

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

DOCKET NO. 07S-521E

RE: IN THE MATTER OF ADVICE NO. 1495 - PUBLIC SERVICE COMPANY OF
COLORADO REVISION TO THE INTERRUPTIBLE SERVICE OPTION CREDIT
(ISOC) TARIFF - ELECTRIC.

**SUPPLEMENTAL ANSWER TESTIMONY OF GENE L. CAMP
STAFF OF THE COLORADO PUBLIC UTILITIES COMMISSION**

April 15, 2008

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AFFIDAVIT OF GENE L. CAMP

1 **I. IDENTIFICATION OF WITNESS AND PURPOSE OF TESTIMONY**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 **A.** My name is Gene L. Camp. My business address is 1560 Broadway, Suite 250,
4 Denver, Colorado 80202.

5 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND**
6 **EDUCATIONAL BACKGROUND.**

7 **A.** My professional experience and educational background are contained in
8 Appendix A to my testimony.

9 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

10 **A.** I am employed by the Colorado Public Utilities Commission (Commission). I am
11 the Chief of the Energy Section.

12 **Q. DID YOU PREVIOUSLY PROVIDE TESTIMONY IN THIS CASE?**

13 **A.** No, but I was the primary witness in the Public Service Company of Colorado
14 (Public Service or Company) Fort St. Vrain case (Docket No. 07A-469E) where
15 the Commission ordered this supplemental answer testimony. In addition, I am
16 the Energy Section Chief and have oversight responsibility for all energy related
17 dockets in which the Staff of the Colorado Public Utilities Commission (Staff) is
18 an intervenor.

1 **Q. ARE YOU GENERALLY FAMILIAR WITH THE INFORMATION THAT**
2 **HAS BEEN FILED IN DOCKET NO. 07S-521E?**

3 **A. Yes, I am generally familiar with Public Service’s proposed revisions to its**
4 **Interruptible Service Option Credit (ISOC) tariff.**

5
6 **Q. WHY IS STAFF PROVIDING SUPPLEMENTAL ANSWER TESTIMONY**
7 **IN THIS CASE?**

8 **A. The Commission directed the Administrative Law Judge (ALJ) in this case to take**
9 **administrative notice of Decision No. C08-0369.¹ The Commission ordered:**

10 71. First, the ALJ and the parties should address what
11 additional incentives, if any, are necessary to encourage Public
12 Service customers to take service pursuant to Public Service's
13 interruptible tariffs. This includes examination of the incentives in
14 the proposed tariffs as filed and consideration of any additional
15 incentives that, if adopted, would encourage participation without
16 unduly adversely affecting the cost-effectiveness of the
17 interruptible program from the perspective of the general body of
18 ratepayers.

19
20 72. Second, if planning and goal-setting occur in Docket No.
21 07S-521E (as would be the case, for example, if Public Service
22 obtains an incentive plan), then such planning and goal-setting
23 must factor in the impact of third-party demand response
24 aggregation [note 1 omitted] which would be operating in the
25 market simultaneously with, but independently of, Public Service's
26 interruptible service program. Based on the information now
27 available, our preliminary expectation is that, for 2009 and later
28 years, there will be an increase in the total interruptible service
29 goals and that the increase will be in addition to the planned goals
30 for ISOC alone.

¹ Decision No. C08-0369, Docket No. 07A-469E, “Commission Order Granting a Certificate of Public Convenience and Necessity for Two Combustion Turbines at the Fort St. Vrain Generating Station and Amendment to the Contingency Plan with Specific Findings,” pp. 19-20.

1

2 **Q. HAS THE ALJ IN THIS CASE ORDERED THE PARTIES TO ADDRESS**
3 **THE ISSUES DETAILED IN COMMISSION DECISION C08-0369?**

4 **A.** Yes, the ALJ in Decision No. R08-0372-I ordered that “on or before April 15,
5 2008, each Intervenor shall file supplemental answer testimony addressing the
6 Commission-identified issues as set out in Decision No. C08-0369.”²

7

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 **A.** The purpose of my testimony is to provide Staff’s response to the two specific
10 issues raised by the Commission in Decision No. C08-0369.

