BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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RE: IN THE MATTER OF ADVICE LETTER NO. 1672-ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO PUC NO. 7-ELECTRIC TARIFF TO IMPLEMENT A GENERAL RATE SCHEDULE ADJUSTMENT AND OTHER OTHER CHANGES EFFECTIVE JULY 18, 2014.	)	**PROCEEDING NO. 14AL-0660E**
IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS ARAPAHOE DECOMMISSIONING AND DISMANTLING PLAN.	)	**PROCEEDING NO. 14A-0680E**

REBUTTAL TESTIMONY OF JON T. LANDRUM

ON

BEHALF OF

PUBLIC SERVICE COMPANY OF COLORADO

December 17, 2014

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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SUMMARY OF REBUTTAL TESTIMONY OF JON T. LANDRUM

Jon T. Landrum is Manager, Resource Planning Analytics for Xcel Energy Services Inc., and submitted supplemental direct testimony in this proceeding.

In his Rebuttal Testimony, Mr. Landrum recommends that the Effective Availability Factor Performance Mechanism ("EAFPM") used in our proposed Generation Performance Benchmarking Plan be based on the historic performance data of the plants included in the plan, with the initial Effective Availability Factor ("EAF") metric that will measure plant performance in the 2015 Test Year calculated based on each plant's actual performance during the five-year period of 2009-2013.

In support of his recommendation, Mr. Landrum responds to the Answer Testimony of CPUC Staff Witness Sharon L. Podein, who suggests that the Company did not fully respond to the concerns expressed in the Staff Report issued

in “Staff of the Commission’s Investigation of Historic and Expected Use of Public Service Company of Colorado’s Existing Generation Resources” that Comanche 3 has not performed as expected, and that our generation performance plan should hold the Company accountable for the inevitable differences between the estimated plant availability used in our resource planning processes and actual plant availability, as well as ensure that Company-built generation be held to the same availability requirements as IPP-built plants. Mr. Landrum explains how the Company did respond to the primary issues in the Staff Report, explains why the objectives Ms. Podein now espouses are different from the concerns stated in the Staff Report, and illustrates that Ms. Podein’s objectives are not justified. Mr. Landrum also reiterates that the purpose of the Company’s proposed generation performance plan is to allay concern that our existing plants may not be as available as they can be to meet our customers’ energy needs. The Company has therefore designed a generation performance plan that rewards improvement – and penalizes deterioration – in our plants’ existing availability.

Mr. Landrum then discusses the adjustments that Ms. Podein proposes be made to the EAFPM. He explains why Ms. Podein’s proposal that the EAF for Comanche 3 and Cherokee 5, 6, and 7 be based on the estimated generic availability identified for those plants in the proceedings that evaluated their potential acquisition is flawed. Because these straight-line estimates do not recognize any variance in a unit’s availability, they are not a valid standard against which to measure changes in a unit’s availability from year to year. In the course of this discussion, Mr. Landrum also explains that the availability value in the Company’s

model coal PPA also does not provide a valid standard against which to measure the availability of Company coal plants, given the materially different pricing and operating parameters under which a Company plant and an IPP plant operate.

Mr. Landrum also explains why Ms. Podein's proposal to calculate the EAF for the Rocky Mountain Energy Center based on its performance during the period 2007 – 2011, rather than the more recent 2009- 2013 time period used for all other plants, is inappropriate. The substitution of outdated 2007 and 2008 performance data for more recent 2012 and 2013 performance data has no apparent purpose other than to deny the Company an opportunity to earn an incentive for actual improvement in the plant's availability.

BEFORE THE PUBLIC UTILITIES COMMISSION
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REBUTTAL TESTIMONY OF JON T. LANDRUM

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

Acronym/Defined Term	Meaning
2015 Test Year	January 1, 2015 through December 31, 2015
CACJA	Clean Air Clean Jobs Act
CC	Combined Cycle
Commission or CPUC	Colorado Public Utilities Commission
CT	Combustion Turbines
EAF	Equivalent Availability Factor
EAFPM	Effective Availability Factor Performance Mechanism
ERP	Electric Resource Plan
GPBP	Generation Performance Benchmarking Plan
IPP	Independent Power Producer
LCP	Least-Cost Resource Plan
MW	Megawatt
O&M	Operations and Maintenance
PPA	Purchase Power Agreement
Public Service or the Company	Public Service Company of Colorado
RFP	Request for Proposal
RMEC	Rocky Mountain Energy Center
SME	Scheduled Maintenance Energy

