

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
PCN-2**

In the Matter of the Petition of)
)
TILLAMOOK PEOPLE'S UTILITY)
DISTRICT)
)
**PETITION FOR CERTIFICATE OF)
PUBLIC CONVENIENCE)
AND NECESSITY)**
)
)
_____)

INTERVENOR TESTIMONY OF DON AUFDERMAUER

January 14, 2019

Don Aufdermauer – Intervenor Testimony - Issues List

Introduction

I have known David & Doris for eight years. David & Doris Mast have put together an excellent packet. I have always found their information, 100% correct, unlike TPUD's mix and match information and not honest. TPUD is doing what ever they need to do to get this project through.

Line description

We were told at the county land use process that the transmission line was going to be just like the distribution line. However the transmission line poles will be up to 4 feet in diameter and will be from 55 feet to 100 feet tall .

Purpose

TPUD has bought 4 transformers, that are bigger than present ones with upgrading line 51 and using Option 3 and with TCCA using propane. This gives TPUD more reliability, and accommodates for future load growth without a transmission line

Necessity

They have just spent around \$10,000,000 on office remodel and operations building and feeder 51 is still not rebuilt , by far the worst feeder in the system. To me this sounds like they are not spending our money wisely. If TPUD had its customers best interests in mind and with sales going down they would drop this project and fix feeder 51. Remember they have a new bigger transformer at Wilson substation, 12 MW more.

Safety

TPUD would have better access during our frequent floods after our flood waters go down because Option 3 is all on county road right of way except for a short distance at the end of Matejeck Road which the 2 farmers would give easements.

Practicability

TPUD states that Tillamook PUD, in collaboration with the community and its leaders, has developed a route that is practicable and has the least overall impact on the community.

Not true, Citizens Advisory Group (CAG) worked hard to keep poles and lines away from homes. The route was changed after their proposed routes. Now it goes over or very close to 12 homes with families and some businesses.

Justification

Option 3 and Line 51 could be done without using eminent domain.

Spatial Information

Other than the transmission line we have no information how they are going to configure the feeder lines including feeder 51. If they are just going to reuse the old lines they are going to continue to have the same problems. They did not give information about feeder 51 coming back to Tillamook or any other options.

Cost Information

TPUD cannot justify the project on energy sales but they are banking on the significant amount of revenue they will get from all of the pole attachments.

Financial Feasibility

Everybody opposes TPUD’s route. TPUD is already going to do a 10% rate increase this year. Look at the impact of the new bond interest on the TPUD’s net income and you will see why.

THE IMPACT OF NEW BOND INTEREST ON THE REVENUE STREAM						
Year	Total Revenue @ 0.5% Growth	Total Expenses WO Bond Interest @ 0.5% Growth	Income Before Bond Interest	Bond Interest	Total Expenses	Net Income
2007	\$28,713,774	\$26,270,059	\$2,443,715	\$819,240	\$27,089,299	\$1,624,475
2008	\$29,161,544	\$24,197,345	\$4,964,199	\$968,721	\$25,166,066	\$3,995,478
2009	\$30,249,925	\$28,081,349	\$2,168,576	\$816,693	\$28,898,042	\$1,351,883
2010	\$31,147,294	\$28,879,785	\$2,267,509	\$646,986	\$29,526,771	\$1,620,523
2011	\$32,905,137	\$29,753,850	\$3,151,287	\$619,584	\$30,373,434	\$2,531,703
2012	\$33,581,010	\$32,601,375	\$979,635	\$725,166	\$33,326,541	\$254,469
2013	\$35,186,129	\$33,032,147	\$2,153,982	\$704,735	\$33,736,882	\$1,449,247
2014	\$34,451,224	\$33,161,189	\$1,290,035	\$862,644	\$34,023,833	\$427,391
2015	\$34,926,986	\$33,120,726	\$1,806,260	\$840,868	\$33,961,594	\$965,392
2016	\$37,279,706	\$34,191,984	\$3,087,722	\$812,465	\$35,004,449	\$2,275,257
2017	\$39,262,644	\$36,146,494	\$3,116,150	\$781,934	\$36,928,428	\$2,334,216
2018	\$38,878,000	\$37,659,862	\$1,218,138	\$780,000	\$38,439,862	\$438,138
2019	\$39,072,390	\$37,848,161	\$1,224,229	\$919,400	\$38,767,561	\$304,829
2020	\$39,267,752	\$38,037,402	\$1,230,350	\$1,385,440	\$39,422,842	(\$155,090)
2021	\$39,464,091	\$38,227,589	\$1,236,502	\$1,951,798	\$40,179,388	(\$715,297)
2022	\$39,661,411	\$38,418,727	\$1,242,684	\$2,163,089	\$40,581,816	(\$920,405)
2023	\$39,859,718	\$38,610,821	\$1,248,897	\$2,524,182	\$41,135,003	(\$1,275,284)
2024	\$40,059,017	\$38,803,875	\$1,255,142	\$2,868,672	\$41,672,547	(\$1,613,530)
2025	\$40,259,312	\$38,997,894	\$1,261,418	\$3,036,563	\$42,034,457	(\$1,775,145)
2026	\$40,460,608	\$39,192,884	\$1,267,725	\$3,354,256	\$42,547,140	(\$2,086,532)
2027	\$40,662,911	\$39,388,848	\$1,274,063	\$3,661,316	\$43,050,164	(\$2,387,253)

Information related to potential condemnation of property

Oregon Department of Agriculture, Oregon Farm Bureau, Oregon Dairy Farmers Association, and Tillamook County Creamery Association, the property owners on the route and private citizens all oppose the transmission line or extensive use of eminent domain.

