to the aging infrastructure issue. And Western's not  
6 alone in having aging infrastructure. This, of course,  
7 all of you know -- especially if you're running your own  
8 utilities -- that the electric sector, of course, goes  
9 through construction phases where we have lumpy capital  
10 improvements where new ones get built and then things go  
11 nice and smoothly for a while and then we get things  
12 lumpy. I think -- what we're seeing is nation-wide. We  
13 were getting ready for the next -- I'll call it a  
14 lump -- of capital expenditure that were going to be  
15 necessary due to the aging infrastructure as well as the  
16 new challenges in this sector.

17           So I am looking forward to hearing your  
18 testimony tonight. Not only am I hearing this  
19 testimony, but the members of the joint outreach team  
20 are hearing this as well. For those of you who were  
21 here this morning, you know who the joint outreach team  
22 is. So let me tell the folks who are here in the room  
23 tonight.

24           The joint outreach teach is a team of  
25 experts that are run by both Western and the DOE looking

1 at how best to implement the secretary's memorandum.  
2 And we effectively refer to them as JOT. So what the  
3 JOT is going to do is, they're going to review the  
4 results of today's workshops. They're going to review  
5 the transcripts from tonight. And if you would like to  
6 add more than just your oral comments tonight, you can  
7 certainly submit written comments as well at  
8 JOT@wapa.gov. It would be best if you submitted those  
9 before August 17th. Once that happens, the JOT team's  
10 going to begin the deliberations. So we want to make  
11 sure that your written comments get in there before they  
12 begin their deliberations.

13 So, again, thank you for coming. And let  
14 me just give you some -- how we're going to proceed  
15 further with the listening session. To ensure that  
16 everybody has an opportunity to speak tonight, we are  
17 going to limit folks' comments to three minutes. And I  
18 can tell you, last time -- the last listening session I  
19 was way too generous early on, and I lived to regret it  
20 by the end of the session. So I'm going to stick  
21 relatively close to the three-minute mark. I'm going to  
22 call the names of those who are pre-registered first  
23 with one exception. Somebody who did not pre-register  
24 needs to speak and get out of here to go to a family  
25 emergency. And then, ultimately, I'll ask the folks who

1 didn't pre-register if they want to speak. And when you  
2 come up, the court reporter is going to want you to  
3 spell your name -- state and spell your name. And if  
4 you have written comments, if you could just give those  
5 to the court reporter as well. She would -- you'll be  
6 her best friend by the end of the evening. So I look  
7 forward to hearing from you all. And why don't I call  
8 the first person up, which is Amanda Ormond.

9 MS. ORMOND: Thank you. Is this on?  
10 Amanda Ormond; O-R-M-O-N-D. I'm with the Western Grid  
11 Group. Western Grid Group works around the western  
12 interconnect to provide access to the clean energy  
13 resources. I've appreciated the opportunity to  
14 participate in these meetings, and I believe that myself  
15 and really everybody in the room has learned a lot  
16 through the experience. The resources right now that  
17 power our grid are primarily the equator, coal, and  
18 natural gas. And our transmission system has been built  
19 around these resources. It reflects the choices that  
20 we've made, which makes total sense because we build  
21 transmissions after we build generation sources, and it  
22 helps to decide how we put together our grid.

23 For a variety of reasons, the states are  
24 starting to ask each unit to do individual generations.  
25 So we're going to see more and more clean variable

1 generation on transmission systems. So it follows that  
2 we need to be working on our transmission system or  
3 modifying our transmission system to take into account  
4 these new resources, just like we modified the  
5 transmission system every time we brought in new  
6 resources like when we did nuclear or other challenging  
7 resources. So Western has been working with its  
8 customers on a variety of reforms like the DSS and the  
9 AI that are going to lead to incremental progress.

10 But it asks the question: To what end?  
11 When I think about where we are today, I don't know  
12 where we're going 20 years from now. I don't think that  
13 Western has a plan of where they are trying to go in 20  
14 years. And utilities historically demand a resource  
15 plan. Well, we're putting out on the grounds some 30-,  
16 40-, 80-year assets. We need to be thinking further  
17 down the road than 10 years.

18 I would recommend that Western from the  
19 input of these workshops and maybe from other  
20 conversations with customers, they pull their customers  
21 and figure out what they need to do in the future, what  
22 system resources and surfaces are they going to need,  
23 and put together a plan to address what the system will  
24 look like in the future.

25 So customers are certainly concerned

1 about cost; we've heard that over and over again, as  
2 Lauren mentioned that. And Western Grid Group believes  
3 that the beneficiary should pay as well. And I think as  
4 we move forward with some of the things that are in  
5 Chu's memo, that it may be necessary for the Department  
6 of Energy and Western to seek additional funding from  
7 the feds to be able to accomplish some of these  
8 projects. When you're going to try to do a project and  
9 force it down customers' throats, that's not going to go  
10 so well. So maybe we need to look at alternatives that  
11 can be reached.

12 So the last thing I'll talk about is just  
13 energy and balance market. Western is a large supporter  
14 of energy and balance. When we look at the future, we  
15 see all of the incremental steps that are being made and  
16 we think it's just not going to be enough. We know we  
17 are going to have a more flexible generation on the  
18 transmission system, and we need to be able to  
19 accommodate that going forward having a voluntary --  
20 emphasis on voluntary -- centralized dispatch of  
21 generation. It is going to be critical to be  
22 overwhelming and to efficiently and effectively bring in  
23 a new reusable generation in the future. Thank you.

24 MS. AZAR: Thank you very much.

25 Walt Jones? Maybe that was Jones Walt.



1 James Williams? All right. Ted Coombes?

2 MR. COOMBES: Here.

3 MS. AZAR: Come on up.

4 MR. COOMBES: My name is Ted Coombes --  
5 that's spelled C-O-O-M-B-E-S -- executive director of  
6 Southwestern Power Resources Association, in Tulsa,  
7 Oklahoma. I'm here tonight because I think, although  
8 I'm not a Western customer, we are concentrating on  
9 Western issues. I think I am a stakeholder in this  
10 process because a lot of what we learn in this first  
11 process with Western is probably going to be the  
12 starting point -- or certainly is going to form the  
13 basis as to what happens at the other PMAs. So I think  
14 in that instance, I am a stakeholder in this meeting  
15 tonight. But I've tried not to interfere with the  
16 Western people getting to talk about their issues.

17 I know one of the things we talked about  
18 at the session I was at was Section 1222. Southwestern  
19 Power Administration is currently considering an  
20 application for Section 1222. So we've had some real  
21 experience in this that I tried to share my experiences  
22 with the group this afternoon. It is our estimate that  
23 Southwestern has spent at least \$50,000 in staff time  
24 processing the applications for Section 1222. I am told  
25 that Southwestern will not get reimbursed for anything

1 that occurred before an agreement is signed.  
2 Consequently, what that means is my members are paying  
3 for this project evaluation in the early stages. I  
4 don't think that's fair.

5 Another thing we discovered, in terms of  
6 Section 1222 is that we have members whose contracts are  
7 expiring who should be extended this year. They were  
8 not renewed. They were extended for one year. And when  
9 we asked why, we were told that the staff that usually  
10 does that is busy evaluating the Section 1222 proposal  
11 before them. So they don't have time to do their normal  
12 work. They're just going to extend the contracts for  
13 one year. Again, I don't think that's right. I just  
14 don't think it's right.

15 We have concerns about whether we're  
16 going to be protected as preference customers from any  
17 legal or financial liability that might be incurred in  
18 the Section 1222 agreement. We don't know what those  
19 could be, but they could be there. Preference customers  
20 have been told before, in terms of a nuclear power  
21 experience, Don't worry; you're protected. And it  
22 turned out they weren't. I'm not willing to except  
23 anybody's blanket assurance, Don't worry; it will all go  
24 away.

25 I won't bother you anymore because I'll

1 get to talk more when you come down to Southwestern  
2 Power. I will say this, and I mean it with all due  
3 respect: This is supposed to be a listening session.  
4 We're limited to three minutes. If opening statements  
5 were less than 15 minutes, we might have four or five.  
6 Thank you.