Acronym/Defined Term	**Meaning**
Staff	Staff of the Colorado Public Utilities Commission
Staff Report	Staff's Investigation of Historic and Expected Use of Public Service Company of Colorado's Existing Generation Resources

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REBUTTAL TESTIMONY OF JON T. LANDRUM

I. INTRODUCTION, QUALIFICATIONS, PURPOSE OF TESTIMONY, AND RECOMMENDATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jon T. Landrum. My business address is 1800 Larimer Street, Denver, Colorado 80202.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY AND ATTACHMENTS IN THIS DOCKET?

A. Yes. I submitted Supplemental Direct Testimony and Attachments in this case on behalf of Public Service Company of Colorado ("Public Service" or "Company") on September 26, 2014 to supplement the Company's original filing on June 17, 2014.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to address Answer Testimony provided by Ms. Sharon Podein of the Staff of the Colorado Public Utilities Commission ("CPUC") regarding our proposed Generation Performance Benchmarking Plan ("GPBP"). Ms. Podein states that it is Staff's position that "a performance mechanism is needed to impose some measure of accountability on the Company,"[1] and that the Company's plan "introduces a reasonable framework around which to develop performance metrics and monetary incentives."[2]. However, she does not accept the GPBP as the Company proposed it, but proposes that the Equivalent Availability Factor ("EAF") for Comanche 3 be adjusted by using a modelled EAF, that the EAF for Rocky Mountain Energy Center ("RMEC") be adjusted by substituting two of the five most recent years of data with data from two prior years, and that Cherokee 5, 6, and 7 (presently under construction) be included in the plan using an estimated generic EAF.

Underlying these proposed adjustments is Staff's view that the Company really has not responded to the concerns in Staff's Investigation of Historic and Expected Use of Public Service Company of Colorado's Existing Generation Resources ("Staff Report"), that Comanche 3 has not performed as expected, and that adjustments to the Company's proposal will improve the electric resource planning process by holding the Company to the

[1] Podein Answer Testimony at page 1, lines 19-20.
[2] Podein Answer Testimony at page 2, lines 8-9.

modeled generic availability of utility self-build options and improving the comparison of IPP bids and utility self-build options.

In my Rebuttal Testimony I will first explain that the Company has been responsive to the Staff Report, both by designing its performance plan in a manner that responds to an expressly stated concern in the Staff Report and by providing information to the Commission in the Company's response to the Staff Report, which is included in the report as Appendix E, and in Proceeding No. 13A-0869E where the Company addressed a proposed disallowance of fuel costs made by the OCC which was based on the findings in the Staff Report. In that context, I will note that Staff's present concern about the integrity of the ERP process was not a stated concern in the Staff Report, and that there is no evidence of any lack of interest among potential bidders in our ERP process.

I will then explain why each of Ms. Podein's three adjustments are inappropriate. In discussing both the Comanche 3 and Cherokee 5, 6, and 7 adjustments that Ms. Podein proposes, I will explain why it is incorrect to use generic availability data for assessing the Company's self-build resources, and how it will not equalize the performance standards between Company self-build and IPP-built plants.

I note that some witnesses have questioned whether the GPBP is necessary. Company witnesses Jackson and Fox indicate that the Company does not disagree with that view, but that we have proposed the plan to

address the concern I note in my testimony: that the Company's efforts to control O&M costs might lead to a deterioration in plant performance.

Q. ARE YOU SPONSORING ANY ATTACHMENTS AS PART OF YOUR REBUTTAL TESTIMONY?

A. No.

Q. WHAT RECOMMENDATIONS ARE YOU MAKING?

A. If the Commission adopts a generation performance plan, I recommend that it be as the Company has proposed and discussed in the Company's direct case and in my supplemental direct testimony.

II. RESPONSIVENESS OF OUR PLAN TO THE STAFF REPORT

Q. MS. PODEIN STATES THAT THE COMPANY HAS NOT REALLY ADDRESSED THE STAFF'S FINDINGS IN THE O&M REPORT. IS SHE CORRECT?

A. There were a number of different findings in the Staff Report, but the Company believes that it has in fact addressed the primary concerns in that report. Of particular importance here, the Company tried to develop its GPBP proposal to respond to one of the concerns expressly stated in the report.

