

## MEMORANDUM

TO: Montana Public Service Commission  
FROM: Legal Team  
DATE: January 31, 2014  
RE: Preapproval Adequacy Determination (Docket D2013.12.85)

### QUESTION PRESENTED

Is the Montana Public Service Commission (Commission) required to determine the adequacy of the *Application for Hydro Assets Purchase* (Application) filed by NorthWestern Energy (NorthWestern or NWE)?

### SHORT ANSWER

Yes.<sup>1</sup> The Commission “shall determine whether or not the [A]pplication is adequate and in compliance with [its] minimum filing requirements” no later than February 3, 2014. Mont. Code Ann. § 69-8-421 (2013). If the Commission determines that the Application is inadequate, “it shall explain the deficiencies.” *Id.*

The minimum filing requirements require, in part: (1) Justification of all changes to NorthWestern’s most recent resource plan (2011 Plan), including how it has responded to all Commission comments; (2) facts showing that the acquisition is in the public interest and consistent with statutory requirements, the 2011 Plan, and Commission rules; (3) a comparison to the cost of each alternative resource considered; and (4) a complete description of each aspect of the resources for which preapproval is sought. Admin. R. Mont. 38.5.8228(2) (2014). Whether the Application is adequate **and** meets the minimum filing requirements presents two distinct questions of fact.

### BACKGROUND

The Commission has never explicitly determined the adequacy of a preapproval application within 45 days. In the preapproval of **Colstrip Unit 4** (CU4), Docket D2008.6.69, the Montana Consumer Counsel (MCC) filed a *Motion for Reconsideration of Procedural Order 6925* in which

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<sup>1</sup> The remainder of this Memorandum will discuss how the Commission should determine adequacy, and potential impacts of the adequacy determination.

it argued, “NorthWestern’s Application is neither ‘adequate’ nor ‘in compliance with the Commission’s minimum filing requirements’”:

The entire point of the statutory scheme for accelerated review in this type of proceeding is that the acceleration of review is predicated on the provision of substantial information in the application itself, to facilitate discovery and prompt identification and litigation of contested facts and assumptions.

pp. 1, 5 (July 15, 2008). The Commission did not note until its *Final Order* that “NWE’s Application as filed did not include the full complement of supporting work papers and documentation that are required.” Or. 6925f ¶ 256 (Nov. 13, 2008) (“the [Commission] advises NWE to comply in full with the minimum filing requirements in future applications.”). In a *Motion for Reconsideration of Final Order 6925f*, the MCC argued:

The lack of a timely adequacy determination had serious consequences for the quality of the analysis presented to the Commission, both in support of and in opposition to NorthWestern’s Application. Simply put, NorthWestern was held to a less stringent standard for production of information than that required by the statute, and MCC was required to spend a significant amount of our limited time trying to figure out what information was missing from the Application and where to find it in time to file opposing testimony. . . .

Moreover, the absence of a timely ruling on the adequacy of the Application may also have deprived the Commission of jurisdiction to rule on the Application, which should have been dismissed without prejudice for that reason.

pp. 13-14 (Nov. 24, 2008); *see also* MCC Reply in Support of Mot. for Reconsideration p. 5 (Dec. 8, 2008) (“the haste that caused the failure to follow statutory procedural requirements sacrificed both the quality of the evidence presented to the Commission and the quality of the Commission’s decision making”).

In the preapproval of the **Dave Gates Generating Station** (DGGS), Docket D2008.8.95, the *Notice of Application and Intervention Deadline* noted the requirement to “determine whether the Application is adequate and in compliance with [its] minimum filing requirements by October 9, 2008,” but no explicit determination of adequacy was made by the deadline.

In the preapproval of the **Spion Kop** wind facility, Docket D2011.5.41, the Commission appears to have ignored the adequacy requirement throughout the proceeding.

In NorthWestern’s last **general rate case**, Docket D2009.9.129, the Commission initially determined under a different set of minimum filing requirements that the “filing patently fails to substantially comply with applicable rules,” in part because “NWE did not explain how its filing comports with the [Commission’s] guidelines on long-term electricity supply and resource

planning.” Notice of Commn. Actions p. 3 (Nov. 13, 2009) (also denying NorthWestern’s *Motion for Leave to Supplement General Rate Case Filing* “because it fail[ed] to correct the deficiencies.”); *see also* Staff Memo. p. 7 (Nov. 9, 2009) (concluding “NWE should be required to refile its case”).

