

TESTIMONY OF ROBERT “BRAD” GASKILL

PURPA HEARING – DECEMBER 23, 2008

My name is Brad Gaskill. I am Chief Executive Officer for Poudre Valley Rural Electric Association, Inc. (Poudre Valley REA) Congress passed the Energy Independence and Security Act of 2007, commonly known as EAct 2007. EAct 2007 established new federal standards, and requires that Poudre Valley REA Board of Directors (Board) determine whether or not it is appropriate to implement certain standards within a defined timeline. Poudre Valley REA was required to provide public notice of a paper hearing, and invite interested persons to make written comments on the standards to be filed with the Association by December 9, 2008.

In my role as Chief Executive Officer, I was given the task to implement the process to provide notice to interested persons, and to organize the paper hearing. In doing so, I worked with our General Counsel, Randy Starr. My testimony, as a staff person for Poudre Valley REA, will discuss the following; first, an enumeration of the standards under discussion and; second, the process that has been undertaken to date to provide notice of and conduct the paper hearing. In the course of my testimony, I will be referring to certain exhibits, which I will ask to be introduced into evidence at the paper hearing.

Under EAct 2007, Poudre Valley REA is required to consider certain additional standards which will assist in energy efficiency, rates, and access to information regarding prices and sources of power. The four standards which the company is to consider are the following:

1. Energy Efficiency – electric utilities are to integrate energy efficiency into their integrated resources plans and to establish cost-effective energy efficiency as a “priority” resource;
2. Rate Alignment – electric rates should align utility incentives with the delivery of cost-effective energy efficiency and to promote energy efficiency investments; and,
3. Smart Grid – so-called “smart grid” investments should be considered before other system improvements. Recovery of the cost of such investments should be allowed from ratepayers, along with stranded costs from technologies made obsolete and replaced by smart grid technologies.
4. Access to Information – electricity customers should be given direct written or electronic access to information concerning time-based electricity prices at wholesale and retail and their usage on at least a daily basis, and customers should have access to data concerning the sources of the power provided by the utility, including the greenhouse gas emissions associated with each type of generation.

EAct 2007 required that the Association undertake the consideration of these standards by December 19, 2008. The Association did so. Staff and the company’s counsel began a review and study of the standards in June 2008. Staff was instructed by the Board to begin work on the consideration for further discussion at the July Board meeting, and Staff’s first report and the Board’s first consideration took place at the Board’s July 2008 meeting. I offer as Exhibit 1 a copy of the agenda for that meeting.

The Board also reviewed the PURPA consideration process at its August 2008, September 2008, October 2008 and November 2008 meetings. I offer as Exhibit 2 a copy of the agenda for each of these meetings.

In order to provide the broadest notice of the process, a special link was set up on Poudre Valley REA's website on September 10, 2008. I offer as Exhibit 3 a copy of the face page of that website along with public notice.

In early October 2008, a notice of this process was mailed to the entire membership of Poudre Valley REA through the Colorado Country Life (CCL) Magazine, a monthly publication provided to the membership. I offer as Exhibit 4 a copy of the notice published in the October issue of CCL. In addition, a notice of this process was published in the October 10, 2008 Coloradoan newspaper. I offer as Exhibit 5 a copy of the notice published in the Coloradoan.

While EAct 2007 did not mandate a specific procedure to undertake the consideration of the standards I mentioned earlier, the staff and Board of Poudre Valley REA felt that a structured process should be implemented in order to assure maximum notice to our members and the public, along with a procedure to receive, hear and consider all information possible so that the Board can make its determination. As such, the public notices I describe above sets forth certain procedural deadlines established by the Board so that the consideration of the standards could proceed in an orderly fashion.

The public notices set forth various dates by which parties may intervene, file testimony, and the like. No one disclosed any written testimony by December 9, 2008 as provided in the rules other than that of Mr. E. James Byrne, Engineering Manager at

Poudre Valley REA and Mr. James P. Spiers, Senior Manager Energy Strategies for Tri-State Generation and Transmission Association, Inc. whose testimony was posted on the Poudre Valley REA website at <http://www.pvrea.com> on December 10, 2008.

The next event on the schedule is a paper hearing conducted by the Board on December 23, 2008 beginning at 2:00 p.m. at the headquarters of Poudre Valley REA located at 7649 REA Parkway, Fort Collins, CO. The purpose of the hearing will be for the Board to consider all filed testimony, deliberate and set a date for its consideration of EAact 2007 standards.

After all submissions, the Board is, pursuant to the rules, to make a determination of its consideration of EAact 2007 standards based upon the record, and posted no later than December 19, 2009. Poudre Valley REA is on schedule to meet that deadline.

The record of this proceeding shall consist of all testimony, exhibits and statements filed with the Board on or before December 9, 2008, along with testimony and statements the Board accepts during the December 23, 2008 paper hearing.

After the Board concludes its deliberations and issues its findings, the company will hold the entire record and all papers concerning the matter for a period of seven (7) years. Interested persons may review the file by following the records policy of Poudre Valley REA.

This concludes my testimony.