7 MS. AZAR: Thank you.

8 James Salo?

9 MR. SALO: I'll pass. I spoke in  
10 Phoenix.

11 MS. AZAR: Thank you.

12 John Collins?

13 MR. COLLINS: Here. I spent the last two  
14 weeks in Wisconsin, and I love it up there. It's John  
15 Collins; J-O-H-N C-O-L-L-I-N-S. And I'm speaking on  
16 behalf of Platte River Power Authority. Platte River is  
17 a nonprofit subdivision in the state of Colorado.  
18 Platte River exists for a very limited purpose. It was  
19 formed by the municipality of Fort Collins, Longmont,  
20 and Loveland for the single purpose of providing  
21 wholesale electric services, sales and transmission  
22 service for these four municipal utilities.  
23 Approximately 20 percent of the power sold by Platte  
24 River to the members of the municipals and is renewable  
25 energy purchased from the Western Energy Power

1 Administration. Platte River is Western's third largest  
2 customer. We want to thank the Department of Energy and  
3 Western for this opportunity to speak today.

4 As a customer of Western, Platte River is  
5 concerned about the initiative outline of Secretary  
6 Chu's memo of March 16. Specifically, we're concerned  
7 that the changes being proposed for Western, which  
8 significantly alter the core functions of Western, could  
9 make it more difficult and costly for Platte River to  
10 perform its core function of delivering affordable and  
11 reliable power. Platte River is anxious to learn more  
12 about the initiatives proposed by Secretary Chu, and as  
13 it does, these are some of the questions we hope for an  
14 answer. And some of these were discussed early today.

15 First, in theory, the energy and balance  
16 market will create efficiencies, particularly in the  
17 Western interconnection. How this theoretical road of  
18 practice will differ among the participants, it simply  
19 has to be recognized that a fundamental change will  
20 produce winners and losers. At this early stage,  
21 statements to the effect that Western will be a  
22 participant are extremely concerning to customers that  
23 don't know whether Western or the customer will be  
24 benefited or adversely impacted. It's a little early to  
25 tell how that's going to turn out.

1                   Second, the March 16th memo directs  
2 Western's rate structure that incentivize energy  
3 efficiency and demand response programs in addition to  
4 variably resource and electric vehicle deployment.  
5 Rates that incorporate incentives, by nature, are not  
6 cost based. Platte River questions whether the  
7 secretary that we've appointed, generates the cost base  
8 rate services that Congress initiated in the Reclamation  
9 Act and engraved into the project authorization  
10 statutes. It is for congress to modify the statues for  
11 rates.

12                   Further, these programs have already been  
13 undertaken by the utilities responsible for serving  
14 retail customers. This is not an area for corporate  
15 retail providers. Third, in any discussion of  
16 un-fundamentally altering roads, Western's cost  
17 responsibility needs to be addressed. Preference  
18 customers who have come to rely on Western for large  
19 portions of their resource portfolios, power has been  
20 provided reliably at cost-based rates. Western has been  
21 doing a great job. And what they do and the decisions  
22 they make in their transmission has largely impacted  
23 Platte River's financial picture in the service to our  
24 customers.

25                   In closing, Secretary Chu begins his memo

1 by assuring that this unprecedented opportunity is to  
2 build a more secure and sustainable electric sector.  
3 That is undoubtedly true, although whether the  
4 initiative being proposed is the best path to this end  
5 should be fully explored during this process, which you  
6 all heard. As to the Secretary Chu's premise, Platte  
7 River would like to point out that the federal  
8 government has already taken advantage of this  
9 unprecedented opportunity to build a more secure and  
10 sustainable electric sector through the construction of  
11 reclamation projects throughout the west.  
12 Understandably, preference customers are protective of  
13 this secure and sustainable component of the electric  
14 sector that is of such importance to the unique market  
15 we serve. Thank you.

16 MS. AZAR: Thank you very much.

17 Maude Grantham-Richards?

18 MS. GRANTHAM-RICHARDS: Good evening.

19 And thank you for allowing me to speak tonight. First,  
20 I would like to start with the issues of the process.  
21 The first step, prior to publishing the March 16th memo,  
22 would have been to do the legal research and determine  
23 whether what DOE wants to do could be done. The second  
24 step, if step one was, yes, you can move forward, would  
25 be to meet with customers, including tribes, and

1 determine a cost-benefit analysis of each initiative  
2 and then how best to incrementally implement the changes  
3 that make appropriate economic sense. If step one was,  
4 no, meet with the customers to determine what can we do  
5 to assist you in improving the system.

6 Strategy identified on March 16th on the  
7 web by Ms. Azar was to include upgrading and replacing  
8 aging electricity infrastructure and utilizing new tools  
9 and technology that would better utilize our existing  
10 infrastructure. These efforts will not only save  
11 consumers money, but will also make the grid more  
12 reliable for the families and businesses which depend on  
13 it each and every day. DOE can support Western and its  
14 customers by ensuring sufficient funds are appropriated  
15 by Congress and OMB for the PMA's to perform the needed  
16 maintenance, repairs, and replacements for poles,  
17 transformers, and other needed field-existing  
18 infrastructure.

19 Customers are supportive of the work.  
20 Oftentimes, the funds are the issues as to getting the  
21 work done. Review Western FY 12 Strategic Business  
22 Target Number 2. Leveraging all available resources and  
23 tools, including private public partnerships, increased  
24 collaboration with grid owners and operators and loan  
25 financing for critical job-creating transmission

1 projects to build a stronger, more resilient electric  
2 grid for the long-term security and efficiency of  
3 America's critical infrastructure.

4 Over the past few weeks, you have heard  
5 about the collaboration that exists between Western, its  
6 preference customers, and other electric utilities. All  
7 appreciate the contributions made by Western and will  
8 continue to depend on their participation. We will  
9 continue to state that the principles that need to be  
10 adhered to are: The beneficiary pays, meaning the user  
11 of the facilities, and no operational or financial harm  
12 to the existing preference customers who have paid for  
13 the development, operation and maintenance of the  
14 existing facilities through long-term existing  
15 contracts.

16 Developing new rate structures that save  
17 consumers money by promoting energy efficiency and  
18 demand response programs that will reduce costs by  
19 better managing the electricity load at times when  
20 demand for electricity is highest. These rate  
21 structures will also help ensure that new clean energy  
22 resources from wind and solar power are efficiently and  
23 effectively integrated into the grid. Whether in Rapid  
24 City, Billings, Phoenix, Folsom, or here in Loveland  
25 today, you have heard from the preference customers what



1 they have done to reduce the use of electricity through  
2 energy efficiency programs; about their participation in  
3 demanding site management and their integration of wind  
4 and solar generation. Hence, when you talk about  
5 consumers, who are you referring to? The Western PMA  
6 customers have implemented these programs successfully  
7 at the retail level rather than at the wholesale level.

8 Therefore, my conclusion would be this is  
9 nothing more than an exercise in trying to find ways to  
10 allow access to the transmission system owned by Western  
11 and paid for by the customers to the wind and solar  
12 developers at reduced costs. Please note, as stated  
13 above, those who use, gain a benefit, should pay. There  
14 should be no subsidization of one type of customer by  
15 another type of customer.

16 Lastly, Western's Strategic Goal 6.1,  
17 "Investigate, evaluate, and report on potential new  
18 Western-wide transmission products and services."  
19 Western knew what their goals were and presumably, since  
20 the DOE logo is on the document, so did DOE. Is there a  
21 reason DOE didn't allow Western to pursue their  
22 strategic goals without DOE getting involved and getting  
23 all the customers riled up and wasting Western's time  
24 and our money? Thank you.

25 MS. AZAR: Thank you.

1 Leslie James?

2 MS. JAMES: Thank you. I'm Leslie James,  
3 executive director of the Colorado River Energy  
4 Distributor Association. J-A-M-E-S. I'm going to touch  
5 on a fairly limited area that we discussed a little bit  
6 in the planning session this morning. In the Colorado  
7 River Storage Project we -- there appeared to be some  
8 fundamental inconsistencies between what the Department  
9 of Energy would like to see with these initiatives and  
10 what the Department of the Interior has already imposed  
11 in terms of limitations on these renewable hydropower  
12 resources.

