

BEFORE THE STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application by Otter Tail Power)
Company and Others for Certification of)
Transmission Facilities in Western Minnesota) OAH No. 12-2500-17037-2
And) MPUC Dkt. No. CN-05-619
In the Matter of the Application to the Minnesota) and
Public Utilities Commission for a Route Permit for the) OAH No. 12-2500-17038-2
Big Stone Transmission Project in Western Minnesota) MPUC Dkt. No. TR-05-1275
)

Direct Testimony of
Michael Drunsic
Synapse Energy Economics, Inc.

On Behalf of
Fresh Energy
Izaak Walton League of America – Midwest Office
Wind on the Wires
Union of Concerned Scientists
Minnesota Center for Environmental Advocacy

November 29, 2006

1 **I. QUALIFICATIONS**

2 **Q. Mr. Drunic, please state your name, position and business address.**

3 A. My name is Michael Drunic. I am a Research Associate at Synapse Energy
4 Economics, Inc, 22 Pearl Street, Cambridge, MA 02139.

5 **Q. On whose behalf are you testifying in this case?**

6 A. I am testifying on behalf of Fresh Energy, Izaak Walton League of America –
7 Midwest Office, Wind on the Wires, Union of Concerned Scientists, and
8 Minnesota Center for Environmental Advocacy (“Joint Intervenors”).

9 **Q. Please describe Synapse Energy Economics.**

10 A. Synapse Energy Economics ("Synapse") is a research and consulting firm
11 specializing in energy and environmental issues, including electric generation,
12 transmission and distribution system reliability, market power, electricity market
13 prices, stranded costs, efficiency, renewable energy, environmental quality, and
14 nuclear power.

15 Synapse’s clients include state consumer advocates, public utilities commission
16 staff (and have included the Staff of the South Dakota Public Utilities
17 Commission), attorneys general, environmental organizations, federal government
18 and utilities.

19 **Q. Mr. Drunic, please summarize your educational background and recent**
20 **work experience.**

21 A. I graduated, cum laude, from Bates College with a BS in Biology. I received an
22 MA in Energy and Environmental Analysis from Boston University. From 2002
23 to 2003 I was employed at Synapse Energy Economics as a Research Associate.
24 In 2006, I rejoined Synapse in this capacity.

25 At Synapse, my focus is on computer simulation modeling of electric power
26 systems and economic analysis of power generation technologies. I have
27 provided modeling-related research and analysis project support in new source
28 review litigation cases, regional clean energy plans, and resource planning

1 projects. I am proficient in the PROSYM, PROMOD and STRATEGIST models,
2 as well as statistical techniques such as regression and econometrics. I have
3 recently attended a training session for STRATEGIST at the Atlanta headquarters
4 of New Energy Associates, and I have also attended training sessions for Global
5 Energy Decisions' PROSYM family of modeling products.

6 A copy of my current resume is attached as Exhibit JI-4-A.

7 **Q. Have you previously submitted testimony before this Commission?**

8 A. No.

9 **II. CAPACITY EXPANSION MODELING**

10 **Q. What is the purpose of your testimony?**

11 A. My testimony describes the Strategist modeling I performed under the supervision
12 of David Schlissel and Anna Sommer.

13 **Q. Please describe your modeling.**

14 A. It was my responsibility, using the Strategist databases provided by Central
15 Minnesota Municipal Power Agency (CMMPA), Montana-Dakota Utilities
16 (MDU) and Missouri River Energy Services (MRES), to make modeling runs
17 requested by David Schlissel and Anna Sommer.

18 Prior to making any modeling runs with any changes to the inputs, I executed runs
19 with each utility's preferred plan database in order to recreate their results to
20 verify that there would not be any issues with using different software versions or
21 processors. For both CMMPA and MDU I was able to exactly reproduce the
22 results of the utilities' runs. For MRES, the resource additions were exactly the
23 same, however total costs of the least cost plan were slightly higher in our run.
24 The difference is negligible, though, at less than 0.02%. The difference is likely
25 due to changes that were made in the way network economy interchange is
26 accounted for between the version used by MRES and our version which is the
27 most recent version available from New Energy Associates.

1 For the runs in which we made changes to utility inputs, I used the “preferred
2 plan” database submitted by each utility in response to IR 138 as the basis for all
3 of the runs I performed. For CMMPA I used the database labeled “Case-Base”;
4 for MDU I used the database labeled “MDU BASE CASE BV 0926 Final”
5 (which was the only database we received for the supplemental filing); and for
6 MRES I used the database labeled “CONFID AEO ADDEND PREF 2011
7 SALES”.

8 In each scenario that I ran, I only made changes to key inputs as described in the
9 Schlissel-Sommer testimony.

10

11 **Q. Does this complete your testimony?**

12 **A. Yes.**

