October 3, 2016

## VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-1166
Attn: Filing Center

## RE: UE 309—Stipulation and Joint Testimony

PacifiCorp d/b/a Pacific Power (Company or PacifiCorp) encloses for filing in this docket the following documents:

- The Stipulation between PacifiCorp, Staff of the Public Utility Commission of Oregon, and the Citizens’ Utility Board of Oregon; and
- Joint Testimony in Support of the Stipulation.

If you have questions about this filing, please contact Natasha Siores at (503) 813-6583.
Sincerely,


R. Bryce Dally<br>Vice President, Regulation

Enclosures

# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON 

UE 309
In the Matter of
PACIFICORP d/b/a PACIFIC POWER
2015 Power Cost Adjustment Mechanism

## INTRODUCTION

1. PacifiCorp d/b/a Pacific Power (PacifiCorp or Company), Staff of the Public Utility Commission of Oregon (Staff), and the Citizens’ Utility Board (CUB) (collectively the Stipulating Parties) enter into this Stipulation to resolve all issues in docket UE 309, PacifiCorp’s 2015 power cost adjustment mechanism (PCAM). No other party intervened in this docket.

## BACKGROUND

2. The Public Utility Commission of Oregon (Commission) approved PacifiCorp’s PCAM in Order No. 12-493 in docket UE 246. The PCAM allows the recovery or refund of the difference between actual net power costs (NPC) incurred to serve customers and the base NPC established in the Company's annual transition adjustment mechanism (TAM) filing. The amount recovered from or refunded to customers for a given year is subject to the following parameters:

- Asymmetrical Deadband - Any NPC difference between negative $\$ 15$ million and positive $\$ 30$ million is absorbed by the Company.
- Sharing Mechanism - Any NPC difference above or below the deadband is shared 90 percent by customers and 10 percent by the Company.
- Earnings Test - If the Company's earned return on equity (ROE) is within plus or minus 100 basis points of the allowed ROE, there is no recovery from or refund to customers.
- Amortization Cap - The amortization of deferred amounts are capped at six percent of the revenue for the preceding calendar year. ${ }^{1}$

3. On May 13, 2016, PacifiCorp filed its PCAM for calendar year 2015.

Attachment A to this Stipulation is a summary of the Company's PCAM calculation. On a totalcompany basis, adjusted actual NPC were $\$ 1.54$ billion for calendar year 2015, which was approximately $\$ 56$ million higher than the base NPC of $\$ 1.48$ billion established in the 2015 TAM (docket UE 287). On an Oregon-allocated basis, actual PCAM costs exceeded base PCAM costs by approximately $\$ 19.9$ million.
4. After application of the deadband, there is no recovery for the 2015 PCAM.
5. The Stipulating Parties held a settlement conference on July 22, 2016. This conference resulted in an agreement resolving all issues in this docket, subject to Staff's review of PacifiCorp's responses to discovery requests. On August 24, 2016, PacifiCorp provided its responses to Staff's data request.

## AGREEMENT

6. The Stipulating Parties agree that the Company's PCAM calculation for calendar year 2015, as set forth in the Company's initial filing and summarize above, complies with Order No. 12-493 and results in no change to existing rates.

[^0]7. The Stipulating Parties agree to submit this Stipulation to the Commission and request that the Commission approve the Stipulation as presented. The Stipulating Parties agree that this Stipulation will result in rates that meet the standard in ORS 756.040.
8. This Stipulation will be offered in to the record as evidence under OAR 860-0010350(7). The Stipulating Parties agree to support this Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor the Stipulation at hearing, if required, and recommend that the Commission issue an order adopting the Stipulation.
9. The Stipulating Parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving this Stipulation, any of the Stipulating Parties are entitled to withdraw from the Stipulation or exercise any other rights provided in OAR 860-0010325(9). To withdraw from the Stipulation, a Stipulating Party must provide written notice to the Commission and the other Stipulating Parties within five days of service of the final order rejecting, modifying, or conditioning this Stipulation.
10. By entering into this Stipulation, no Settling Party approves, admits, or consents to the facts, principles, methods, or theories employed by any other Settling Party.
11. This Stipulation is not enforceable by any Settling Party unless and until adopted by the Commission in a final order. Each signatory to this Stipulation avers that they are signing this Stipulation in good faith and that they intend to abide by the terms of this Stipulation unless and until the Stipulation is rejected or adopted only in part by the Commission. The Settling Parties agree that the Commission has exclusive jurisdiction to enforce or modify the Stipulation. If the Commission rejects or modifies this Stipulation, the Settling Parties reserve the right to
seek reconsideration or rehearing of the Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the Commission order under ORS 756.610.
12. This Stipulation may be executed in counterparts and each signed counterpart constitutes an original document.