Q. PLEASE ELABORATE.

A. As noted in the introduction to the Staff Report, it was prepared to address a concern that the Commission had regarding how the capacity factors of certain plants were different than what had been reflected in the Company's ERP modeling and that these deviations might be detrimental to customers due to higher fuel prices. In the body of the report, there was more extended discussion regarding the Company's coal fleet, in particular the Comanche 3 unit. In Staff's discussion of whether extended outages could have been avoided so that the Company's coal plants could have met more of customers' energy needs, Staff stated:

> Because increased O&M costs are not pass-through costs, a utility lacks a monetary incentive to minimize downtime of a unit. The increased cost of redirecting generation to a more expensive unit is borne by the ratepayer in the ECA and has little impact on the utility.[3]

Initially, the Company responded to a draft of the Staff Report by including a response that was included as Appendix E to the report itself.

[3] Landrum Supplemental Direct, Attachment JLT-1 at page 22, footnote 17.

While it was not intended to be a comprehensive response – there was not sufficient time to prepare one – the Company did provide an explanation as to why there was a discrepancy between what had been modelled in Strategist, which was used in developing the Company's ERP, and actual operational results. Further, in Proceeding No. 13A-0869E, the Company had an opportunity to explain why Comanche 3's operations have not been at the level predicted and how in the 2012 timeframe addressed in that proceeding the capacity factor of Public Service's coal fleet as a whole was lower than predicted because of gas prices that were much lower than expected. However, although the Company does not believe that its efforts to control O&M costs have been a factor negatively influencing plant availability, the Company had not addressed that concern. It was the concern regarding O&M impacts that the Company intended to address in structuring its GPBP the way it has. The Company believed that its use of 2013 O&M expenses in its 2015 Test Year (January 1, 2015 through December 31, 2015) might lead to a strengthening of this concern.

Q. DOES MS. PODEIN RECOGNIZE THAT THIS WAS A STATED CONCERN IN THE STAFF REPORT?

A. Not that I can tell.

Q. ARE MS. PODEIN'S CONCERNS ABOUT THE INTEGRITY OF THE ERP PROCESSES AND THE NECESSITY OF HAVING A PERFORMANCE MECHANISM TO ASSURE IPP INTEREST IN ERP BIDDING REFLECTED IN THE STAFF REPORT?

A. No, at least not expressly. I noted above the concern stated in the Staff Report that our proposal addresses, but Ms. Podein's suggested modifications to our proposal do not address any concerns that were expressly stated that I can find. I think her modifications fundamentally change the purpose of our mechanism for reasons beyond what was addressed in the Staff Report.

Q. ARE THERE REASONS TO BELIEVE THAT MS. PODEIN'S MODIFICATIONS ARE NECESSARY TO PROMOTE CONTINUED PARTICIPATION OF IPPS IN FUTURE COMPETITIVE BIDDING PROCESSES, AS MS. PODEIN SUGGESTS?

A. Based on the strong response from IPP bidders in response to our RFPs, I believe not. There simply is no record that there has been inadequate IPP participation in Company Requests for Proposals for generation resources in the past, nor is there any reason to believe there may be inadequate participation in the future. The Commission should be aware from Company filings in our Electric Resource Planning proceedings that there has been robust participation by bidders in response to Company RFPs.

Q. IRRESPECTIVE OF WHETHER THE CONCERN ABOUT THE ERP PROCESS WAS IDENTIFIED IN THE STAFF REPORT, WOULD IT BE APPROPRIATE TO MODIFY THE COMPANY'S PROPOSAL IN THIS PROCEEDING TO ADDRESS IT?

A. No, the Company does not believe so. If we were designing a plan to address that concern, there would be a number of other additional issues that would need to be addressed, and our proposed mechanism would likely be different. Among other things, we would need to address whether IPPs are held through their contracts to modelled availability in the manner that Staff proposes for our units. In this connection, IPP contractual requirements would have to be carefully evaluated and considered. We would also need to consider the asymmetric risks and rewards for IPPs and utilities. For example, IPPs charge market prices whereas utilities are subject to cost of service regulation.

III. PROPOSED EAF ADJUSTMENTS FOR COMANCHE 3

Q. BY WAY OF BACKGROUND, HOW DOES THE COMPANY PROPOSE TO CALCULATE THE EAFPM?

A. We have proposed calculating a weighted average EAF for our coal and combined cycle fleet based on recent past performance, and then use it to measure our current performance. Given that the focus of our mechanism is to allay concern about the deterioration in the operating performance of our units, we believe that it is appropriate to base our incentive on the historic performance of our units.