13 As a result of DOI's decision, since  
14 1996, 2005, and just last May, respectively, all of the  
15 nature's different resources of the Sierra Keys have  
16 been significantly restricted for environmental and  
17 national park service objectives. We have lost hundreds  
18 of megawatts of these resources and it has a daily and  
19 hourly limitation on the ability for those resources to  
20 generate. In other words, there is a significant issue  
21 and challenge when you try to start integrating variable  
22 resources into these types of projects that are already  
23 severely restricted. The federal projects and  
24 associated transmission resources are inextricably  
25 linked when you start talking about the renewable

1 resources.

2                   And I believe -- I wasn't here this  
3 morning -- but I believe a reclamation person attended  
4 and spoke a little to that. And that is something that  
5 was evident, in fact, by the March of 2010 MOU  
6 between -- or among interior energy on hydropower.  
7 There is an example of those agencies getting together  
8 and working on solutions and issues. So I guess one  
9 clear message is reclamation in this region has got to  
10 be in the dialog here. In the Colorado River Storage  
11 Project, these projects were all offered under different  
12 statutes. In this project, water was the obligation for  
13 our primary purpose. So in other words, these  
14 generation resources don't have the unlimited ability to  
15 firm or back variable resources.

16                   You know, to add insult to injury, I  
17 spoke with the 1996 record official about a loss of a  
18 third of the capacity. The Department of the Interior  
19 is undertaking another EIS, reclamation of National Park  
20 Service, that we expect will probably result in further  
21 limitations primarily for National Park Service  
22 resources. So I'm not sure where to go with this, but  
23 we are going to need more flexibility on one end, and on  
24 the other end, we need more constraints to improve  
25 sediment resources.

1           A couple of suggestions that I heard in  
2 Phoenix and some of these workshops, again, look at the  
3 MOU; look at that as an example. Also, look at the  
4 ability to do some new hydros and look at some storage  
5 opportunities. Look at our comments that we filed on  
6 the IRP Project that Western has posted on their  
7 website. It's kind of stalled out; I'm not sure where  
8 that's going. And also look at the testimony that we  
9 filed on the borrowing authority -- the TIP program.  
10 Now, that testimony is from a couple -- three years  
11 ago -- I've lost track of the time. But that gets at  
12 some of these very key issues about what beneficiaries  
13 are paid; establishing prior loans so that if Western's  
14 staff are working on things that have no relationship to  
15 the federal power delivery, those costs need to be  
16 fired. There are ways do some things, but they need to  
17 be done the right way. Let's see.

18           We've had a long relationship with  
19 Western. We've worked on some very, very challenging  
20 issues over the past many years. We faced ten years of  
21 drought. We worked on some initiatives that resolved  
22 some financial issues -- very significant financial  
23 issues -- for the agency over the years.

24           And I guess my message would be, talk to  
25 the customers first. The customers and Western have had

1 a long track record of working out solutions and coming  
2 up with some very creative and innovative things to deal  
3 with these challenges. Thank you.

4 MS. AZAR: Thank you.

5 Daniel Payton?

6 MR. PAYTON: Pass.

7 MS. AZAR: Tom Graves?

8 MR. GRAVES: Thank you. My name is  
9 Thomas Graves. I am the executive director at Mid-West  
10 Electric Consumers Association representing customers in  
11 the Pix Load Program covering in nine of the states  
12 where Western provides service.

13 I first ran into the PMAs in about 1976.  
14 And I was not at Mid-West, I was at Conference Majors  
15 and I was headed to do analysis with the EOE budgeting.  
16 And there were these things -- these power marketing  
17 administrations in the budget, and I didn't know what  
18 the heck they were and couldn't decide how they fit in  
19 to the city. And I decided I didn't need to know about  
20 them, so I just left it behind. I became more familiar,  
21 obviously, when I worked on the hill and when I came to  
22 Mid-West.

23 I always regretted the fact that the  
24 mission and the successes of the Western Area Power  
25 Administration were not as widely known as they should

1 have been -- or as I felt they should have been. This  
2 is a great federal agency. This is a unique federal  
3 agency in that it repays the costs that Congress  
4 appropriates to it. So it is no burden on the federal  
5 government. Well, it's that old Chinese curse; be  
6 careful what you wish for. Now, DOE is paying pension;  
7 we appreciate that. However, we think there's a real  
8 education gap. We think that before the initiative in  
9 creating this effort, the department should have become  
10 much more familiar with what the PMAs and their  
11 customers are doing.

12 Ms. Azar spoke about the changing --  
13 utilities changing, and it certainly is changing. And a  
14 lot of the changes that are the greatest challenge to us  
15 as federal power customers are the structure of the  
16 industry because the PMAs are not like electric utility.  
17 The PMAs are not like the distribution utility. They  
18 have a unique position and they were formed by a unique  
19 circumstances because they were not formed to develop --  
20 excuse me. Their power was not formed to develop  
21 electric utility, it was part of the multi-purpose  
22 projects, the multi-purpose projects we have a financial  
23 obligation to.

24 Additionally, the PMAs were providing  
25 electricity to communities and areas of this country

1 where the rest of the utilities refused to service or  
2 would serve at costs that were as good as refusing to  
3 serve because no one could afford it. We have not  
4 forgotten that. The PMAs were establish so that the  
5 public resources -- public, not federal resources --  
6 public resources go to the public without passing  
7 through the toll gates of private enterprise and profit.  
8 With the changes that are going on in the industry,  
9 maintaining that is going to be an enormous challenge  
10 because the industry is moving in a completely different  
11 direction in terms of markets and that sort of thing.

12 Ms. Azar has spoken about the aging  
13 transmission systems of Western, and it is getting older  
14 like all of us. And the fact of the matter is, we've  
15 been talking to Western about the aging of wooden poles  
16 for 20 years. And what stopped it from happening? Not  
17 the customers, not the Western Area Power  
18 Administration. The congress and the executive branch  
19 have never provided Western with the resources they need  
20 to take care of the wooden poles. In the meantime,  
21 Western inspects those poles all the time. But the  
22 problems that Western has with maintaining a robust and  
23 vital transmission system has less to do with any  
24 unwillingness to do it than they do with the lack of  
25 resources to accomplish that.

1           That is, to me, the foundation and  
2           critical issue we face here. If we can solve the way  
3           Western is funded, we can describe and discuss these  
4           programs more fully. But the fact of the matter is,  
5           that Western is not being fully funded and needs that  
6           resource. But it's going to be difficult to do because  
7           of this unique nature of the PMAs.

8           We look forward to moving forward in the  
9           process that will benefit everyone and protect the  
10          customers and protect the role of the PMAs because we've  
11          seen what happened with energy marketers and what not --  
12          we have another one right now with JP Morgan. And we  
13          don't want to have that infecting Western. We don't  
14          want to have Western running down blind alleys. We want  
15          Western to succeed. Western has succeeded, and we would  
16          look forward, really, to providing the department.  
17          Western knows because they work with the customers all  
18          the time, because that's really what we are all about.  
19          Because we've done a damn good job in partnership with  
20          Western in accomplishing and providing service at  
21          cost -- at cost -- to these people.

22          And the consumer-owned electric utility  
23          model, again, is different from the investors' utility  
24          model because Western utility has a unity of ownership  
25          and consumer. That is not true of investors' utilities.



1 Investor utilities have consumers and they have owners,  
2 and they're not always the same thing. In a rural  
3 cooperative, they must be the same thing. So what are  
4 we interested in: Service. We're interested in all of  
5 these things. We certainly agree with it, but it's got  
6 to be done in a fashion that makes it affordable and  
7 possible for all of us to continue to prosper. Thank  
8 you.

9 MS. AZAR: Thank you.

10 Daniel Gregory? Daniel Gregory? Ron  
11 Steinbach?

12 MR. STEINBACH: Good evening. My name is  
13 Ron Steinbach; S-T-E-I-N-B-A-C-H. And I'm one of the  
14 staff here from Tri-State. I just have a few comments  
15 that reiterate some of the things that were discussed  
16 today. As this process unfolds, we're going to be  
17 focused on key areas for further investigation when  
18 people have laundry lists of what Western can't deal  
19 with. And if you're going to make demands of Western,  
20 give them the resources and the dollars and people to  
21 get the job done. That's very important.

