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August 21, 2014

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon  
3930 Fairview Industrial Dr. S.E.  
Salem, OR 97302-1166

Attention: Filing Center

**RE: UE 287/UM 1689—Responses to OPCU Bench Request Nos. 1-3**

PacifiCorp d/b/a Pacific Power encloses for filing its Confidential Responses to Bench Requests No. 1 through 3. Confidential information provided in the Confidential Responses is designated as confidential under the protective order in these proceedings and may only be disclosed to qualified persons as defined in those orders.

As indicated on the attached certificate of service, a copy of this filing is being served on all parties on the service lists.

If you have questions about this filing, please contact Bryce Dalley at (503) 813-6389.

Sincerely,

R. Bryce Dalley  
Vice President, Regulation

Enclosures

cc: Service List—UE 287 / UM 1689

UE 287 and UM 1689/PacifiCorp

August 21, 2014

Bench Request 1

### **Bench Request 1**

On July 31, 2014, PacifiCorp, dba Pacific Power, filed a stipulation between PacifiCorp, Commission Staff, the Citizens' Utility Board of Oregon, and the Industrial Customers of Northwest Utilities. Exhibit A to the stipulation shows the primary driver of PacifiCorp's forecasted increase in power costs for 2015 is an \$11.5 million reduction (allocated to Oregon) for PacifiCorp's "Total Sales for Resale". PacifiCorp stated in its testimony in docket UE 287 that this reduction in wholesale sales revenue is driven by: (1) the expiration of two long-term sales contracts (a long-term sales contract with Shell and a legacy sales agreement with Sacramento Municipal Utility District (SMUD)); and (2) a reduction in economic resources (due to the Carbon plant closing). To help explain why the expiration of these two contracts has such a large impact on the revenue credit "Total Sales for Resale" category in Exhibit A, PacifiCorp is directed to answer the following question:

Please provide the \$/MWh price and volume of the two expiring contracts.

### **Confidential Response to Bench Request 1**

**[CONFIDENTIAL BEGINS]**

**SMUD:**

**Shell:**

**[CONFIDENTIAL ENDS]**

The information provided in Confidential Response to Bench Request 1 is designated as confidential under the protective order in these proceedings and may only be disclosed to qualified persons as defined in those orders.

## **Bench Request 2**

On July 31, 2014, PacifiCorp, dba Pacific Power, filed a stipulation between PacifiCorp, Commission Staff, the Citizens' Utility Board of Oregon, and the Industrial Customers of Northwest Utilities. Exhibit A to the stipulation shows the primary driver of PacifiCorp's forecasted increase in power costs for 2015 is an \$11.5 million reduction (allocated to Oregon) for PacifiCorp's "Total Sales for Resale". PacifiCorp stated in its testimony in docket UE 287 that this reduction in wholesale sales revenue is driven by: (1) the expiration of two long-term sales contracts (a long-term sales contract with Shell and a legacy sales agreement with Sacramento Municipal Utility District (SMUD)); and (2) a reduction in economic resources (due to the Carbon plant closing). To help explain why the expiration of these two contracts has such a large impact on the revenue credit "Total Sales for Resale" category in Exhibit A, PacifiCorp is directed to answer the following question:

Please provide the volume of MWh output associated with the \$105,632,473 in Total Sales for Resale listed in the 2015 TAM. Also, provide the same figure for last year's 2014 TAM.

## **Confidential Response to Bench Request 2**

**[CONFIDENTIAL BEGINS]**

**2014 Total Sales for Resale:** [REDACTED] **on a total-company basis**  
**2015 Total Sales for Resale:** [REDACTED] **on a total-company basis**

**[CONFIDENTIAL ENDS]**

The information provided in Confidential Response to Bench Request 2 is designated as confidential under the protective order in these proceedings and may only be disclosed to qualified persons as defined in those orders.

### **Bench Request 3**

On July 31, 2014, PacifiCorp, dba Pacific Power, filed a stipulation between PacifiCorp, Commission Staff, the Citizens' Utility Board of Oregon, and the Industrial Customers of Northwest Utilities. Exhibit A to the stipulation shows the primary driver of PacifiCorp's forecasted increase in power costs for 2015 is an \$11.5 million reduction (allocated to Oregon) for PacifiCorp's "Total Sales for Resale". PacifiCorp stated in its testimony in docket UE 287 that this reduction in wholesale sales revenue is driven by: (1) the expiration of two long-term sales contracts (a long-term sales contract with Shell and a legacy sales agreement with Sacramento Municipal Utility District (SMUD)); and (2) a reduction in economic resources (due to the Carbon plant closing). To help explain why the expiration of these two contracts has such a large impact on the revenue credit "Total Sales for Resale" category in Exhibit A, PacifiCorp is directed to answer the following question:

Please explain why the decrease in "Total Sales for Resale" has a significant impact on net power costs, and why, for example, expiring off-system sales are not offset by other sales.

### **Confidential Response to Bench Request 3**

In this proceeding, the expiring long-term off-system sales are not replaced by other off-system sales due mainly to reduced availability of economic generation resources and an increase in the Company's retail load. Compared to docket UE 264, the Company's 2014 transition adjustment mechanism (TAM) proceeding):

**[CONFIDENTIAL BEGINS]**

[REDACTED]

[REDACTED]

**[CONFIDENTIAL ENDS]**

Together, these changes leave the Company over 1,100,000 MWh shorter in 2015 than in 2014, which reduces the Company's ability to make wholesale sales. In addition to the above, the level of sales for resale is impacted by changes in the commitment and dispatch of the Company's thermal fleet, based on changes in market prices and fuel costs.

The information provided in Confidential Response to Bench Request 3 is designated as confidential under the protective order in these proceedings and may only be disclosed to qualified persons as defined in those orders.

## CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's Responses to OPUC Bench Request Nos. (1-3) on the parties listed below via electronic mail and/or overnight delivery in compliance with OAR 860-001-0180.

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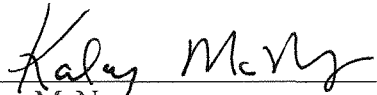
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Dated this 21<sup>st</sup> of August 2014.

  
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Kaley McNay  
Coordinator, Regulatory Operations

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I certify that I served a true and correct copy of PacifiCorp's Responses to OPUC Bench Request Nos. (1-3) on the parties listed below via electronic mail and/or overnight delivery in compliance with OAR 860-001-0180.

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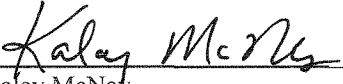
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