Q. WHAT IS MS. PODEIN'S PROPOSED ADJUSTMENT TO THE EAF MEASUREMENT FOR COMANCHE 3?

A. Ms. Podein proposes that the EAF for the 750 MW Comanche 3 should be the level of unit availability included in the Strategist modeling done in our 2003 Least Cost Resource Plan (Consolidated Proceeding Nos. 04A-214E, 04A-215E, and 04A-216E),[4] modeling conducted over six years prior to Comanche 3 going into service and prior to the construction of the Comanche 3 facility.

Q. IS STRATEGIST COMPUTER MODELING A PROPER BASIS FOR DEVELOPMENT OF AN EAF?

A. I do not believe so. As I explained in my Supplemental Direct Testimony, Strategist is computer modeling software that models the long range operations of a utility system to aid in resource planning decisions. To do this, assumptions about future factors that will impact the utility system are

[4] Podein Answer Testimony at page 16, lines 1-11.

entered into the model (e.g., customer demand and energy forecast, current generation fleet operational characteristics, fuel prices, electricity market prices, environmental regulation costs, new resource capital and O&M costs, operational characteristics, etc.). Strategist then identifies through the simulations of the utility system's operations when, how large, and what type of resource additions to the system would produce an overall least-cost mix of energy resources. Strategist also allows a utility to determine the relative cost effectiveness of particular resource additions to determine which resource is the least cost option to add to its system.

Q. HOW WAS STRATEGIST USED IN THE EVALUATION OF COMANCHE 3?

A. Strategist was used to evaluate which type of generation technologies should be added to the Public Service system to produce the least-cost resource plan.[5] Seven types of generation technologies were evaluated: conventional gas combustion turbines ("CT"), advanced CT, conventional gas combined cycle ("CC"), advanced CC, integrated gasification combined cycle, pulverized coal, and wind.[6] They were evaluated over a 30-year planning horizon to determine what the relative total system costs would be to add each type of generation technology to the Company's system.[7] The results of the Strategist analysis showed that the least cost plan to meet the Company's needs included a 750 MW pulverized coal plant.[8]

[5] 2003 Least-Cost Resource Plan, Volume 1 ("2003 LCP") at page 1-77.
[6] 2003 LCP at page 1-85.
[7] 2003 LCP at page 1-31.
[8] 2003 LCP at page 1-96.

Additional Strategist modeling was then done to determine whether the cost of the least cost plan would increase or decrease if the generic 750 MW coal unit included in the initial modeling was replaced with a 750 MW supercritical pulverized coal unit representing the Company's proposed Comanche 3.[9] The results showed that Comanche 3 was more cost-effective than the generic 750 MW coal plant.[10]

Q. DID THE STRATEGIST MODELING INCLUDE AN AVAILABILITY LEVEL FOR COMANCHE 3 AND THE VARIOUS GENERATING UNITS BEING EVALUATED?

A. Yes, but not in a way that was intended to exactly track actually selected resources. Strategist uses generic performance characteristics, including availability, that represent the generally expected performance of the generation technology being analyzed. A single, straight-line estimate of availability was used for the unit for the entire 35-year planning period, rather than trying to model the changing availability of the unit over that timeframe. This straight-line estimate generally reflects a point within the range of availability typical for that type and size of generating unit during its "useful life," rather than its availability during its "burn in" or "shake-down" period, when the plant first starts operation, or its "end of useful life" period. Availability is typically lower during these periods.

[9] 2003 LCP at 1-119 to 1-120.
[10] 2003 LCP at 1-122.

Q. DOES THE STAFF REPORT RECOGNIZE THIS LIMITATION OF STRATEGIST?

A. Yes. The Staff Report on the investigation of the availability of Comanche 3 in 2011 and 2012 recognizes that the straight-line availability values used in Strategist do not reflect the known variation in availability that every generating unit undergoes over its life cycle. The Staff Report specifically notes that newer units may experience low availability during the early stages of their lives due to new technology and operator error, and that after this shakedown period is complete, availability "should rise as operational risk falls until a stable and predictable operating environment is achieved." It is during a unit's useful life or "mid-life phase" that its availability "should remain high and predictable."[11] In other words, the Staff Report recognized the overall issues with comparing Strategist modeling of a plant's estimated availability during its useful life to the plant's actual availability during any specific period in the plant's life cycle, especially during a generation unit's burn in period.