22 On energy efficiency response and  
23 electric vehicles, our view is that Western is too small  
24 a part of the resource portfolio to have an impact.  
25 They're not a big enough part of the resource portfolio

1 to send accurate rate signal -- price signals to get all  
2 the way down to the retail end. So they're retail  
3 issues and that's where they need to stay.

4 And I just have one final comment. About  
5 2008, 2009 I worked on the generator interconnection  
6 reform process for Tri-State. And the two primary  
7 advocates told us, in writing, that Tri-State should  
8 seek options to avoid or substantially reduce wheeling  
9 charges across our system to export wind in other  
10 places. So it's kind of hard for people like me not to  
11 be cynical when we hear a resilience of the grid. What  
12 that really means is, transmission for exporting wind at  
13 our expense. Thanks.

14 MS. AZAR: Thank you.

15 Darren Buck? Kelly Murphy?

16 MR. MURPHY: My name is Kelly Murphy;  
17 K-E-L-L-Y M-U-R-P-H-Y. I am the Smart Grid business  
18 development specialist for Steffes Corporation. Steffes  
19 has been working with over 200 utilities for over 25  
20 years providing them with very effective load-management  
21 solutions. I appreciate this chance to speak at this  
22 Western listening session. My remarks combine energy  
23 efficiency with increasing the integration of variable  
24 energy resources.

25 According to a 2011 FERC report called

1 Assessment of Demand Response and Advanced Metering,  
2 direct-load control programs are the most commonly used  
3 type of incentive-based demand response program and  
4 represent 7 percent of total peak load across all ISOs  
5 and RTOs. A 2012 NRECA survey revealed that 30 percent  
6 of member respondents currently offer a water heater  
7 direct-load control program amounting to 500 MW of  
8 capacity during both summer and winter months.

9 An American Public Power Association --  
10 APPA -- survey also found that the average water heater  
11 load control program had a summer load reduction of 4.9  
12 percent of load and in winter 4.4 percent.

13 The Edison Electric Institute -- EEI --  
14 said that at least 14 investor-owned utility operating  
15 companies in at least 12 states operated demand response  
16 programs for residential electric resistance water  
17 heaters.

18 In June of this year, the American  
19 Council for an Energy-Efficient Economy -- known as  
20 ACEEE -- issued a report detailing a networked and  
21 system-based approach entitled, A Defining Framework for  
22 Intelligent Efficiency. And in it they said:  
23 Intelligent efficiency is a systems-based approach that  
24 it is adaptive, anticipatory, and networked.

25 An example of incorporating intelligent

1 efficiency that re-tasks existing and successful  
2 programs is grid-interactive thermal storage or GETS.  
3 The GETS system is the integration of intelligent and  
4 real-time 2-way control signals with enhanced electric  
5 thermal storage -- ETS -- space and water heaters. GETS  
6 space and water heaters interface with signals from the  
7 power company, ISO, or other source and quickly respond  
8 by shedding a load or by taking on additional energy as  
9 dictated by that control signal.

10 Steffes Corporation is running nearly two  
11 dozen GETS trials across North America, including trials  
12 at BPA and PJM. At PJM, the GETS water heater charges  
13 or energizes during periods of low-cost wholesale power  
14 while simultaneously providing frequency regulation in  
15 response to a 4-second PJM control signal. GETS can  
16 adjust its charge rate and change as fast as wind and  
17 other renewable generation and so is able to respond as  
18 fast and as accurately, if not more so, than many other  
19 advanced storage technologies coming to market today,  
20 all while providing continuous hot water to the customer  
21 with no interruption. Thank you.

22 MS. AZAR: Thank you.

23 Kenneth Anderson? Gary Graham?

24 MR. GRAHAM: Good evening. I'm Gary  
25 Graham; G-R-A-H-A-M. I'm the lands program director for

1 Western Resource Advocates, an environmental  
2 organization, a nonprofit organization in Colorado for  
3 the folks of Rocky Mountain Interior West. The ability  
4 of the electricity grid to meet the demands of the  
5 future depends on the decision we make today. And there  
6 is a lot at stake in those -- the outcome of those  
7 decisions including our economic and environmental  
8 well-being; both of which are inextricably linked to the  
9 grid. The series of workshops have demonstrated some  
10 differences in perspectives and opinions among WAPA and  
11 the stakeholders on the need of the measures to  
12 modernize the grid.

13                   Unfortunately, as we've seen with the  
14 politics in the country these days, such insistence can  
15 lead to decision-making gridlock. The Western Area  
16 Power Administration, given its transmission region and  
17 working relationship they have with customers, should  
18 lead the way to get past this gridlock by actually  
19 focusing its additional efforts on the actual challenges  
20 outlined by the Department of Energy. These include the  
21 grid structure that we've heard about; a great need to  
22 rapidly share technical and other information across the  
23 Western interconnection in a seamless and efficient  
24 manner; that there is a growing need to incorporate  
25 renewable energy into the grid; extreme weather events

1 and other climate changes that will threaten the  
2 performance of the grid; growing population that will  
3 significantly increase demands in parts of the region  
4 and technological advances that will place additional  
5 demands on the grid while others could create  
6 energy-sharing opportunities.

7           Western Resources Advocates encourages  
8 all the regional stakeholders to focus our use on  
9 enhancing grid flexibility and resiliency, preparing for  
10 and promoting integration in renewable energy, greater  
11 coordination of operations among the regional balancing  
12 authorities, participating in the development of an  
13 energy and balance market, scheduling on inner-hour  
14 basis, centralizing dispatch, minimizing cyber security  
15 risk, and developing greater efficiency and cost savings  
16 through partners and others, planning, building, and  
17 operating the grid. All of these actions can and should  
18 be conducted while keeping customer cost and risk at a  
19 minimum.

20           But deferring the decisions and actions  
21 on these challenges will also approve cost to customers  
22 in many ways. The Western Grid 2050, a report recently  
23 published, documents that more than \$200 billion will be  
24 invested in the grid by 2030. So there is a great deal  
25 at stake and billions make wise and intentional choices.

1 Now, could we saddle future electricity consumers with  
2 stranded costs, damage to the natural environment,  
3 deprived job seekers of employment opportunities and  
4 lead Western businesses with a grid that costs as a  
5 competitive disadvantage in global markets?

6 Consequently, we recommend that we take  
7 the bull by the horns and demonstrate to a jaded public  
8 that there is still capacity in American to tackle big  
9 issues. Our grandkids and great grandkids will look  
10 back at this time and admire the work that we're doing,  
11 thank us for making common-sense decisions and taking  
12 common-sense actions that contribute to their quality of  
13 life. I close by thanking WAPA for your existing  
14 efforts at incorporating renewable energy and for  
15 hosting these public meetings. Thank you.

16 MS. AZAR: Thank you.

17 Mark Staci? Mark Staci? Jeffrey Wells?  
18 Jeffrey Wells? Doug Linton? Doug Linton? Michael  
19 Bournia?

20 MR. BOURNIA: Hi. My name is Michael  
21 Bournia. It's B-O-U-R-N-I-A. And I'm with Highline  
22 Electric Association. We are a rural distribution co-op  
23 in Northeast Colorado and Western Nebraska. First off,  
24 I would like to talk about -- it seems like this is a  
25 talk to get renewables online. And in my service

1 territory, we have a 400-megawatt wind farm -- the PEETs  
2 wind table -- that is already in service. They built  
3 their own private transmission line in order to get  
4 their load to service -- up at Xcel service territory --  
5 along the Front Range. We have a 68-megawatt Colorado  
6 High Plains wind project, which the output will be  
7 purchased by my power generator -- Tri-State generation  
8 and transmission -- which is being built right now. It  
9 will be used on existing WAPA lines in existence. And  
10 we have a 3.5-megawatt waste heat project from a natural  
11 gas pumping station, which is in our service territory,  
12 which is used for our own generic load. So these are  
13 three renewable projects in our service territory that  
14 are already on line without any help from Secretary Chu  
15 in his memo.