About a month later, the Commission again found the filing to be deficient but authorized

NWE to remedy the deficiencies . . . by (1) filing a supplement to the original filing addressing the identified shortcomings no later than January 15, 2010, (2) agreeing that the Commission has until February 2, 2010 to determine whether the application as supplemented meets the minimum filing requirements, (3) waiving the 9-month time period . . . to October 11, 2010, and (4) responding to discovery that is submitted to it prior to the issuance of a procedural order.

Notice of Commn. Action p. 2 (Dec. 21, 2009). However, the Commission never explicitly determined the adequacy of the filing.

## DISCUSSION

### I. How should the Commission determine adequacy?

#### A. The Application must comply with minimum filing requirements.

The Commission must determine whether the Application is “in compliance with [its] minimum filing requirements.” *Id.* The Commission’s minimum filing requirements require the Application to include, in part:<sup>2</sup>

(a) a complete and thorough explanation and justification of all changes to the utility's most recent long-term resource plan and three year action plan, including how the utility has responded to all commission written comments . . .

(c) testimony and supporting work papers describing the resource and stating the facts (not conclusory statements) that show that acquiring the resource is in the public interest and is consistent with [statutory] requirements . . . , the utility's most recent long-term resource plan (as modified by (2)(a)), and these rules;

(d) testimony and supporting work papers demonstrating the utility's estimates of the cost of the resource compared to the cost of each alternative resource the utility considered and all relevant functional differences between each alternative . . .

(l) a complete description of each aspect of the resource for which the utility requests approval. . . .

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<sup>2</sup> Because NorthWestern did not issue a request for proposals (RFP) in connection with its acquisition of the hydroelectric facilities, the requirements that the Application include the RFP, compare “all bids received” and describe its evaluation of bids do not apply. *See* Admin. R. Mont. 38.5.8228.

Admin. R. Mont. 38.5.8228(2). NorthWestern relies primarily on the testimony of John D. Hines, NorthWestern's Vice President of Supply, to show that its Application meets the Commission's minimum filing requirements. *See* Test. of John D. Hines p. 3.

**1. Changes to the 2011 Plan and response to Commission comments.**

The Commission must determine whether the Application includes “a complete and thorough explanation and justification of all changes to [NorthWestern's 2011] resource plan and three year action plan, including how [it] has responded to all commission written comments.”

Admin. R. Mont. 38.5.8228(2)(a).

**i. Changes to 2011 Plan?**

Mr. Hines identifies several differences between NorthWestern's 2011 Plan and the 2013 Plan filed with the Application:

The first difference is the increased urgency in the 2013 Plan to acquire supply to address the termination of the [PPL Montana, LLC] seven-year contract in mid-2014. . . . The second difference is that NorthWestern views a long-term reliance on substantial quantities of market purchases as a great deal more risky in the 2013 Plan.

Test. Hines at p. 40. Additionally:

- NorthWestern employed new resource modeling software (PowerSimm) and the consulting services of Ascend Analytics to assess portfolio costs and risk;
- The [PPL Montana, LLC] hydroelectric resources were confirmed as an opportunity resource and determined to be the preferred resource in the Plan. The [Purchase and Sale Agreement] has shifted the resource acquisition focus from gas-fired combined cycle technology to hydroelectric resources based on the availability of these resources and their superior attributes; and
- The addition of the hydroelectric assets fundamentally changes supply risk from a [combined-cycle combustion turbine] resource and market-based set of risks to a portfolio that is primarily asset-based.

*Id.* at p. 57. Another specific change was the use of “2021 as the date of implementation of a carbon price” instead of 2015. Test. of Joseph Stimatz pp. 24-25. The Commission must decide whether NorthWestern has fully explained and justified all changes to its 2011 Plan.

**ii. Response to Commission comments?**

The Commission must also determine whether NorthWestern “has responded to all commission written comments” on the 2011 Plan. Admin. R. Mont. 38.5.8228(2)(a). In its *Written Comments Identifying Concerns* (Comments) in Docket N2011.12.96, the Commission stated:

NWE should fully explore and analyze a broad range of options for acquiring the energy and capacity provided by the PPL contract. An all-source solicitation will almost certainly be appropriate in this situation. . . .