Q. SO YOU DO NOT BELIEVE STRATEGIST MODELING WOULD BE AN APPROPRIATE EAF METRIC FOR THE PLAN THAT THE COMPANY HAS PROPOSED?

A. That is correct. Strategist modeling outputs do not provide any guidance on whether the increases and decreases of a generation unit's availability <u>from year to year</u> fall within a range that warrants a reward, a penalty, or no reward

[11] Landrum Supplemental Direct, Attachment JTL-1 at page 6.

or penalty at all. The Staff Report on the investigation of the availability of Comanche 3 in 2011 and 2012 specifically acknowledges that it is not appropriate to compare a plant's availability over a single year to the availability level used in Strategist modeling:

> Staff is aware that Strategist has not been developed for production modeling but rather is intended to capture the general characteristics of a unit over a period to time. When looking at a specific year, actual operating conditions may differ from those contained in the Strategist output, but over time the Strategist values are expected to approach those of actual operating results.[12]

Because Strategist modeling does not recognize any variance in a unit's availability, the availability value used in Strategist is not an appropriate standard against which to measure whether a unit is achieving the availability level it should given the unit's existing performance, changing operating conditions, and where it is in its life cycle.

Moreover, the estimated availability used in Strategist for Comanche 3 was generic, representing the generally expected performance of the generation technology being analyzed. The availability data was based on our best information at the time which, as I discussed in my Supplemental Direct Testimony, was very limited with respect to pulverized coal units of the same design as Comanche 3, and of course we had no actual information on Comanche 3 itself.

[12] Landrum Supplemental Direct, Attachment JTL-1 at page 19 (emphasis added).

Q. DO YOU AGREE WITH MS. PODEIN THAT THE COMPANY'S STRATEGIST MODELING FOR COMANCHE 3 WAS TANTAMOUNT TO A BID PRICE?

A. No**.** The Strategist analysis in our 2003 Least Cost Plan filing was not a bid. The Strategist modeling was a sophisticated resource planning tool using anticipated cost and performance characteristics of different resource options to determine which resource types would most cost-effectively serve the Company's future capacity and energy requirements.

Q. WHAT IS YOUR RESPONSE TO MS. PODEIN'S CLAIM THAT COMANCHE 3 SHOULD BE HELD TO THE AVAILABILITY LEVEL IN THE 2003 LEAST COST RESOURCE PLAN BECAUSE IPPs ARE SUBJECT TO HIGH AVAILABILITY REQUIREMENTS UNDER THE COMPANY'S MODEL COAL PPA?

A. This is where there is a significant fallacy in Staff's logic. IPPs are not held to the availability assumptions that the Company has used in the Strategist modeling of their proposed plant technologies. Instead, IPPs have the opportunity to negotiate contract provisions to establish the availability levels they believe they can achieve given the actual equipment they intend to install. Most of our IPPs have submitted bids to construct and install natural gas generators using well-established technologies and manufacturers. The IPPs assess the level of risks that they are willing to assume, given their familiarity with the technologies they employ. Minimum average availability requirements tied to reduced capacity payments if these minimums are

missed are a standard feature of PPAs and heavily negotiated by the parties based on the specific technology and operating conditions of the IPP's proposed unit, and the financial risk the IPP and its lender(s) are willing to assume. As a consequence, Ms. Podein's after-the-fact effort to hold the Company to assumed availability in Strategist modeling would potentially subject the Company to a higher operational standard than IPPs have under their contracts.

Q. IS IT RELEVANT HOW THE PERFORMANCE OF COMANCHE 3 COMPARES TO THE MODEL COAL PPA THAT MS. PODEIN MENTIONS?

A. I believe not. The negotiations on that coal PPA were abandoned by the parties. Since the Company never reached an agreement with the IPP on the PPA's terms, it is inaccurate to say that the Company "held" the IPP to anything contained in that contract or to assume the IPP would necessarily have agreed to a specific term, with or without other concessions. Finally, I note that our calculation of the EAF based on the terms of this abandoned PPA is 91.3%, rather than the 94.7% that Ms. Podein calculated. Ms. Podein included the allowed hours for Scheduled Maintenance Energy (SME) (i.e., planned outage values). There is no provision for unplanned outage values, however under Section 10.5, seasonal derate hours need to be taken into consideration in the EAF calculation. This was not accounted for in Ms. Podein's calculation.