This Stipulation is entered into by each Settling Party on the date entered below such Settling Party's signature.

## PACIFICORP



Date: $\quad 9 / 29 / 16$
CITIZENS' UTILITY BOARD

STAFF of the PUBLIC UTILITY COMMISSION OF OREGON

By: $\qquad$

Date: $\qquad$

By: $\qquad$

Date: $\qquad$
$6 \quad$ Settling Party's signature.

PACIFICORP

By: $\qquad$

Date: $\qquad$ CITIZENS' UTILITY BOARD

By: $\qquad$

Date: $\qquad$
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12. This Stipulation may be executed in counterparts and each signed counterpart constitutes an original document.

This Stipulation is entered into by each Settling Party on the date entered below such Settling Party's signature.

## PACIFICORP

STAFF of the PUBLIC UTILITY COMMISSION OF OREGON

By: $\qquad$ By: $\qquad$

Date: $\qquad$ Date: $\qquad$

## CITIZENS' UTILITY BOARD

By:


Date:

$$
9 / 28 / 16
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ATTACHMENT A
Oregon Power Cost Adjustment Mechanism

# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON 

## PACIFICORP

Joint Stipulating Parties Testimony of Michael Wilding, John Crider, and Bob Jenks

October 2016

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## Q. Please state your names, business addresses, and present positions.

A. My name is Michael Wilding. My business address is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232. My title is Net Power Cost Mechanism Manager for PacifiCorp. My Witness Qualification Statement is found in Exhibit Joint Stipulating Parties/101.

My name is John Crider. My business address is 201 High Street SE, Suite 100, Salem Oregon 97301. I am employed as a Senior Utility Analyst in the Energy Resources and Planning Division of the Public Utility Commission of Oregon (Commission). My Witness Qualification Statement is found in Exhibit Joint Stipulating Parties/102.

My name is Bob Jenks. My business address is 610 SW Broadway, Suite 400, Portland, Oregon 97205. I am the Executive Director of the Citizens’ Utility Board of Oregon (CUB). My Witness Qualification Statement is found in Exhibit Joint Stipulating Parties/103.

## JOINT TESTIMONY SUPPORTING STIPULATION

## Q. What is the purpose of this Joint Testimony?

A. Staff of the Commission (Staff), PacifiCorp, $\mathrm{d} / \mathrm{b} / \mathrm{a}$ Pacific Power (PacifiCorp), and CUB, collectively the Stipulating Parties, jointly provide this testimony in support of the Stipulation, filed concurrent with this Joint Testimony. The Stipulating Parties request that the Commission issue an order approving the Stipulation and implementing its terms.

## Q. Have all parties to docket UE 309 joined in the Stipulation?

A. Yes. After a settlement conference held July 22, 2016, all parties to docket

UE 309 agreed that PacifiCorp's actual net power costs (NPC) would not result in a change in rates to customers. After additional settlement communications, all parties executed the Stipulation on September 29, 2016.

## Q. Does the Stipulation resolve all issues in docket UE 309?

A. Yes. The Stipulation resolves all issues in docket UE 309. The Stipulating Parties agree that the Company's power cost adjustment mechanism (PCAM) for calendar year 2015, as set forth in its initial filing, complies with Order No. 12-493 and results in no change to PacifiCorp's rates. Commission approval of the Stipulation will result in just and reasonable rates and an efficient resolution of this proceeding.

## Q. What is the purpose of PacifiCorp's PCAM?

A. In Order No. 12-493, the Commission approved a PCAM to allow PacifiCorp to recover the difference between actual NPC incurred to serve customers and the base NPC established in the Company's annual transition adjustment mechanism (TAM) filing. The amount received from or refunded to customers for a given year is subject to deadbands, sharing bands, an earnings test, and an amortization cap. ${ }^{1}$ PacifiCorp filed its 2015 PCAM, reflecting actual NPC for calendar year 2015, on May 13, 2016.

## Q. What was PacifiCorp's actual NPC for calendar year 2015?

A. Adjusted actual NPC were $\$ 1.54$ billion on a total-company basis for calendar year 2015, approximately $\$ 56$ million higher than the base NPC of $\$ 1.48$ billion

[^1]established in the 2015 TAM (docket UE 287). On an Oregon-allocated basis, actual NPC exceeded base NPC by approximately $\$ 19.9$ million.
Q. Did PacifiCorp's actual NPC exceed the deadband in the PCAM?
A. No.
Q. What is the rate impact resulting from actual NPC exceeding the base NPC established in the 2015 TAM?
A. PacifiCorp’s 2015 PCAM results in no change to rates because the actual NPC did not exceed the deadband identified in Order No. 12-493.
Q. Does this conclude your joint stipulating parties testimony?
A. Yes.

# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON 

## PACIFICORP

Exhibit Accompanying Joint Stipulating Parties Testimony of Michael Wilding, John Crider, and Bob Jenks

## Witness Qualification Statement Michael Wilding

October 2016

# WITNESS QUALIFICATION STATEMENT 

NAME: MICHAEL WILDING
EMPLOYER: PACIFICORP

TITLE: NET POWER COSTS MECHANISM MANAGER
ADDRESS: 825 N.E. Multnomah Street, Suite 600
Portland, Oregon, 97232
EDUCATION: Master of Accounting, Weber State University, Ogden Utah

Bachelor of Science, Accounting
Utah State University, Logan, Utah
EXPERIENCE: I am a Certified Public Accountant licensed in the state of Utah. Prior to joining the Company, I was employed as an internal auditor for Intermountain Healthcare and an auditor for the Utah State Tax Commission. I have been employed by the Company since February 2014.

# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON 

## PACIFICORP

Exhibit Accompanying Joint Stipulating Parties Testimony of Michael Wilding, John Crider, and Bob Jenks

## Witness Qualification Statement John Crider

October 2016

## WITNESS QUALIFICATION STATEMENT

| NAME: | JOHN CRIDER |
| :--- | :--- |
| EMPLOYER: | PUBLIC UTILITY COMMISSION OF OREGON |
| TITLE: | SENIOR UTILITY ANALYST, ELECTRIC RESOURCES AND <br> PLANNING |
| ADDRESS: | 201 High Street, Suite 100 <br> Salem, OR 97301 |
| EDUCATION: | Bachelor of Science, Engineering <br> University of Maryland |
|  | I have been employed at the Oregon Public Utility Commission <br> (Commission) since August of 2012. My current responsibilities include <br> analysis and technical support for electric power cost recovery <br> proceedings, with an emphasis on variable power costs and purchases <br> from qualifying facilities. Prior to working for the OPUC I was an <br> engineer in the Strategic Planning division for Gainesville Regional |
|  | Utilities (GRU) in Gainesville, Florida. My responsibilities at GRU <br> included analysis, design and support for generation economic dispatch <br> modeling, wholesale power transactions, net metering, integrated resource <br> planning, distributed solar generation and fuel (coal and natural gas) |
| planning. Previous to working for GRU, I was a staff design engineer for |  |

I am a registered professional engineer in both Oregon and Florida.

# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON 

## PACIFICORP

Exhibit Accompanying Joint Stipulating Parties Testimony of Michael Wilding, John Crider, and Bob Jenks

Witness Qualification Statement Bob Jenks

October 2016

# WITNESS QUALIFICATION STATEMENT 

NAME: BOB JENKS
EMPLOYER: CITIZENS' UTILITY BOARD OF OREGON
TITLE: EXECUTIVE DIRECTOR
ADDRESS: 610 SW Broadway, Suite 400
Portland, OR 97205
EDUCATION: Bachelor of Science, Economics
Willamette University, Salem, OR
EXPERIENCE: Provided testimony or comments in a variety of OPUC dockets, including UE 88, UE 92, UM 903, UM 918, UE 102, UP 168, UT 125, UT 141, UE 115, UE 116, UE 137, UE 139, UE 161, UE 165, UE 167, UE 170, UE 172, UE 173, UE 207, UE 208, UE 210, UG 152, UM 995, UM 1050, UM 1071, UM 1147, UM 1121, UM 1206, UM 1209, UM 1355, UM 1635, UE 233, UE 246, UE 283, UM 1633, and UM 1654. Participated in the development of a variety of Least Cost Plans and PUC Settlement Conferences. Provided testimony to Oregon Legislative Committees on consumer issues relating to energy and telecommunications. Lobbied the Oregon Congressional delegation on behalf of CUB and the National Association of State Utility Consumer Advocates.

Between 1982 and 1991, worked for the Oregon State Public Interest Research Group, the Massachusetts Public Interest Research Group, and the Fund for Public Interest Research on a variety of public policy issues.

MEMBERSHIP: National Association of State Utility Consumer Advocates Board of Directors, OSPIRG Citizen Lobby
Telecommunications Policy Committee, Consumer Federation of America Electricity Policy Committee, Consumer Federation of America

Board of Directors (Public Interest Representative), NEEA


[^0]:    ${ }^{1}$ In the Matter of PacifiCorp d/b/a Pacific Power's Request for a General Rate Revision, Docket UE 246, Order No. $12-493$ at 15 (Dec. 20, 2012).

[^1]:    ${ }^{1}$ In the Matter of PacifiCorp d/b/a Pacific Power's Request for a General Rate Revision, Docket No. UE 246, Order No. 12-493 at 15 (Dec. 20, 2012).