16           The other project I would like to talk  
17 about is the change from a cost-based rate to a  
18 market-based rate. As a self-employed farmer who uses  
19 sprinkler irrigations, we use a lot of energy and it is  
20 expensive to run. Now, this year, corn is at an  
21 all-time high at \$8, and I'm certainly not going to  
22 claim poverty this year. We have every ability to pay  
23 whatever the rate is today. But in the future, when  
24 corn prices drop down to their historic level of \$2,  
25 \$3 -- even \$4, it might not be economical to run our



1       sprinklers. So that is something we need to think  
2       about. We produce food that America eats and the world  
3       eats. We export a lot of food to the world, so rates do  
4       have an impact on our economic liability. So I'd like  
5       to ask the JOT committee, are you looking to fix  
6       something that is broken at this time or are we looking  
7       to break something that does not need to be fixed?  
8       Thank you for your time.

9                       MS. AZAR: Thank you.

10                      Bruce Gerck?

11                     MR. GERK: I'm Bruce Gerck; G-E-R-K. And  
12       I'm a lifetime farmer in Julesburg, Colorado, and a  
13       member of the Highline Electric Association, and we  
14       serve ten counties in Colorado and Nebraska. And I'm  
15       going to try to be real brief here. The process that I  
16       see is asking Western to take on additional  
17       responsibilities when they do a fine job of what they're  
18       doing, and the federal government asking for a bigger --  
19       a bigger role in what happens.

20                     In the past, and just about every program  
21       I've been familiar with, the federal government has been  
22       a lousy partner. They start things, they leave. They  
23       leave people that have invested a lot of money in the  
24       work. And they come in and they're asking for  
25       cooperation. And you have done nothing to streamline

1 the processes by which we get permits, by which we  
2 conduct our businesses. And you haven't taken care of  
3 business in your own house. And before you can move on  
4 and expect us to have confidence in you, I think you  
5 have a big task ahead back in Washington, DC. I  
6 apologize for being so blunt, but I guess I'm just  
7 blunt. Thank you.

8 MS. AZAR: Thank you.

9 Leo Brekel?

10 MR. BREKEL: I'm Leo Brekel; L-E-O  
11 B-R-E-K-E-L. I own and operate a small farm south of  
12 Fleming, Colorado -- in Northeast Colorado, and I am  
13 also a member of Highline Electric Association. One of  
14 the really good things, I was born and raised not far  
15 from the farm I own and operate now. And one of the  
16 really memorable things was when you flipped a light  
17 switch, it would work. Light came on. Electricity was  
18 so reliable it's just uncanny. This, of course, is a  
19 testament to Highline Electric Association, Tri-State,  
20 and to Western. And I -- to echo what's been said  
21 earlier, Western has done very, very well in performing  
22 their duties.

23 The other really good thing about it is  
24 that electricity was affordable. So it is my hope that  
25 any increased prices that may be prompted by Secretary

1 Chu's market memo do not happen. We need to keep  
2 electricity afford. So I would encourage a cost-benefit  
3 analysis prior to moving forward with any of those  
4 initiatives. And as mentioned before, it's really never  
5 a good idea to try to fix something that really isn't  
6 broken. But if we can enhance it, we do need to look at  
7 it. Thank you.

8 MS. AZAR: Thank you.

9 Robert Wolaver?

10 MR. WOLAVER: Good evening. I'm Robert  
11 Wolaver; W-O-L-A-V-E-R. I'm with Tri-State Generation  
12 and Transmission Association. Tri-State, as we will  
13 suggest in our written comments, is definitely a  
14 stakeholder. We are about a 3,000-megawatt utility. We  
15 serve about 1.5 billion customers in over 2,000 square  
16 miles. And one thing we do is, we certainly do take the  
17 long term. I want to set the record straight on some  
18 comments that were made tonight. Folks, we're looking  
19 to buy at a 10-year payback. Our partnership with  
20 Western is certainly the long-term view. We do  
21 long-term resource plans. Our integrated resource plan  
22 that we submitted to Western, we want the administrators  
23 to work for that -- the quality of that work. We fully  
24 explored 24 or more scenarios of future generations, a  
25 world of different carbon taxes and so forth. And so we

1 certainly do take the long view.

2 And, yes, by the way, Loveland area  
3 project power, right now, is affect by the drought as  
4 far as the market price has found. And that's another  
5 indication of the long-term view we take. We would  
6 encourage DOE to let Western continue to do what it does  
7 best. And that's market and deliver federal hydropower  
8 to preference power customers and not to dilute that  
9 mission, which is clearly what some of these efforts  
10 are. In the end, Western is effectively a small player  
11 because it is so widely distributed throughout the west  
12 and there -- with their definite limitations to this  
13 leadership role that Western can play.

14 Some of these suggestions in the Chu memo  
15 were just swing and miss and some were clear retail  
16 issues. And, frankly, we all just wasted our time  
17 talking about electric cars and some of the demand  
18 response issues that are really best left at retail.  
19 But other issues might be better left for other  
20 utilities or other players in the electric utility world  
21 to assume the leadership role. We encourage DOE to  
22 think long and hard about why Western would be the  
23 correct entity to achieve some of the goals outlined in  
24 the Chu memo. Some of those issues should certainly be  
25 left to others, if they're approved at all.

1 I think -- for example, organized  
2 markets -- I think if Western does not participate, that  
3 won't necessarily doom organized markets in the west  
4 and, likewise, I think Western won't be able to lead an  
5 organized market. One thing I hope you've heard at  
6 every one of these workshops is, not any of this  
7 endeavor should drive up the cost of preference power  
8 customers either directly or indirectly by diluting  
9 Western's mission. This process is obviously very  
10 expensive and time consuming for all of us; not just for  
11 Western and DOE, but for all of us. To the extent that  
12 some of these efforts do not bear fruit, we all have  
13 better things to do and important work to do.

14 We recommend that your recommendations be  
15 modest, achievable, and fully supported by preference  
16 power customers. And finally, just like this meeting,  
17 this process should have a timed end. We don't want  
18 this to turn into a recurring process where every year  
19 we are addressing these same kinds of issues. Thank  
20 you.

21 MS. AZAR: Thank you.

22 Andrew Colosimo? I messed that one up,  
23 I'm sure.

24 MR. COLOSIMO: You were close.

25 MS. AZAR: Great. Thank you.

1 MR. COLOSIMO: My name is Andrew  
2 Colosimo. It's spelled C-O-L-O-S-I-M-O. And I'm with  
3 Colorado Springs Utilities. And we serve about 450,000  
4 customers in the Colorado Springs-Pikes Peaks region.  
5 And we're a little more unique in that we are a natural  
6 gas, electricity, water, and wastewater services. And  
7 we've had a great relationship with WAPA, and we receive  
8 about 8 percent of our power from WAPA. And we continue  
9 to be concerned about the change in direction. We don't  
10 think that anything is fundamentally broken. But there  
11 are some things that we need to work on that are at the  
12 table.

13 The Bureau of Reclamation, I think, has  
14 a -- they need to be the third leg in the stool as we go  
15 forward in the federal agency side because we got a lot  
16 more water through the Bureau of Reclamation project.  
17 And anything that changes how these two interact is  
18 something we're to be very concerned about. And WAPA  
19 recently told us -- told me -- we're good customers.  
20 And I think we've had a good relationship with WAPA, and  
21 we would like to see that continue. And that's, do what  
22 we ask you to do by providing good, low-cost hydropower,  
23 and we'll continue to be a good customer. But if we  
24 start leaning from these principles, I think we're going  
25 to have problems. Thank you.

1 MS. AZAR: Thank you.

2 Paul Neil?

3 MR. NEIL: Thank you. I'll pass.

4 MS. AZAR: Duane Helderlein? Duane  
5 Helderlein? Danie Cardenas? Danie Cardenas? I know I  
6 did not do well on that. All right. Mark Morley?