11

12 **Q. COULD YOU SUMMARIZE STAFF’S UNDERSTANDING OF THE**
13 **ISSUES OR QUESTIONS RAISED BY THE COMMISSION AND**
14 **ORDERED TO BE ADDRESSED BY ALL INTERVENORS IN**
15 **SUPPLEMENTAL ANSWER TESTIMONY?**

16 **A.** Yes. The two questions are:

17 1. Assuming the condition that incentives to potential ISOC program
18 participants shall not unduly adversely affect the cost-effectiveness of the
19 interruptible program from the perspective of the general body of

² Decision No. R08-0372-I, Docket No. 07S-521E, “Interim Order of Administrative Law Judge Mana L. Jennings-Fader Concerning Decision No. C08-0369 issued in Docket No. 07A-469E, “Requiring Additional Testimony, and Modifying Procedural Schedule,” p. 5, Mailed Date April 8, 2008.

1 ratepayers, what additional incentives, if any, are necessary for Public Service
2 to attract more load to the Company's ISOC program?

3 2. How should the planning and goal setting for Public Service's ISOC program
4 be modified to factor in the impact of third-party demand response
5 aggregation?
6

7 **II. RESPONSE TO COMMISSION ORDER**

8 **Q. HAS STAFF ALREADY PROVIDED TESTIMONY THAT IS**
9 **RESPONSIVE TO THE COMMISSION'S ORDER?**

10 **A.** Yes. Staff witness Shiao in answer testimony³ provided extensive analysis and
11 recommendations with regard to the appropriate amount of compensation that
12 should be offered to ISOC program participants such that the general body of
13 ratepayers is not harmed, recommended Commission approval of proposed
14 modifications to the program intended to attract more participants, and
15 recommended that the Commission deny Public Service's request for an
16 "incentive" plan. In addition, Staff witness Di Domenico in answer testimony⁴
17 provided an analysis of two market studies and recommended certain

³ Answer Testimony and Exhibits of Larry Y. Shiao, Staff of the Colorado Public Utilities Commission, Docket No. 07S-521E, March 24, 2008.

⁴ Answer Testimony and Exhibits of Harry C. Di Domenico, Staff of the Colorado Public Utilities Commission, Docket No. 07S-521E, March 24, 2008.

1 modifications to the ISOC program intended to result in a higher level of
2 participation.

3

4 **Q. WHY DO YOU SUPPOSE THE COMMISSION REQUESTED**
5 **SUPPLEMENTAL TESTIMONY IN THIS MATTER CONSIDERING**
6 **THAT STAFF HAD ALREADY ADDRESSED THESE ISSUES?**

7 **A.** It is important to understand the timing of the Commission's order relative to
8 Staff's filing of answer testimony in this case. Commission Decision No. C08-
9 0369 was adopted in Docket No. 07A-469E on March 19, 2008. Staff filed its
10 answer testimony in this case on March 24, 2008. The Commission mailed
11 Decision No. C08-0369 on April 3, 2008.

12

13 **Q. IS IT LIKELY THAT THE COMMISSION DID NOT HAVE AN**
14 **OPPORTUNITY TO READ STAFF'S ANSWER TESTIMONY PRIOR TO**
15 **ISSUING THE DECISION ORDERING SUPPLEMENTAL TESTIMONY?**

16 **A.** Yes. The Commission conducted its deliberations in Docket No. 07A-469E five
17 days before Staff filed answer testimony in this case. Although the written
18 decision was not mailed until April 3, 2008, it is quite likely that Staff's answer
19 testimony was not considered prior to the issuance of the written decision.

20

1 **Q. DOES STAFF NEED TO MODIFY ITS PREVIOUSLY FILED**
2 **TESTIMONY IN THIS MATTER OR NEED TO SUPPLEMENT ITS**
3 **TESTIMONY IN LIGHT OF THE COMMISSION’S DECISION?**

4 **A.** No. However, in light of the Commission’s decision, certain reemphasis should
5 be helpful.

6
7 **Q. WHAT REEMPHASIS DO YOU BELIEVE WILL ASSIST THE**
8 **COMMISSION?**

9 **A.** First, I would like to discuss the use of additional financial incentives to attract
10 more load to the ISOC program.

