

# Davison Van Cleve PC

Attorneys at Law

TEL (503) 241-7242 • FAX (503) 241-8160 • mail@dvclaw.com  
Suite 400  
333 SW Taylor  
Portland, OR 97204

October 19, 2009

*Via Electronic and US Mail*

Public Utility Commission  
Attn: Filing Center  
550 Capitol St. NE #215  
P.O. Box 2148  
Salem OR 97308-2148

Re: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Investigation  
into Forecasting Forced Outage Rates for Electric Generating Units  
**Docket No. UM 1355**

Dear Filing Center:

Enclosed please find the original Notice on behalf of the Industrial Customers of  
Northwest Utilities in the above-referenced docket.

Thank you for your assistance.

Sincerely,

/s/ Allison M. Wils  
Allison M. Wils

Enclosures

cc: Service List

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Notice on behalf of the of the Industrial Customers of Northwest Utilities upon the parties, on the service list, by causing the same to be deposited in the U.S. Mail, postage-prepaid, and via electronic mail where paper service has been waived.

Dated at Portland, Oregon, this 19th day of October, 2009.

Sincerely,

/s/ Allison M. Wils  
Allison M. Wils

**CITIZEN'S UTILITY BOARD OF OREGON (W)**  
G. CATRIONA MCCrackEN (C)  
OPUC DOCKETS  
GORDON FEIGHNER  
ROBERT JENKS (C)  
610 SW BROADWAY - STE 308  
PORTLAND OR 97205  
catriona@oregoncub.org  
dockets@oregoncub.org  
gordon@oregoncub.org  
bob@oregoncub.org

**DEPARTMENT OF JUSTICE**  
MICHAEL T WEIRICH (C)  
REGULATED UTILITY & BUSINESS SECTION  
1162 COURT ST NE  
SALEM OR 97301-4096  
michael.weirich@doj.state.or.us

**IDAHO POWER COMPANY (W)**  
CHRISTA BEARRY  
BARTON L KLINE  
LISA D NORDSTROM (C)  
GREGORY W SAID (C)  
TIM TATUM  
SCOTT WRIGHT (C)  
PO BOX 70  
BOISE ID 83707-0070  
cbearry@idahopower.com  
bkline@idahopower.com  
lnordstrom@idahopower.com  
gsaid@idahopower.com  
ttatum@idahopower.com  
swright@idahopower.com

**MCDOWELL & RACKNER PC (W)**  
WENDY MCINDOO (C)  
LISA F RACKNER (C)  
520 SW 6TH AVE STE 830  
PORTLAND OR 97204  
wendy@mcd-law.com  
lisa@mcd-law.com

**PACIFIC POWER & LIGHT (W)**  
MICHELLE R MISHOE (C)  
825 NE MULTNOMAH STE 1800  
PORTLAND OR 97232  
michelle.mishoe@pacificorp.com

**PACIFICORP OREGON DOCKETS (W)**  
OREGON DOCKETS  
825 NE MULTNOMAH ST  
STE 2000  
PORTLAND OR 97232  
oregondockets@pacificorp.com

**PORTLAND GENERAL ELECTRIC**  
RATES & REGULATORY AFFAIRS - OPUC FILINGS  
121 SW SALMON ST 1WTC-0702  
PORTLAND OR 97204  
pge.opuc.filings@pgn.com

**PORTLAND GENERAL ELECTRIC**  
DOUGLAS C TINGEY  
121 SW SALMON 1WTC13  
PORTLAND OR 97204  
doug.tingey@pgn.com

**PUBLIC UTILITY COMMISSION OF OREGON**  
KELCEY BROWN  
PO BOX 2148  
SALEM OR 97301  
kelcey.brown@state.or.us

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1355**

In the Matter of	)	
	)	NOTICE OF THE INDUSTRIAL
THE PUBLIC UTILITY COMMISSION OF	)	CUSTOMERS OF NORTHWEST
OREGON	)	UTILITIES
	)	
Investigation into Forecasting Forced Outage	)	
<u>Rates for Electric Generating Units.</u>	)	

**I. INTRODUCTION**

The Industrial Customers of Northwest Utilities (“ICNU”) provide this notice to the Oregon Public Utility Commission (“OPUC” or the “Commission”) pursuant to Administrative Law Judge Arlow’s October 7, 2009 notice of intent to modify stipulations and establish rate calculations (“ALJ Notice”). ICNU does not intend to exercise any rights to withdraw from the PacifiCorp Stipulation or Portland General Electric Company (“PGE”) Stipulation nor does ICNU intend to seek additional proceedings.

**II. NOTICE**

**1. PGE Stipulation**

ICNU is a party to the PGE Stipulation in this proceeding, which proposed a forced outage rate collar. The ALJ Notice stated that the Commission “has concluded” that a modified forced outage rate collar methodology for PGE “may be yet more accurately predictive, and that an alteration should be made to the terms of the PGE

Stipulation . . . .” The ALJ Notice stated that parties could exercise their rights to withdraw from the PGE Stipulation. ICNU does not intend to withdraw from the PGE Stipulation due to the Commission’s decision to adopt the modified forced outage rate collar for PGE.

## **2. PacifiCorp Stipulation**

ICNU is a party to the PacifiCorp Stipulation, which resolved all issues in this proceeding for PacifiCorp, except the: 1) the forced outage rate collar; and 2) heat-rate curve-minimum deration. The ALJ Notice stated that it intends to adopt a specific forced outage rate collar methodology for PacifiCorp and the notice proposed to modify the PacifiCorp Stipulation. Specifically, the ALJ Notice proposed to modify the Stipulation by removing the forced outage rate collar from the litigated issues and include in the Stipulation the Commission’s collar methodology for PacifiCorp. The ALJ Notice stated that parties could exercise their rights to withdraw from the PacifiCorp Stipulation. ICNU supports the use of the Commission’s forced outage rate collar for PacifiCorp, and does not intend to withdraw from the PacifiCorp Stipulation.

ICNU, however, does not believe that it is necessary to amend the PacifiCorp Stipulation. The parties agreed to litigate the issue of which forced outage rate collar should be adopted for PacifiCorp. Instead of amending the PacifiCorp Stipulation, the Commission has the option of approving the PacifiCorp Stipulation (which does not specify a forced outage rate collar for PacifiCorp) and resolving the remaining litigated issues for PacifiCorp.

ICNU recommends that the Commission resolve the remaining litigated issue of which forced outage rate collar should apply to PacifiCorp by adopting the Commission's collar. The Commission's collar appears to be a hybrid of the proposals made by Staff witness Kelcey Brown and ICNU witness Randall Falkenberg. Essentially, the Commission utilized Ms. Brown's methodology regarding which outages should be considered extreme, but correctly recognized that those extreme outages should be replaced by average information based on the unit's actual experience. There have been four rounds of testimony in this proceeding, and the testimony of Ms. Brown and Mr. Falkenberg provides adequate information in the record for the Commission to adopt its hybrid collar.

### **III. CONCLUSION**

ICNU does not intend to withdraw from either the PGE Stipulation or the PacifiCorp Stipulation.

Dated this 19th day of October, 2009.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Irion A. Sanger

Irion A. Sanger

Davison Van Cleve, P.C.

333 S.W. Taylor, Suite 400

Portland, OR 97204

Phone: (503) 241-7242

Fax: (503) 241-8160

mail@dvclaw.com

Of Attorneys for Industrial Customers of Northwest  
Utilities

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DAVISON VAN CLEVE, P.C.  
333 S.W. Taylor, Suite 400  
Portland, OR 97204  
Telephone: (503) 241-7242