The rules accommodate situations in which a cost-effective opportunity resource might be lost due to the longer time frame needed for a competitive procurement process. The Commission cautions NWE that a cost-effective resource opportunity could also be lost due to the longer time frame needed for preapproval. A preapproval application for an opportunity resource that includes a premium offered to the seller for the delay associated with a sale contingent on Commission preapproval may be inappropriate for inclusion in a revenue requirement. The expedited acquisition of a time-limited opportunity resource may not always be compatible with the preapproval process.

Comments pp. 6, 9 (Sept. 28, 2012).

With respect to the concern about a “premium” associated with preapproval, NorthWestern articulates a “concern that it might [have been] outbid in a competitive Hydros-only sales process” by a “party whose purchases would require fewer regulatory approvals and a shorter timeline to completion.” Test. of Brian B. Bird pp. 13, 16 (“our longer, more uncertain regulatory approval process that put us at a disadvantage” compared to “a financial buyer”). According to Mr. Bird:

We believed we were at a competitive disadvantage because of the time required to obtain regulatory approval and the risk of the Commission not approving the transaction. . . . **NorthWestern needed to ensure that it made a competitive bid for the Hydros to overcome this concern.**

*Id.* at p. 14 (emphasis added).

While NorthWestern clearly did respond to some of the Comments,<sup>3</sup> the Commission must determine whether it responded to **all** of its Comments, including its apprehension about “a premium offered to the seller for the delay associated with . . . preapproval” of an opportunity resource. Admin. R. Mont. 38.5.8228(2)(a); Comments p. 9. Because preapproval is not legally required,<sup>4</sup> the suggestion that NorthWestern may have paid more than other bidders and risked losing these opportunity resources by seeking preapproval may not be an adequate response.

## **2. Facts showing the Application is consistent with certain legal standards.**

The Commission must determine whether the Application included “facts (not conclusory statements) that show that acquiring the resource is in the public interest and is consistent with”

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<sup>3</sup> For example, NorthWestern appears to have responded to comments regarding modeling, the use of a competitive solicitation to replace expiring contracts, and the implementation date of a carbon price.

<sup>4</sup> NorthWestern “**may** apply to the [C]ommission for approval of an electricity supply resource that is not yet procured.” Mont. Code Ann. § 69-8-421(1) (emphasis added).

statutory requirements, the 2011 Plan, and Commission rules. Admin. R. Mont. 38.5.8228(2)(c). Under statutory requirements, “The charge made by any public utility . . . shall be reasonable and just.” Mont. Code Ann. § 69-3-201. NorthWestern must also pursue the following objectives when planning for future needs and procuring new resources:

- (a) provide adequate and reliable electricity supply service at the lowest long-term total cost;
- (b) conduct an efficient electricity supply resource planning and procurement process that evaluates the full range of cost-effective electricity supply and demand-side management options;
- (c) identify and cost-effectively manage and mitigate risks related to its obligation to provide electricity supply service;
- (d) use open, fair, and competitive procurement processes whenever possible; and
- (e) provide electricity supply service and related services at just and reasonable rates.

*Id.* at § 69-8-419(2).

**i. Public interest?**

First, the Commission must determine whether the Application included facts showing the acquisition is in the public interest, keeping in mind that the reliability, completeness and cogency of certain facts will be questioned and contested throughout this proceeding. Mr. Hines sets forth numerous reasons why NorthWestern believes the proposed acquisition is in the public interest. *See* Test. Hines at pp. 43-44.

**ii. Just and reasonable rates?**

Second, the Commission must determine whether the Application included facts showing the acquisition is consistent with the obligation to provide “adequate and reliable electricity supply service at the lowest long-term total cost.” Mont. Code Ann. §§ 69-3-201, 69-8-419(2)(a). According to Mr. Hines, “The resulting rates will be reasonable and just” because “[o]n a risk adjusted basis, the Hydros are the lowest cost alternative.” Test. Hines at p. 46.

**iii. Evaluate all options, mitigate risks, and use solicitations?**

Third, the Commission must determine whether the Application included facts showing the acquisition is consistent with the obligation to conduct a “planning and procurement process that evaluates the full range of cost-effective” supply and demand-side options. Mont. Code Ann. § 69-8-419(2)(b). According to Mr. Hines:

Both the 2011 and the 2013 Plans include cost-effective demand-side management options which are incorporated as supply resources. These Plans also considered and evaluated resources that could reasonably address the portfolio's current and forecast supply requirements. The 2013 Plan provides an evaluation of baseload resource alternatives and includes them in stochastic portfolio analyses.