11 In his answer testimony, Staff witness Shiao provided detailed analysis of
12 Public Service’s proposed method to determine compensation for ISOC program
13 participants. He recommended specific changes to the method for determining
14 compensation that should encourage ISOC program participation without the
15 general body of ratepayers providing subsidization. Adoption of Staff’s proposed
16 method should encourage ISOC program participation above current levels
17 because Staff’s proposed credit rates are, in general, larger than those in the
18 existing tariff. At this time Staff has been unable to identify any financial
19 incentives above the levels advocated by Dr. Shiao that would not unduly
20 adversely affect the general body of ratepayers.

21

1 **Q. DID STAFF OFFER ANY INCENTIVES TO ISOC PROGRAM**
2 **PARTICIPANTS THAT ARE NOT FINANCIAL IN NATURE?**

3 **A.** Yes, Dr. Shiao has recommended approval of the changes proposed by the
4 Company that would reduce the minimum load requirement to 300 kW. Adoption
5 of this recommendation will significantly increase the number of customers
6 eligible to take service under Public Service’s ISOC tariff.

7 In addition, Staff witness Di Domenico recommended certain changes to
8 clarify the costs surrounding the engineering, design, purchase cost and
9 installation of the equipment necessary to effectively manage interruptions via a
10 customer’s EMS. Staff believes a likely outcome of Public Service providing
11 certainty for the EMS cost will be more customers seriously considering
12 participating in the ISOC program. In addition, Mr. Di Domenico provides
13 testimony on two market research studies conducted by The Praxi Group, Inc.
14 intended to explore potential enhancements to the ISOC program.

15

16 **Q. WITH RESPECT TO THE PLANNING AND GOAL SETTING ISSUE**
17 **RAISED BY THE COMMISSION IN DECISION NO. C08-0369, WHAT**
18 **COMMENTS DOES STAFF HAVE?**

19 **A.** In its direct testimony, Public Service did not offer a concrete description of its
20 planning and goal-setting agenda with respect to the ISOC program. Moreover,
21 even though Public Service states that it anticipates a total ISOC load of about
22 243 MW by 2020 (Direct Testimony of Scott Brockett, p. 16) , Public Service has

1 not sought Commission approval in this docket of any forecasted levels of ISOC
2 load. Similarly, Public Service is not seeking to be paid any sort of incentive that
3 is pegged to the amount of additional load that can be attracted to the ISOC
4 program. Should Public Service provide such information in this or another
5 docket, only then will Staff be able to comment on the Company's plans and
6 goals and possible modifications to account for competition from a third-party
7 demand response aggregator. Staff will be prepared to respond orally at the
8 hearing in this matter should Public Service offer a more concrete description of
9 its planning and goal setting agenda in its rebuttal testimony due to be filed on
10 April 22, 2008.

11
12 **Q. WHILE PUBLIC SERVICE IS NOT SEEKING COMMISSION**
13 **APPROVAL OF AN INCENTIVE PEGGED TO ADDITIONAL LOAD**
14 **ATTRACTED TO THE ISOC PROGRAM, IS IT UNDERSTANDABLE**
15 **THAT COMMISSION DECISION NO. C08-0369 IN THE FORT ST.**
16 **VRAIN MATTER, AT PARAGRAPH 72, REFERRED TO AN INCENTIVE**
17 **PLAN?**

18 **A.** Yes. Public Service is seeking a financial incentive in this matter; however
19 Public Service's proposed incentive is not tied in any way to the performance of
20 the ISOC program. Instead, Public Service requests that it receives an incentive
21 simply for offering the ISOC program. A so-called "incentive" with no
22 requirement for any level of performance is unacceptable.

1 In addition, Staff is skeptical as to whether an incentive plan tied to
2 performance should ever be made available for an interruptible tariff offering
3 structured in the manner of the ISOC tariff. The ISOC program for the most part
4 does not result in a reduction in revenue to the utility because there is little, if any,
5 reduction in energy consumption or reduction in peak demand of the individual
6 program participants. This distinguishes the ISOC program from the typical
7 DSM program that encourages a reduced use of electricity and often requires
8 some level of financial incentive to encourage utilities to promote the program
9 and offsets the associated loss of revenue.

