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September 4, 2009

VIA ELECTRONIC FILING AND U.S. MAIL

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: Docket No. UM 1355

Enclosed for filing in the above-referenced docket are an original and five copies of Partial Stipulation of PacifiCorp, Staff, Citizens' Utility Board of Oregon, and Industrial Customers of the Northwest.

A copy of this filing has been served on all parties to this proceeding as indicated on the attached certificate of service.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Katherine McDowell', written over a horizontal line.

Katherine McDowell

cc: Service List

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CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in Docket UM 1355 on the following named person(s) on the date indicated below by email and first-class mail addressed to said person(s) at his or her last-known address(es) indicated below.

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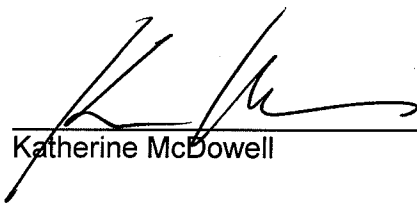
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DATED: September 4, 2009



Katherine McDowell

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **UM 1355**

4 In the Matter of

5 THE PUBLIC UTILITY COMMISSION
6 OF OREGON,

7 Investigation into Forecasting Forced Outage
8 Rates for Electric Generating Units.

PARTIAL STIPULATION

9 This Partial Stipulation is entered into for the purpose of resolving the issues among
10 the parties to this Partial Stipulation related to the methodology to be used by PacifiCorp (or
11 the "Company") to forecast its forced outage rates for electric generating units.

12 **PARTIES**

13 1. The parties to this Partial Stipulation are PacifiCorp, Staff of the Public Utility
14 Commission of Oregon ("Staff"), the Citizens' Utility Board ("CUB"), and the Industrial
15 Customers of Northwest Utilities ("ICNU") (together, the "Parties").

16 **BACKGROUND**

17 2. In Order No. 07-015 in Docket UE 180, the Public Utility Commission of
18 Oregon ("Commission") ordered the opening of a new generic docket to evaluate the
19 accuracy of the Commission's method for forecasting forced outages.¹ On November 2,
20 2007, the Commission opened this docket to review the appropriate methodology for
21 determining the forced outage rate for generating plants.

22 3. Pursuant to the Administrative Law Judge Allan Arlow's Prehearing
23 Conference Report and Ruling issued on November 13, 2008, and Ruling modifying the
24 schedule on February 20, 2009, the Parties filed Opening Testimony on April 7, 2009. The

25
26 ¹ *Re. Portland General Electric Co. Request for General Rate Revision*, Docket UE 180, Order No. 07-015 at 15, 55 (Jan. 12, 2007).

1 Parties filed Reply Testimony on May 13, 2009. Thereafter, the parties to this docket
2 convened two settlement conferences held on June 18 and June 23, 2009. All parties to the
3 docket participated in the settlement conferences.

4 4. Following the settlement conferences, an additional Prehearing Conference
5 was held on June 29, 2009. Pursuant to the ALJ's Prehearing Conference Report of July 6,
6 2009, PacifiCorp filed Supplemental Testimony on July 24, 2009. Staff and ICNU filed
7 Supplemental Reply Testimony on August 13, 2009.

8 **AGREEMENT**

9 5. The Parties agree that this Stipulation and the Partial Settlement Agreement
10 ("Agreement"), attached hereto as Appendix A, will govern the Company's future outage
11 calculations for all thermal plants. The Agreement also governs adjustments to the Company's
12 forced outage rates resulting from new capital investments and future wind availability reporting
13 requirements. Nothing in this Agreement or this Stipulation prevents any Party, including the
14 Company, from advocating in a future general rate case or other proceeding that these
15 agreements or calculations should be revised based upon new information.