7 MR. MORLEY: Pass.

8 MS. AZAR: Doug Hardy?

9 MR. HARDY: I'm Doug Hardy from  
10 Livingston, Montana; H-A-R-D-Y. I'm general manager of  
11 Central Montana Electric Power Cooperative. I've worked  
12 over 37 years trying to keep rates -- electric rates  
13 affordable for member owners of electric cooperatives in  
14 Montana. I've worked extensively in my career on the  
15 integration of high head removal back as far as the late  
16 '70s and '80s doing energy conservation. We've  
17 integrated a fair amount of wind. What we did do is  
18 found a way to do it without raising members' rates; a  
19 critical component that ties into what we're doing  
20 today.

21 We worked with our supplemental power  
22 supplier, Basin Electric, as we integrated over 700  
23 megawatts of wind into our generation mix. That's over  
24 20 percent of developing peak. And that's something  
25 that didn't take anything other than us trying to do the

1 right thing. We wanted to do as much as we could  
2 without increasing rates; we overshot. It increased our  
3 rates, but we're hoping that the future -- other years  
4 will be more of an asset that doesn't increase our rates  
5 as much as it is right now. What is certain is that  
6 we've stepped up in a very responsible way. We have  
7 added wind and other renewables on top of and in  
8 conjunction with the hydropower we purchased from WAPA.  
9 That responsible way was to blend with --

10 MS. AZAR: Your microphone is now off.

11 Hold on.

12 MR. HARDY: Do I get ten seconds?

13 That responsible way was to blend with  
14 thermal generation that co-ops banded together and  
15 built -- as far as supplemental power -- banded together  
16 and built and met the needs of rural consumers in a  
17 cost-effective way.

18 WAPA has a long history working with  
19 customers such as ourselves to upgrade and maintain  
20 their poles and wires in a cost-effective manner. They  
21 were not built and ignored. For instance, in Montana  
22 the line closest to the airport we have is one of the  
23 oldest that's being rebuilt with WAPA people in a very,  
24 very cost-effective manner trying to do the right thing  
25 at every step of the way.



1                   My concerns with the goals outlined in  
2                   Secretary Chu's memo are legitimate and numerous.  
3                   We have paid and are paying for, with interest, a  
4                   generation and transmission system that is both reliable  
5                   and affordable as operated. Rates keep rising faster  
6                   than our area's incomes. Implementation of a so-called  
7                   21st-century grid sounds nice, but since much of what is  
8                   in the memo that is cost affective is already occurring,  
9                   it is not a 21st-century grid that the memo proposes.  
10                  It appears to me to promote a grid that socializes the  
11                  costs of activities that are otherwise not cost  
12                  effective; new initiatives to benefit others with costs  
13                  that would be placed on the backs of preference  
14                  customers. Please prove me wrong. I will come to  
15                  Washington and apologize.

16                  Bottom line: Much of the memo's  
17                  suggestions are being done, and it is imperative that  
18                  any new activities be paid for by the beneficiaries  
19                  received for those activities, not the preference  
20                  customers unless the improvement is specifically for  
21                  preference customers. We appreciate WAPA. Thank you  
22                  very much.

23                               MS. AZAR: Thank you. Scott Corwin?  
24                               Kevin Garlick? Kevin Garlick? Kent Singer?

25                               MR. SINGER: Thank you. It's Kent

1 Singer; S-I-N-G-E-R. And I'm the executive director of  
2 the Colorado Rural Electric Association, which is the  
3 statewide trade association for Colorado's 22 states'  
4 distribution cooperative and one generation and  
5 transmission association. I just have a couple remarks  
6 that were made by other co-op folks this evening, which  
7 is that co-ops are -- have a pretty defined mission  
8 since 1930's, which is to provide affordable and  
9 reliable power to rural American. Co-op, nationwide,  
10 serves about 43 million electricity consumers in  
11 Colorado; that's about 700,000 consumers. In Colorado  
12 we serve about 73 percent of the geography of the state;  
13 about 23 percent of the actual consumer.

14 So we've got a tone of the geography that  
15 we serve and not a lot of consumers. So we are  
16 particularly cost sensitive when it comes to  
17 environmental regulations or proposals such as this.  
18 And we are concerned that this will drive up costs with  
19 no apparent benefits associated with this. As it was  
20 stated, a lot of the co-ops are already doing a lot of  
21 these programs. In Colorado we have co-ops that have  
22 started using solar farms; there are six co-ops doing  
23 that. We have at least a dozen of our members are  
24 either deploying or investigating automated  
25 infrastructure; AMI, a type of smart grid.

1 Colorado has really been a laboratory for  
2 the new energy economy. From 2006 to 2010 there were 57  
3 different pieces of legislation passed in Colorado  
4 focusing on the same kinds of issues that I think the  
5 secretary is interested in hearing. So we really feel  
6 like the co-ops in Colorado are already on top of this.  
7 We don't see a lot of benefits of the initiatives that  
8 have been proposed in the memo that we are talking about  
9 this evening.

10 And the final point I just want to make  
11 is that we make the same comments to the Colorado  
12 legislature and that is, one size does not fit all. We  
13 have those 22 distribution co-ops; they are very  
14 different entities. They range in size from 3,000  
15 members to 140,000 members. Some are summer peaking,  
16 some are winter peaking, some serve fairly affluent  
17 parts of Colorado. We have a co-op that serves Aspen  
18 and Vail. But we have co-ops that serve some of the  
19 poorest counties not just in Colorado, but in the United  
20 States -- in Southern Colorado. So they are very cost  
21 sensitive. So we would just like you to take those  
22 things into consideration when moving forward with this  
23 initiative. Thank you.

24 MS. AZAR: Thank you.

25 Stuart Travis?

1 MR. TRAVIS: My name a Stuart Stavis;  
2 S-T-U-A-R-T T-R-A-V-I-S. I am a customer of and  
3 director of the board of Y-W Electric Association, a  
4 rural co-op in Northeastern Colorado. Secretary Chu's  
5 memo talks about incentivizing rates to promote energy  
6 efficiency programs and demand-response programs. Our  
7 co-op has implemented such programs over 20 years ago.  
8 We continue to implement new programs. My co-op serves  
9 Washington and Yuma Counties. We are often called an  
10 irrigation co-op. Much of our load is from irrigating  
11 corn and other crops. Preference power is absolutely  
12 key to the prosperity of our co-op and communities.  
13 While WAPA continues to have -- WAPA customers have paid  
14 for the infrastructure through the rates or decades. We  
15 do not want to see this lost as a result of actions  
16 resulting from Chu's memo. While preference power has  
17 historically and currently been the solution to a  
18 problem, which is the electricity of rural America, the  
19 DOE's initiative appears to be a solution looking for a  
20 problem. Thank you.

21 MS. AZAR: Thank you.

22 Rocky Ferran?

23 MR. FERRAN: Hi. My name is Rocky  
24 Ferran; F-E-R-R-A-N. And I don't really have a prepared  
25 speech. I just have a few notes. I am a staff engineer

1 at Gunnison County Electric Association in Gunnison,  
2 Colorado. We are a rural electric cooperative. As I  
3 look around here and as I attended some meetings today,  
4 I see a lot of high-power entities, a lot of  
5 high-powered people. And something I just want to  
6 emphasize, let's not forget the end user who this is all  
7 about. It's the people that we service electricity to,  
8 the consumers of the commodity we provide. Again, I'd  
9 like to thank you for this opportunity to be here and  
10 comment on these things.

11 As a distribution engineer, I've been in  
12 the industry for 18 years, and I have had the  
13 opportunity to work with those individual that are  
14 paying these bills. And I have witnessed people come up  
15 to the front desk and lay down a \$20 bill just to keep  
16 their lights on for the next month. Our concern, my  
17 concern, as a company, but my concern as individual,  
18 too, is keeping these rates affordable. I do not  
19 understand all the acronyms and all the terms that were  
20 discussed today. I'm just a distribution engineer. A  
21 lot of transmission terms today that kind of went over  
22 my head, but, again, I just want to bring it down to the  
23 level of the basic fabric of America here.