10

11 **Q. IS THERE ANYTHING ADDITIONAL YOU WOULD LIKE TO POINT**
12 **OUT?**

13 **A.** Decision No. C08-0369 was issued in the Fort St. Vrain case on April 3, 2008 and
14 is, therefore, still subject to modification during the rehearing, reargument, or
15 reconsideration (RRR) period for the docket. Any party in the case may request
16 RRR of the Commission decision within 20 days of the effective date or by April
17 23, 2008. The Commission then has 30 days to act on a RRR. Should the
18 Commission modify Decision No. C08-0369 in any manner that affects this ISOC
19 proceeding, then Staff would like to reserve an opportunity to recommend further
20 proceedings in this ISOC docket so as to permit updating of this supplemental
21 answer testimony.

22

1 **Q. DOES THIS CONCLUDE STAFF’S SUPPLEMENTAL TESTIMONY?**

2 **A. Yes.**

APPENDIX A
STATEMENT OF QUALIFICATIONS
OF
GENE L. CAMP

I have been employed by the Colorado Public Utilities Commission since 2005. My position is Energy Section Chief. I hold a Bachelor's Degree in Mechanical Engineering from California Polytechnic State University, San Luis Obispo, California. I have been licensed as a Professional Engineer in California since 1984. I have also held a license as a Professional Engineer in Colorado since 2004.

As Staff of the Commission, I have provided analysis and recommendations on numerous electric and gas matters for several Colorado regulated utilities. I served as a member of the team investigating the controlled outages of February 18, 2006 by Public Service. I served as Trial Staff Lead and provided testimony for the most recent Public Service electric and gas rate cases. I served as Trial Staff Lead for the recent Public Service SB-100 Transmission CWIP Case. I also led the Commission's investigation for the implementation of the Energy Policy Act of 2005's new PURPA standards.

Prior to joining the Commission, I served in the position of Manager for several technical services companies providing consulting to utility clients in the areas of engineering, construction, testing, operations and information technology. I have experience in engineering, design, stress analysis, modification and construction management of complex high-energy systems, rotating equipment and other mechanical systems for steam, power generation, petrochemical and pulp/paper in compliance with regulatory and ASME/ANSI codes. My engineering experience includes specification review and development, design engineering, site

engineering, design change and non-conformance engineering, third party design reviews, quality reviews, final installation inspection and approval. Project management experience includes cost estimates, budget and cost control, scheduling, testing, management and coordination of multidiscipline engineering teams including civil, structural, mechanical, electrical, I&C, process, fire protection and procurement, oversight of sub-contractor scopes, design change review/approval, financial analysis, budgeting and outage planning.

EDUCATION & PROFESSIONAL REGISTRATIONS

BS Mechanical Engineering, May 1981, California Polytechnic State University, San Luis Obispo, CA.

Professional Engineer, State of California, License No. M22761, March 1984.

Professional Engineer, State of Colorado, License No. 38617, August 2004.

American Society of Mechanical Engineers – Member, June 1980 - Present

PUBLICATIONS

“What is the Cost of Cycling a Heat Recovery Steam Generator?” Combined Cycle Journal, PMI Media, January 2004, Bronx, NY.

"Parametric Study of Localized Effects on Piping Due to Thermal Stratification", 11th Conference on Structural Mechanics in Reactor Technology, August 1991, Tokyo, Japan.

"Methodology for Relaxation of Snubber Test Criteria", 1990 ASME Pressure Vessels & Piping Conference, June 1990, Nashville, TN.

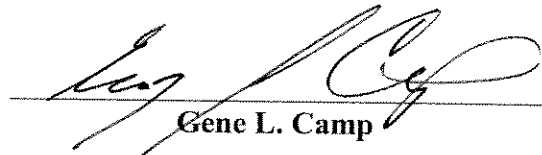
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AFFIDAVIT OF GENE L. CAMP
STAFF OF THE COLORADO PUBLIC UTILITIES COMMISSION

I, Gene L. Camp, being duly sworn, state that the attached testimony and exhibits were prepared by me or under my supervision, control, and direction; that the testimony and exhibits are true and correct to the best of my information, knowledge and belief; and that I would give the same testimony orally and would present the same exhibits if asked under oath.


Gene L. Camp

Subscribed and sworn to before me in the County of Denver, State of Colorado,
this 15 day of April 2008.


NOTARY PUBLIC

My Commission expires:

4-30-2008