Test. Hines at p. 47.

Fourth, the Commission must determine whether the Application included facts showing the acquisition is consistent with the obligation to “cost-effectively manage and mitigate risks.”

Mont. Code Ann. § 69-8-419(2)(c). According to Mr. Hines:

Increasing market uncertainty and environmental changes are key risks in the Plans. The Hydros will help mitigate both of these risks. As discussed previously, the Hydros also provide a more diversified portfolio, no exposure to fuel price volatility, and are located at multiple generation facilities. All of these factors will contribute to a lower level of risk within the portfolio.

Test. Hines at pp. 47-48.

Fifth, the Commission must determine whether the Application included facts showing the acquisition is consistent with the obligation to “use open, fair, and competitive procurement processes whenever possible.” Mont. Code Ann. § 69-8-419(2)(d). Mr. Hines indicated this is not a “relevant” objective because

NorthWestern was not in charge of the Hydros sale process. NorthWestern was only able to provide a bid within the sale framework developed by [PPL Montana, LLC]. The context of the relevant Commission rules assumes that NorthWestern is running competitive solicitations to acquire new sources of supply. Since NorthWestern was a respondent to the seller's process, this requirement . . . and all corresponding rules are not applicable.

Test. Hines at pp. 46, 48.

#### **iv. Consistent with the 2011 Plan?**

Sixth, the Commission must determine whether the Application included facts showing the acquisition is consistent with the 2011 Plan. Admin. R. Mont. 38.5.8228(2)(c). According to Mr. Hines, the acquisition is consistent with the 2011 Plan because it “helps address the resource needs identified in the 2011 Plan, provides a greater diversity in the portfolio as called for in the 2011 Plan, and provides mitigation of risks identified in this Plan.” Test. Hines at pp. 10-12, 39, 58 (“referring to the “Rowe, Bird, Stimatz, Meyer, Rhoads, and DiffFranzo Direct Testimonies”).

Although NorthWestern’s 2011 Plan did not evaluate the hydroelectric facilities, it included the following statements regarding opportunity resources:

Opportunity electricity supply resource acquisitions may become available. . . . NorthWestern will be actively looking for such opportunities. . . . This Plan will provide the fundamental tools, such as identification and values for key risks, price forecasts, and portfolio needs, that will be used in the evaluation of any opportunity electricity supply resource acquisitions. . . .

Similar to market purchases, opportunity purchases that are identified and pursued during the 3-year action plan timeframe would be informed by the data and analysis in the 2011 Plan and include communication with stakeholders in conjunction with the analysis of any such opportunity[.]

2011 Plan pp. 1, 94 (Dec. 15, 2011) (Dkt. N2011.12.96).

According to Regulatory Staff, however, the Application “is not consistent with its most recent resource plan” because whereas the 2011 Plan identified six preferred resource portfolios, the Application focuses solely on one:

The 2011 plan concluded that NWE needed to perform substantial analysis before deciding which type of gas-fired generation technology to acquire and when to acquire it. NWE reinforced that conclusion during the 2013 planning process when it informed its advisory committee in June and August, 2013 that it intended to evaluate five different gas-fired generation technologies through PowerSimm portfolio modeling in order to determine which technology or mix of technologies would be best. In contrast to its stated intent, however, NorthWestern’s Application and 2013 resource plan focus solely on a combined cycle gas turbine with a 2018 online date as the best gas resource alternative to compare to the cost of purchasing the PPL hydro facilities.

Reg. Memo. p. 2 (Jan. 31, 2014) (citing 2011 Plan at pp. 185).

**v. Consistent with Commission Rules?**

Finally, the Commission must determine whether the Application included facts showing the acquisition is consistent with the Administrative Rules of Montana. The Commission has found the following rules applicable in the context of preapproval: Sections 38.5.8204 (procurement objectives), 38.5.8210 (resource needs assessment), 38.5.8212 (resource acquisition), 38.5.8213 (modeling and analysis), 38.5.8219 (risk management and mitigation), and 38.5.8220 (transparency and documentation). Or. 71591 ¶ 111 (Feb. 14, 2012) (citing Or. 6925f at ¶ 255; Or. 6943a ¶ 259 (May 19, 2009)). Mr. Hines explains why NorthWestern believes its Application is consistent with each of these rules in his Direct Testimony. Test. Hines at pp. 50-55.