24 The people that we serve as a co-op are  
25 the ones that own us, they are the ones that pay the

1 bills. That's why we are supplying the electricity.  
2 Let's keep it affordable for them. We serve about 10  
3 consumers per mile in our service area, and we have  
4 about 10,000 members. It's kind of a small co-op --  
5 whatever -- that's even a higher percentage of people  
6 from Wyoming and a lot of others across Colorado. We  
7 serve everybody from just your residential -- I don't  
8 intend to say "just" -- residential people made up 70,  
9 80, 90 percent of our service territory. These people  
10 are the ranchers, they're the farmers, they're the  
11 people that go to work every day to make this country  
12 what it is. Not only that, but we do serve a higher  
13 more heard about area. We serve the western ski area;  
14 some second and third homeowners there, some of which  
15 could care less if the rates go up. But I've seen a  
16 number of houses go up for foreclosure in my  
17 neighborhood because they can't afford to live day to  
18 day. That's a shame.

19 I don't understand -- I don't know how  
20 this is all going to affect everything, but my  
21 interpretation and what I hear -- things that are being  
22 proposed in Secretary Chu's memo -- incentivize rates  
23 for energy efficiency programs, demand-response  
24 programs, electric vehicles, and increase variable  
25 resources. It only looks like a way of increasing rates

1 for our consumers in the end. We've already implemented  
2 a lot of these programs as a co-op, and we were one of  
3 the first co-ops to do so. We installed a 2.4 small  
4 wind turbine in our service territory. We are  
5 investigating these things. I'm a technology nut. I  
6 grew up in Las Alamos, New Mexico; a world-class  
7 laboratory. I love technology, but technology is not  
8 going to solve everything.

9 Let's keep these rates affordable. Let's  
10 continue to look at these things in a smart way. And I  
11 wanted to mention that, this is not one size fits all.  
12 We have such a diverse group of customers that one thing  
13 that might help is going to kill somebody else. And I  
14 just want to close with don't try to -- please don't  
15 turn this electricity commodity into one that can only  
16 be afforded by the wealthy by unnecessarily rendering to  
17 customers costs and projects that only benefit a very  
18 few. Thank you very much.

19 MS. AZAR: Thank you.

20 Mina McCullom? Mina McCullom? Seeing no  
21 Mina. That's the end of the folks that I have on the  
22 registration list. Is there anybody else that would  
23 like to speak?

24 Yes, please. Come on up, sir.

25 MR. PRIOR: I am Merlin Prior;

1 M-E-R-L-I-N P-R-I-O-R. I'm a farmer rancher in rural  
2 Nebraska. I am here tonight to talk about some of the  
3 items laid out in Secretary Chu's March 16th memo. I'm  
4 concerned that the proposal reformed in this memo will  
5 change WAPA's core mission of providing cost-based  
6 federal power to its preferred power customers.  
7 Existing customers should not be harmed by any  
8 initiative developed from this memo. I am an electrical  
9 customer since 1965, receiving my energy from the  
10 Colorado Rural Cooperative. It has done an excellent  
11 job of providing reliable, efficient electricity for our  
12 farmstead and numerous businesses. This is being done  
13 with economical rates we can afford with the tight  
14 financial boundaries that are already in place with high  
15 production costs and extreme drought conditions.

16 The cooperative does provide energy  
17 efficiency programs and a low controlled system to  
18 reduce our costs during high-demand periods. And they  
19 have done this with the addition of renewal energy  
20 projects in the past five years without any substation  
21 to help to spread some of the load risk and keep our  
22 costs down.

23 My concern of the overall situation is  
24 that the proposed changes will force my supplier to  
25 raise electrical rates to such levels that we, and many



1 of my neighbors, will no longer be able to afford to use  
2 the electricity and stay in the business of producing  
3 food to help feed the nation. We have a saying and it's  
4 been repeated several times tonight; if it's not broke,  
5 don't try to fix it. We are very satisfied with what we  
6 have and it's been very beneficial to all of us. And I  
7 respect the efforts of the people who are working for  
8 WAPA and Western and you people in Washington, DC, but  
9 please, hear what we are saying and give us due  
10 consideration. I thank you for receiving this  
11 testimony, and please give it serious consideration.  
12 Thank you.

13 MS. AZAR: Thank you. Anyone else want  
14 to speak?

15 Yes, sir. In the back first.

16 MR. MIDCAP: My name is Bill Midcap;  
17 M-I-D-C-A-P. I'm also a member of Rural Agriculture  
18 Co-op in Eastern Colorado, grew up on the farm and  
19 ranch. I would like to elaborate a little bit about the  
20 21st-century grid and the sections this morning we  
21 talked about and 1222, in particular.

22 I guess, as I think about the TED program  
23 and where it's headed, I'm a little worried about how  
24 this program of having -- helping private partnerships  
25 with an individual to form a distribution lineup to get

1 his product to southern California is not quite fair for  
2 everybody. Because the DC line, there will be no -- no  
3 places to put on electricity, no off takers and how it  
4 goes through rural American and there's just not any  
5 incentive for anybody else to get on that line. I'm  
6 talking about basic transwestern express.

7 So you might have a really great wind  
8 resource 150 miles east of there without any ability for  
9 that -- those people to have that resource to connect  
10 and get their power -- their resources to work. I'm a  
11 little leery that this is not a 21st-century grid; that  
12 it actually leaves rural American behind. And I wish  
13 you would consider how you're going to build these lines  
14 up in the future. Everybody in the room that knows me  
15 knows I'm a pretty big wind promoter. We probably  
16 have -- I don't know the exact numbers, but I think  
17 30 -- we're pushing 30 gigawatts of wind in the Western  
18 footprint today. How we get that energy to market is a  
19 problem, but we can't bypass the rural economic  
20 development that this resource provides. Thank you.

21 MS. AZAR: Thank you.

22 MR. HEIN: Hello. Jeff Hein, Xcel  
23 Energy; J-E-F-F H-E-I-N. I just have a quick comment.  
24 As was discussed today, the planning operations breakout  
25 session and, as we all basically know, Western's system

1 is highly connected across the Western interconnection.  
2 And so we feel, for this reason -- and I don't think  
3 we're alone in this -- it is important for Western to  
4 continue to coordinate planning and operation  
5 engagements and extend this engagement where it makes  
6 sense and have a large presence in the various regional  
7 and possibly state operations and planning forums that  
8 exist today. Thank you.

9 MS. AZAR: Thank you.

10 Anyone else?

11 Yes, please, sir.

12 MR. MCCORMICK: I guess I get to go last.  
13 Good evening. My name is Brian McCormick; B-R-I-A-N  
14 M-C-C-O-R-M-I-C-K. I serve as a director of the board  
15 at United Power. We're an electrical cooperative in  
16 Colorado -- one of the larger ones in Colorado.

17 And I guess I would like to start out by  
18 saying, if it's not broke, don't fix it. I'm a little  
19 bit concerned about the kind of sense of re-engineering  
20 the system. In my personal opinion, WAPA and the other  
21 PMAs have delivered tremendous value to the department  
22 and, really, to the nation at large. So it's been a  
23 fantastic resource, so let's not just redesign the  
24 system. But as we go forward, I am certain of their  
25 opportunity to become more efficient, to make strategic

1 investments, to do things in the partnership across the  
2 utilities that would be beneficial to all. And I'm  
3 certainly thinking that we should pursue that kind of  
4 thing.

5           And I would say that my personal  
6 perspective, I pretty much enjoyed the entire day today.  
7 I have been here since eight o'clock and thought it was  
8 a great engagement from the staff at DEO and WAPA and as  
9 it was professionals from the utilities spectrum from  
10 IOU and cooperatives. I don't think it -- to echo with  
11 the idea don't fix what's not broken is, the  
12 beneficiaries should pay. So if we do decide to go  
13 ahead and WAPA decided to go ahead and institute new  
14 programs, to make sure the people that benefit are  
15 really paying for that. And I know it sounds somewhat  
16 simple, but from the cooperative perspective, we're all  
17 about ownership. Our members own the system. Our  
18 members are invested in the system. They put their  
19 equity and their money, really, into the system. And if  
20 they don't have the respect and relationship with the  
21 cooperatives that the preference customers have had with  
22 WAPA over decades and decades, we are pained to support  
23 the system.

