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From: John Athas [<mailto:jathas@daymarkea.com>]

Sent: Wednesday, March 09, 2016 7:43 PM

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Cc: Mary Neal  
Subject: Update on the modeling Discussions

Everyone,

We are very pleased to report on strong progress thanks to the collaborative and supportive position being taken by Kelly Derksen and Greg Barnlund. Kelly mentioned on Monday's call that after digesting the information from all the input, questions and suggestions on Monday, that she and Greg would get in touch with us here at Daymark. Attached is a letter from Mary Neal describing the results of the actions Hydro discussed with us today as some things they could accomplish in the next several days. These include model changes to allow some direct flexibility rather than require internal model changes to run certain alternative scenarios of assumptions and methodology; worksheets with data and active excel spreadsheets of calculations that prep data that looks hard coded in the Hydro model; and some additional detailed data so that we all will understand the methodology one or more layers deeper than what was originally filed.

We expect Hydro to get back to us that with a timetable an affirmation that they can quickly provide all the information. We believe this goes a long way to provide us at Daymark and the intervenors and their consultants the information needed to fully understand the Hydro methodology and test changes that we all want to investigate and perhaps sponsor in your testimony. The timetable, if agreed to formally by Hydro, means that Hydro will be providing significant supplemental information, including the model, with enough time such that it works with the March 24th date for IRs that came from the consensus that was reached in the meeting last week. Although that consensus schedule has yet to be approved by the PUB we are working as if having all the supplemental information and the model about a week prior to the IR closing date will occur and we believe that will satisfy the needs of the intervenors and their support consultants.

Once the model is distributed Hydro should be in a position to answer IRs and support model questions that we will have. Daymark may be able to make cosmetic and convenience changes to the model and reissue it after Hydro gets a look. However there is no need for this step to delay your IR processes.

Hydro recognizes that there needs to be a process to have Daymark and possibly Hydro review the model runs that you will be using to support your Evidence.

This is an important step. It comes with you all accepting the responsibility to provide well documented model runs pointing out what inputs and/or cell changes you have made to the model to produce that case.

We should know Thursday whether this is a go. We will all be on our way to being able to use the same model, Hydro's model from Kelly Derksen and her team. This should accomplish the objective of creating discussion that is based upon the validity of methodology and assumptions choices and the desirability of the cost allocations which result, i.e. not the modeling.

We want to thank Hydro for proposing their support for this level of supplemental information and model changes.

Feel free to email me any questions.

John

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