**3. The cost of alternative resources NorthWestern considered.**

The Commission must determine whether the Application includes “estimates of the cost of the resource compared to the cost of each alternative resource [NorthWestern] considered.”

Admin. R. Mont. 38.5.8228(2)(d). Mr. Hines explains that “the cost of the Hydros has been evaluated and compared:”

- on a cost-and risk-adjusted basis to a theoretical 30-year market alternative;
- on a cost-and risk-adjusted basis to a new build natural gas combustion turbine;
- to alternative new build generation; and
- to recent market-based hydro transactions

Test. Hines at pp. 58-59 (referring to “the Stimatz, Bird, and Mayer Direct Testimonies”).

The Commission should consider that while NorthWestern evaluated 60 portfolios in its 2011 Plan, the Application includes an evaluation of only “three portfolio scenarios.” 2011 Plan at p. 156; Test. Hines at p. 40. According to Regulatory Staff, “NorthWestern’s Application falls short of including comparative cost information for the resource alternatives it considered.”

Reg. Memo. at p. 4. Similarly, Evergreen Economics<sup>5</sup> concluded, in part, that NorthWestern should either analyze additional portfolios or explain why doing so is not necessary. Evergreen Memo. p. 11 (Jan. 24, 2014). On January 30, 2014, NorthWestern indicated that it intends to model three additional portfolios no later than February 14, 2014. NWE Response & Supplemental Info. p. 7.

Additionally, the Commission should consider whether NorthWestern’s bid to acquire the coal facilities owned by PPL Montana, LLC (PPLM) amounts to an alternative that it considered:

[T]he Application should have included whatever analysis NorthWestern prepared in connection with those facilities. However, staff does not recommend finding the Application inadequate in this regard because NorthWestern’s response to data request PSC-066 provided a spreadsheet model of future cash flows for the PPL coal-fired facilities. . . . [which] provides an acceptable cost comparison to the hydro purchase and cures the deficiency in the Application.

Reg. Memo. at p. 5.

#### **4. A complete description of each aspect of the resources.**

The Commission must determine whether the Application includes “a complete description of each aspect of the resource[s] for which [NorthWestern] requests approval.” Admin. R. Mont. 38.5.8228(2)(1). The Application relies primarily on the Direct Testimonies of Mr. Hines and William T. Rhoads to satisfy this requirement. Test. Hines. at p. 60; *see also* Application p. 29.

The Commission should note that NorthWestern relies solely on its own employees to describe the resources. Although PPLM must use “commercially reasonable efforts to cooperate”

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<sup>5</sup> The Commission may engage independent consultants “to evaluate . . . proposed electricity supply resources.” Mont. Code Ann. § 69-8-421(10).

with NorthWestern in connection with this preapproval proceeding, PPLM has not intervened or provided any testimony to-date. Application Ex. 1, p. 40. Based on the Application, the Commission should expect that not a single witness from PPLM will be available to describe the hydroelectric facilities or answer questions during this proceeding; it must determine whether the information provided by NorthWestern employees amounts to “a complete description of each aspect of the resource” for which preapproval is sought. Admin. R. Mont. 38.5.8228(2)(1).

**B. Additionally, the Application must be “adequate.”**

The Commission could determine that the Application is inadequate even if it complies with minimum filing requirements. The Commission must determine both whether the Application is “adequate **and** in compliance with [its] minimum filing requirements.” Mont. Code Ann. § 69-8-421 (emphasis added). Since “adequate” is not a legally-defined term, whether the Application is adequate presents an independent question of fact.

In addition to issues related to the minimum filing requirements, the availability of certain individuals that provided critical analysis may bear on the question of adequacy. *See* Test. Hines at p. 23 (“NorthWestern also assembled consultants to provide expertise, experience, and analysis concerning legal, engineering, and environmental subjects.”). Before finding the Application to be “adequate,” the Commission should consider the fact that the following individuals may not be available to provide information in this proceeding:

- **Gary Weismann**, CB&I Project Manager, and **E. Nicole Opela**, CB&I Environmental Scientist: “The CB&I report validates NorthWestern's own observations regarding the operational safety and reliability, environmental compliance, and plans for continued funding for O&M, capital expenditures, and environmental obligations for the projects.” Test. of William T. Rhoads p. 17. Mr. Wiseman previously sponsored testimony supporting NorthWestern’s application for preapproval of DGGs. *See* Dkt. D2008.8.95.
- **Bill Avera**, President of FINCAP, Inc., who calculates the proposed range for return on equity and has appeared for NorthWestern regarding cost of capital matters in Montana and South Dakota rate filings.
- Anyone from **PPLM**, which provided:
  - Inputs for the discounted cash flow analysis described by Joseph M. Stimatz, NorthWestern’s Manager of Asset Optimization;
  - Inputs for the long-term revenue requirement models described by Travis E. Meyer, NorthWestern’s Director of Investor Relations and Corporate Planning;
  - The Confidential Information Memorandum relied on throughout the Application for historical and future capital expenditures, operations and maintenance budgets, and revenue estimates. *See e.g.* Test. Hines at p. 22; Test. Stimatz at p. 10.

- Anyone from **Ascend Analytics**, whose “modeling results demonstrate that the Hydros are superior from both a cost and a risk perspective to other alternatives.” See Test. Stimatz at pp. 39-44.

## **II. The adequacy determination will impact the evidentiary record.**

If the Commission finds the Application adequate and in compliance with minimum filing requirements, the evidentiary record may lack, in part: (1) Certain facts showing the acquisition is consistent with the 2011 Plan; (2) cost comparisons to alternative resources that NorthWestern considered,<sup>6</sup> including PPLM’s coal-fired facilities; and (3) testimony and additional information from NorthWestern consultants and PPLM. Although it would be a threshold determination based on the Application, NorthWestern may attempt to rely on a determination of adequacy to narrow the scope of future discovery and cross-examination. Although the Commission “may consider all relevant information known up to the time that the administrative record in the proceeding is closed in the evaluation of an application for approval,” certain procedural safeguards in the Montana Administrative Procedures Act<sup>7</sup> will still apply. See Mont. Code Ann. § 69-8-421(6)(b).

If the Commission finds the Application is inadequate or does not comply with minimum filing requirements, it must explain the deficiencies. Mont. Code Ann. § 69-8-421. Because the 270-day deadline is calculated from “receipt of an **adequate** application,” such a finding would reset the clock for the final order. *Id.* However, a supplement to the Application and review of supplemental information need not require an additional nine months depending, in part, on how quickly NorthWestern can correct any deficiencies. Ideally, only minor changes to the existing schedule in Procedural Order 7323b would be necessary.

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<sup>6</sup> Other than the three portfolios mentioned above, *supra* p. 11, NorthWestern may be unwilling to conduct additional cost comparisons.

<sup>7</sup> The Montana Administrative Procedures Act provides, in part, “Opportunity shall be afforded all parties to respond and present evidence and argument on all issues involved,” and “to conduct cross-examinations. . . .” Mont. Code Ann. § 2-4-612.

**Adequacy Checklist**  
**Admin. R. Mont. 38.5.8228(2)**  
**Docket D2013.12.85**

**I. Does the Application include:**

- A complete and thorough explanation and justification of all changes to the utility's most recent long-term resource plan and three year action plan?
- A complete and thorough explanation and justification of how the utility has responded to all Commission written comments on the most recent long-term resource plan?
- Testimony and supporting work papers stating the facts (not conclusory statements) that show that acquiring the resources is:
  - In the public interest?
  - Consistent with the following statutory requirements:
    - Just and reasonable rates?
    - Adequate and reliable electricity supply service?
    - Electricity supply service at the lowest long-term total cost?
    - An efficient planning and procurement process that evaluates the full range of cost-effective supply and demand-side management options?
    - Identification of and cost-effective management and mitigation of risks?
    - The use of open, fair, and competitive procurement processes whenever possible?
  - Consistent with the utility's most recent long-term resource plan?
  - Consistent with the following Administrative Rules:
    - 38.5.8204 (procurement objectives)?
    - 38.5.8210 (resource needs assessment)?
    - 38.5.8212 (resource acquisition)?
    - 38.5.8213 (modeling and analysis)?
    - 38.5.8219 (risk management and mitigation)?
    - 38.5.8220 (transparency and documentation)?
- Testimony and supporting work papers demonstrating the utility's estimates of the cost of the resources compared to the cost of each alternative resource the utility considered?
- Testimony and supporting work papers demonstrating all relevant functional differences between each alternative considered?
- A complete description of each aspect of the resources?

**II. Is the Application “adequate”?**