16 6. The Parties agree to litigate the following issues in Docket UE 207, the
17 Company's 2010 Transition Adjustment Mechanism ("TAM") proceeding: non-outage related
18 ramping adjustments and planned maintenance outages.² The Parties agree that PacifiCorp will
19 continue to use a four-year average for modeling planned outages. The Parties do not agree on
20 how to model PacifiCorp's planned outage schedule using a four-year average. The Parties
21 agree that all testimony in UM 1355 on these issues shall be included in the record in UE 207.
22 The Parties agree to litigate the following issues in UM 1355: excluding extreme events/outliers
23 for coal units to increase forecast accuracy and heat rate curve-minimum deration.

24 7. The Parties agree to submit this Partial Stipulation to the Commission and
25 request that the Commission approve the Partial Stipulation as presented.

26 ² Heat rate curve-minimum deration is a proposed adjustment in UE 207 as well.

1 8. This Partial Stipulation will be offered into the record of this proceeding as
2 evidence pursuant to OAR 860-014-0085. The Parties agree to support this Partial Stipulation
3 throughout this proceeding and any appeal, (if necessary) provide witnesses to sponsor this
4 Partial Stipulation at the hearing, and recommend that the Commission issue an order adopting
5 the settlements contained herein.

6 9. If this Partial Stipulation is challenged by any other party to this proceeding, the
7 Parties agree that they will continue to support the Commission's adoption of the terms of this
8 Partial Stipulation. The Parties agree to cooperate in cross-examination and put on such a case
9 as they deem appropriate to respond fully to the issues presented, which may include raising
10 issues that are incorporated in the settlements embodied in this Partial Stipulation.

11 10. The Parties have negotiated this Partial Stipulation as an integrated document. If
12 the Commission rejects all or any material portion of this Partial Stipulation or imposes
13 additional material conditions in approving this Partial Stipulation, any Party disadvantaged by
14 such action shall have the rights provided in OAR 860-014-0085 and shall be entitled to seek
15 reconsideration or appeal of the Commission's Order.

16 11. By entering into this Partial Stipulation, no Party shall be deemed to have
17 approved, admitted, or consented to the facts, principles, methods, or theories employed by any
18 other Party in arriving at the terms of this Partial Stipulation, other than those specifically
19 identified in the body of this Partial Stipulation.

20 12. This Partial Stipulation may be executed in counterparts and each signed
21 counterpart shall constitute an original document.

22 This Partial Stipulation is entered into by each party on the date entered below such Party's
23 signature.

Signature page follows.

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PACIFICORP

STAFF

By: Andrea Kelly

By: _____

Date: _____

Date: _____

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ICNU

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CUB

ICNU

By: _____

By: *Qui Lang*

Date: _____

Date: 9/4/9

Appendix A

Partial Settlement Agreement in UM 1355

- I. **Calculating forced outage rates on thermal plants other than peaker plants.** The Parties agree that PacifiCorp will continue to use EOR (Equivalent Outage Rate=Equivalent Unplanned Outage Rate (EUOR) with Equivalent Planned Derate Hours (EPDH) added to the numerator, using the NERC definitions of EUOR and EPDH) and derive outage rates using the Commission's traditional four-year historical average approach, modeled on a weekday/weekend basis. This produces a result that is equivalent to Staff's formulas described in Staff's UM 1355 testimony; *i.e.*, FOR, MOR, and POF. This calculation is set forth in Exhibit A. The Parties agree that PacifiCorp will incorporate weekday/weekend modeling of outage rates in its UE 207 filing and in future TAM filings.
- II. **Calculating forced outage rates on peaker plants.** The Parties agree that PacifiCorp will apply EFOR-d to all Gadsby units and to any new peaker plants, as defined by Revised Protocol. The Parties agree that PacifiCorp will incorporate this change in its UE 207 filing and in future TAM filings.
- III. **Calculating forced outage rate for new plant.** The Parties agree that PacifiCorp will use the manufacturer's model specific fleet availability average to set the forced outage rate for the first two years. Thereafter, PacifiCorp will phase in actual operating data over four years, using a weighted average of the actual operating data and the manufacturer's model specific fleet availability average (excluding the first year of actual operating data). PacifiCorp did not file in this approach in UE 207, so a change to the filing is required for implementation. The Parties agree that PacifiCorp will use this approach in this and future TAM filings.
- IV. **Adjustments to forced outage rate for new capital investment.** Beginning with PacifiCorp's 2011 TAM, the Parties agree that they may propose an adjustment in the forced outage rate, either an increase or a decrease, if: (1) a specific capital investment will result in a change in unit availability; and (2) the forced outage rate is adjusted on a going forward basis to avoid a double-count of the actual increase or decrease in the rate.
- V. **Calculating hydro availability.** PacifiCorp agrees to remove hydro forced outages from UE 207. The Parties agree that PacifiCorp may include the issue in future TAM proceedings, irrespective of whether the TAM is filed as a part of or concurrently with a general rate case or filed on a stand-alone basis. PacifiCorp agrees to attempt to address the modeling concerns raised in this docket in future filings.
- VI. **Wind availability reporting.**