Alternatives

. They knew Option 3 was reliable but it was never discussed at the CAG meeting.

Additional Information

TPUD has made errors in their math on Option 3. Routes have changed. They have not addressed the power coming back on line 51. How many other things are not reliable information?

BPA has cancelled a new transmission line from Troutdale through Southwest Washington. It would have added far more capacity than need. The same scenario as TPUD proposes. Please read the Oregon business news article below

Oregon Business News

BPA nixes costly and controversial I-5 power line proposal

Updated May 23, 2017; Posted May 18, 2017



Crews performing maintenance on a BPA transmission line.((Courtesy BPA))

By Ted Sickinger

tsickinger@oregonian.com

The Oregonian/OregonLive

The Bonneville Power Administration has canceled a costly and controversial transmission line that would have run 80 miles from Troutdale through southwest Washington.

The project would have cut a 150-foot wide path through Clark and Cowlitz counties to Castle Rock, Wash., with steel transmission towers rising more than 300 feet above the ground in some spots.

As it turns out, after seven years of study, capped by an independent review panel, experts decided the project would have increased the reliability of electricity but would have added far more capacity than the region needed.

When the I-5 Corridor Reinforcement Project was announced in 2009, it was a \$346 million proposal deemed vitally important. Among its goals was to relieve congestion on BPA's lines north of Portland.

By last year, the project had morphed into one with a projected price tag of \$1.2 billion.

BPA built the last major transmission line serving the population centers in the i-5 corridor more than 40 years ago. Since that time, the population has surged and new power plants have connected to BPA's system. As a result, the lines serving the metro area have become more congested, particularly at times of peak summer demand.

The new line generated opposition from the outset. Residents along the route were concerned about the visual and noise impacts, the impact on their property values and easement negotiations. Some said right up front that the region had adequate transmission capacity and didn't need the new line.

Bonneville's public utility customers had similar concerns. They were particularly concerned about costs, particularly as the federal power marketing agency's rates have risen faster than wholesale power prices.

"Adequate and reliable transmission is critical to customers, but so are affordable rates," Roger Gray, CEO, Northwest Requirements Utilities. "Given the financial pressures BPA faces, I understand and support this decision."

Scott Corwin, executive director of the Public Power Council, which represents consumer-owned utilities in the region said BPA's rate trajectory has not been sustainable. "The costs on this looked awfully high, and Bonneville was right to be concerned."

Evolving energy markets and technology played a role in the decision, too.

Electricity demand has grown slower than forecast. Coal plants in Boardman and Centralia, Wash. are closing in 2020 and 2025, and Portland General Electric is backing away from building new gas-fired power plants in Boardman to replace the lost output.

Meanwhile, Bonneville and the entire utilities are coping with a wholesale change in the kinds of electricity being generated, its location, and the market mechanisms used to trade it around the region.

BPA Administrator Elliot Mainzer said the decision to forgo the line reflects a shift at BPA "from relying primarily on new construction to meet changing transmission needs, to embracing a new more flexible, scalable, and economically and operationally efficient approach to managing our transmission system."

To manage congestion, Mainzer said BPA is looking at battery storage, reducing demand from big customers and managing generation more effectively during periods of peak demand.

To free up space on existing lines, it plans to reevaluate its conservative calculations of available capacity, incorporate real-time data and analysis into calculations of its system limitations, and better coordinate its transmission system with California's Independent System Operator.

"Through this decision today, Bonneville is committing to taking a forward-looking approach with its investment decisions, and the region can be certain that BPA will seek first to use efficiencies and build at the smallest scale possible to meet our customers needs," Mainzer said.

- Ted Sickinger

tsickinger@oregonian.com

503-221-8505; @tedsickinger

Land Use Information

We are continuing to fight we have Greg Hathaway and Sean Malone of ORCA are working on it.

Statewide planning goals

Not yet, this proposed transmission line goes around our new Southern Flow Corridor. 521 acre restoration project. Remember this area is in the Coastal Shorelands Planning area. Bandon Marsh National Wildlife Refuge had problem with power lines and birds. Option 3 has far less impacts.

Conclusion

I would like to thank the Public Utility commission commissions for their thoughtful analysis of this project. This is the first time we have been listened to in 8 years.