IV. PROPOSED EAF ADJUSTMENT FOR CHEROKEE 5, 6, AND 7

Q. WHAT IS MS. PODEIN'S PROPOSED ADJUSTMENT FOR THE EAF FOR CHEROKEE 5, 6, AND 7.

A. The Company proposed to exclude Cherokee 5, 6, and 7 from the performance plan given that these units are still under construction and have not been completed. Ms. Podein proposes including them in the plan and utilizing the estimated generic availability the Company provided the Commission in the CACJA proceedings for these types of units to establish the units' EAF.

Q. DO YOU BELIEVE THIS PROPOSAL IS APPROPRIATE?

A. No, for the same reasons I noted before with respect to Comanche 3. Further, I would note that Ms. Podein's concern regarding ERP integrity has no applicability to the selection of Cherokee 5, 6, and 7, because they were selected in our CACJA proceeding – and the Company had the right to self-build replacement generation under the CACJA – and not through an ERP RFP. If the focus of the GPBP is on maintaining our plants performance, then our proposal to exclude them from the plan is logical given that the units are not even constructed and therefore have no operating history.

V. PROPOSED EAF ADJUSTMENT FOR ROCKY MOUNTAIN ENERGY CENTER

Q. PLEASE DESCRIBE MS. PODEIN'S PROPOSED ADJUSTMENT TO THE EAF FOR RMEC.

A. For RMEC, which the Company acquired in 2010, Ms. Podein proposes calculating the EAF using performance data from the period 2007 through 2011 rather than the most recent five years of data for the plant – 2009 through 2013 – that is the period of data applied to all other plants in our generation performance plan.

Q. WHAT IS THE RATIONALE FOR THIS ADJUSTMENT?

A. Ms. Podein analyzed the actual availability of RMEC over the 2009-2013 period and noted that it fell significantly in 2012 and 2013 in comparison to the period 2009 – 2011 as result of significant scheduled outages, forced outages, and unit de-rates. Because the 2012 and 2013 outages were significantly greater than the outages for 2009, 2010, and 2011, Ms. Podein claims that they are "outliers" which should not be included in the five-year average of RMEC's availability. Instead she proposes that the RMEC's outages for 2007 and 2008 be used to develop the plant's five-year availability average.[13]

Q. DO YOU AGREE WITH MS. PODEIN'S RATIONALE?

A. No. When developing an average using a number of years, by definition some years will be above average and some years will be below average due to maintenance activities, both planned and unplanned. And when

[13] Podein Answer Testimony at page 19, Confidential Graphs SLP-4 and SLP-5, and page 21, lines 11-18.

developing the average for purposes of determining whether current performance is being maintained or improved with respect to recent past performance, it is not appropriate to eliminate the most recent years of performance in favor of years of performance that are not recent.

Here, the years Ms. Podein proposes to exclude are the most recent years documenting RMEC's availability, which is the performance characteristic our plan is intended to measure. There is no question that these years are germane to determining whether the availability of RMEC during the 2015 Test Year is being maintained or is improving or deteriorating versus its recent past availability. As a result, 2012 and 2013 are appropriately included in the availability baseline for the plant. Ms. Podein's sole basis for excluding them is because otherwise they "may provide the Company the opportunity to earn a bonus."[14]

Conversely, 2007 and 2008 are themselves outliers. They have no relevance to the current availability of RMEC because both years' data are more than five years prior to the year being evaluated. And in addition to the age of the data, these years would skew the average availability of RMEC in the other direction. The outage levels for 2007 are the lowest for all seven years analyzed, while the outage levels for 2008 are the third lowest out of the seven years. In short, the apparent basis for using the 2007-2011 time period to calculate the availability of RMEC is to remove the opportunity for the Company to earn an incentive due to actual improvement.

[14] Podein Answer Testimony at page 21, lines 15-18.

Q. PLEASE SUMMARIZE WHAT YOU ARE RECOMMENDING.

A. If the Commission determines the Company should have a generation performance plan, I recommend that it be the GPBP that the Company has proposed and discussed in the Company's direct case and in my Supplemental Direct Testimony. Ms. Podein's proposed adjustments to the calculations of the EAF metric for Comanche 3 and RMEC should be rejected, as well as her proposal to add Cherokee 5, 6, and 7 to the GPBP at this time.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.