24           And, I guess, kind of in a closing point  
25 that I would like to make, in this memo -- and I think

1 the secretary outlined some really great concepts. And  
2 I think that if everybody can get on board of things we  
3 can do to benefit this nation, we should be all about  
4 it. As I look at the PMAs, I see that we haven't built  
5 new facilities in this country for many years. We  
6 haven't built new hydro dams, we haven't built a lot of  
7 these facilities that don't rely on rates that develop a  
8 great deal of value. As we look forward, over time --  
9 and this has been addressed by some of you about the  
10 utilities -- the PMAs have less of a presence.  
11 Especially if we look at their lot of capacity up there  
12 at WAPA. But we look at the energy behind them, we look  
13 at the constraints imposed by regulations and all of a  
14 sudden, it starts getting extremely high. So I would  
15 encourage the team to look at ways that we can expand  
16 that.

17           You know, there are ways to work with the  
18 other federal agencies, the EPA. There are other things  
19 that make it so hard to build infrastructures in this  
20 country. And I'm relatively new to the whole electric  
21 industry, if you will, but I'm really struck by how  
22 complex it is and just how hard it is to get anything  
23 built. And I think that's a lot of what's been driving  
24 our costs. Every time I turn around, it's like, Well,  
25 we can't build a transmission plant, we can't build a

1 power plant, we can't build this, we can't build that.

2 The last thing I would just like to say,  
3 from my perspective as a director, there are a lot of  
4 great people in this industry. There are a lot of  
5 hard-working folks that are just trying to deliver value  
6 and trying to do a great job. So I encourage you to  
7 work with them and work with the professionals out  
8 there. Thank you.

9 MS. AZAR: Thank you.

10 MR. MICHIE: Hi. My name is Phaine  
11 Michie; P-H-A-I-N-E M-I-C-H-I-E. Being the oldest guy  
12 in the room is kind of neat because you do have history.  
13 And I can give you a whole bunch of trivia, which I  
14 will, but it has a punch line. And that's that WAPA  
15 really, as much as I love you, aren't the be all and end  
16 all. The WAPA system works because all of the  
17 infrastructure that's made by the customers and the  
18 others.

19 Now my trivia. I was working for  
20 Southwestern Projects, Bureau of Reclamation, at the  
21 time this Colorado storage project came along, and  
22 somebody from the CRSP came over and said, We got to  
23 sell some power. So I got in the car with the guy and  
24 we drove around to all of our customers trying to sign  
25 them up with CRSP Power, which at that time was

1 considerably above the market rates. So we had a hard  
2 time, but we convinced a lot of people. You can shut  
3 down your generators from these small towns and buy the  
4 CRSP Power and you will have plenty of power. And we  
5 never shut these sectors down; they were diesels. One  
6 was quite a large coal fire plant that smoke went in the  
7 air right in the middle of town. So anyways, so these  
8 people did buy CRSP Power.

9 We worked really, really close with  
10 customers. So the next four or five years I spent a lot  
11 of time working with customers. I tested their relays,  
12 I tested their breakers. And then about the mid '60s,  
13 the government institution said, Phaine, go tell those  
14 people that we don't have any more power and they've got  
15 to go get their own supplier and they've got to do their  
16 own work; so I did.

17 Well, pretty soon the Department of  
18 Energy came along -- let me tell you a story. One day  
19 our superintendent called up -- and this is our  
20 supervisors in control -- and he says, It's 110 degrees  
21 out here. This ring of line we have is going to fall  
22 down. I said, Well, send a guy out and tell me what he  
23 says it is. Well, he came back and it was below what  
24 they should be. Well, this line served three little  
25 towns and a bunch of ranches and a whole bunch of oil

1 wells. So I told him, Reach that circuit breaker and  
2 shut it off, wait five seconds and turn it back on,  
3 because I knew all these oil wells it would take a  
4 couple hours for the guys to turn it back on.

5 But the point of that is, that's how the  
6 Bureau of Reclamation built their system. Like every  
7 other system was built, it was built transmission from  
8 generation to load. WAPA came along, and I joined WAPA.  
9 I was the first guy on the ground in the office over  
10 here in Loveland. And with that idea -- that radio line  
11 out in Eastern Colorado drove me nuts. And I said,  
12 We've got to do something right away. Right away, we  
13 started setting planning meetings with all of our  
14 customers to see what we could do to solve this problem.  
15 So that plan has been going since before WAPA was even  
16 staffed, and I'm very, very proud of that. Because of  
17 that work, I became general manager of Platte River.  
18 And so you guys gave me a great career. But the thing  
19 to remember is the system works because of what  
20 everybody else has done.

21 MS. AZAR: Thank you.

22 MR. BLADOW: I guess I'm last. I bet  
23 it's a relief. Joel Bladow; B-L-A-D-O-W. And I'm also  
24 with Tri-State G&T. Just a couple of, I guess, closing  
25 comments from my perspective after being here all day.



1           I just hope DOE in this process actually  
2 listens to what's been said here and at the other  
3 meetings. There is a strong perception from all of us  
4 out here that this was launched with an end in sight.  
5 Without understanding, it becomes very obvious when you  
6 sit at these sessions and you listen to the questions  
7 and dialogue that there isn't much understanding by a  
8 lot of folks, say, from DOE, of the complexity and all  
9 the intricacies of how this system is put together --  
10 how it works. For example, the example that was given  
11 earlier in the poles -- in the aging poles, that  
12 number's usually delivered by a hundred miles of line  
13 that's 40 years old and the poles are 40 years old.  
14 Reality will tell you that probably 50 percent of those  
15 poles have been replaced and are new. You can maintain  
16 that line forever. That's really not the issue. The  
17 issue is when is it more cost effective to tear it all  
18 out and replace it versus doing it pole by pole? And  
19 those are things that you don't know unless you come out  
20 and talk to folks.

21           So I would really want to emphasize that  
22 a lot of folks have spent a lot of effort to give this  
23 feedback to the Department of Energy. And I say the  
24 Department of Energy in that sense because I know the  
25 people from WAPA know this. And I know there is an

1 effort to say it's a joint effort, and I believe there  
2 is a joint effort to put this on, but the direction  
3 didn't come, in my opinion, from WAPA to go out and  
4 learn what their customers need and the system. They  
5 know what it's about. I think this is about educating  
6 DEO, and I think it's really important that you listen.

7 One of the things that was suggested  
8 today by a member of the group that I was involved with  
9 that I thought was really good was, this is a good start  
10 to a process. This is a 100-year-old program with all  
11 sorts of participants and all sorts of complexities.  
12 You are just starting to scratch the surface. And we  
13 are worried if things come out of this, it will be, Here  
14 are two or three things that we think we can get WAPA,  
15 the customers, others that are not -- I call it customer  
16 stakeholders involved in that can be successful. If  
17 this group goes and says, These are the four things we  
18 are going to implement as opposed to, These are the four  
19 things we are going to explore further, I think it will  
20 go down as a failure and it will cost a lot of us money  
21 and effort in order to try to clean up the mess that's  
22 left behind, because at the end of the day, the  
23 preferred power customers get the bill. Thank you.

24 MS. AZAR: Thank you. Anyone else want  
25 the speak? If not, thank you everybody. And if you

1 want to submit written comments, don't forget it's at  
2 JOT@wapa.gov. Have a great evening.

3 (The proceedings were concluded at  
4 7:42 p.m. on July 31, 2012.)

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C E R T I F I C A T E

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

I, Brigitte Grinnan, shorthand reporter and Notary Public in and for the State of Colorado, do hereby certify that said proceedings were stenographically reported by me at the time and place heretofore set forth, and was reduced to typewritten form under my supervision, as per the foregoing;

That the foregoing is a true and correct transcript of my shorthand notes then and there taken.

That I am not of kin or in anywise associated with any of the parties to said cause of action or their counsel, and that I am not interested in the event thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 14th day of August, 2012. My Commission expires February 17, 2016.

\_\_\_\_\_  
Brigitte Grinnan,  
Notary Public  
899 Logan Street, Suite 111  
Denver, Colorado 80203  
303.831.1667