The Parties agree that, concurrent with its annual results of operations report beginning in 2010 and for a period of at least 5 years, PacifiCorp will provide an annual report on wind availability to the Parties. If the Parties determine that the report is useful and the need for it has not been superseded by other reporting, PacifiCorp agrees to continue to provide the report beyond the initial five-year period. The annual report shall consist of: (1) projected energy by month for the wind resource (MWh); (2) projected capacity factor by month for

the wind resource (%);(3) actual energy by month for the wind resource (MWh); (4) actual capacity factor by month for the wind resource (%); (5) energy variance by month (MWh) for the wind resource; (6) capacity factor variance by month (%) for the wind resource; and (7) wind resource availability by month as reported by the operator, along with the operator's specific definition of "availability." The information will be provided for each wind resource at the project level and will be measured via the revenue quality meter associated with the large generator interconnection agreement applicable to the wind resource. PacifiCorp agrees that Parties may seek discovery of this information at the turbine level and, subject to information availability and under the normal rules of discovery, PacifiCorp agrees to provide such information.

Exhibit A to UM 1355 Partial Settlement

EQUATION:

$$EOR = \frac{FOH + EFDH + MOH + EMDH + EPDH}{FOH + MOH + SH + Synchronous Hrs + Pumping Hrs + EFDHRS + EMDHRS} \times 100$$

Where:

FOH = Forced outage hours

EFDH = Equivalent forced derated hours

MOH = Maintenance outage hours

EMDH = Equivalent maintenance derated hours

EPDH = Equivalent planned derated hours

EFDHRS = Equivalent forced derated hours during reserve shutdowns

EMDHRS = Equivalent maintenance derated hours during reserve shutdowns

EXAMPLE:

Weekday Hours

FOH = 172 hours

SH = 6048 hours

EFDH = 43 hours

Synchronous Hrs = 0 hours

MOH = 68 hours

Pumping Hrs = 0 hours

EMDH = 2 hours

EFDHRS = 0 hours

EPDH = 0.6 hours

EMDHRS = 0 hours

$$EOR = \frac{172 + 43 + 68 + 2 + 0.6}{172 + 68 + 6048 + 0 + 0 + 0 + 0} \times 100$$

$$\underline{EOR = 4.54}$$

Weekend Hours

FOH = 0.8 hours

SH = 2407 hours

EFDH = 11 hours

Synchronous Hrs = 0 hours

MOH = 88 hours

Pumping Hrs = 0 hours

EMDH = 1 hours

EFDHRS = 0 hours

EPDH = 0.2 hours

EMDHRS = 0 hours

$$EOR = \frac{0.8 + 11 + 88 + 1 + 0.2}{0.8 + 88 + 2407 + 0 + 0 + 0 + 0} \times 100$$

$$\underline{EOR = 4.05}$$

*PacifiCorp does not currently report, and will not report Synchronous Hrs, Pumping Hrs, EFDHRS and EMDHRS in future EOR calculations absent a change in circumstances. PacifiCorp will notify the Parties in the event it starts to report Synchronous Hrs, Pumping Hrs, EFDHRS and EMDHRS in its EOR calculations.