

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

PCN 2

In the Matter of

TILLAMOOK PEOPLE'S UTILITY
DISTRICT,

Petition for Certification of Public
Convenience and Necessity.

RULING

**DISPOSITION: ADDITIONAL TESTIMONY REQUIRED; BRIEFING SCHEDULE
VACATED; AND OFFICIAL NOTICE TAKEN**

After consultation with the Commissioners, additional testimony is ordered to augment the record developed in this proceeding. Tillamook People's Utility District has 30 days from the date of this ruling to submit initial testimony. Staff and intervenors may submit reply testimony within 15 days thereafter. TPUD may submit rebuttal testimony within 10 days of any reply testimony.

The initial testimony should address the following matters:

1. Is TPUD's capacity concern system-wide or limited to the Wilson Substation? Please explain any capacity concern at other substations, and how does the demand at Oceanside/Netarts figure into TPUD's capacity requirements?
2. Please provide a reevaluation of TPUD's capacity need for Option 4, given the 12 MVA of capacity associated with Option 3 has been installed. Show all formulae and the variables used in the calculations and explain their use. Explain whether the results are based on one substation or system wide and the corresponding peak demand growth rates. Show a system-wide N-1 capacity case, and any localized N-1 capacity case, including all formulae and variables that relied upon.

This analysis should include tables that show clearly the system average capacity used from today forward and the coincident peak capacity today and going forward.

3. Please provide a reevaluation of TPUD's reliability need for Option 4, given that the district apparently plans to use the existing line to Oceanside/Netarts to complete a loop from Tillamook to Oceanside. Quantify the reduced customer outage hours of Option 4 relative to Option 3, taking into account plans to use the existing line in conjunction with Option 4. Assuming TPUD builds Option 4, how will the district manage the system to deal with the same outages on the existing line that you anticipate for Option 3? To what extent would the addition of the redundant line in Option 3 mitigate the reliability risk associated with the existing line? Does TPUD anticipate that both lines under Option 3 would be out of service at the same time? Given that TPUD rates the reliability risk of Option 3 as "good" in testimony, compare that estimate of its reliability with industry standards.

Please also explain what other options TPUD has considered to mitigate the reliability risk at Oceanside/Netarts using Option 3, such as backup generation or storage and provide your estimates of the costs of these options.

4. Please provide updated costs of Options 3 and 4, including all elements of each project. For each project shown in the 2018 Construction Work Plan for the Wilson River Substation, Table 2-1-1, state whether that project is part of Option 3 and/or Option 4, and the schedule for completion of each project. Reconcile the figures shown in the Work Plan with the figures shown in your Exhibit 209 where applicable.

For Option 4, also provide a break-down of estimated eminent domain costs by property, including the costs of rights-of-way and severance damages. Show the cost estimates for legal and expert witness expenses.

Given the replacement of the Wilson T1 transformer and the assumption that the longevity of the new capacity is 20 years, explain how TPUD proposes to adjust the cost of Option 4 to show

that the associated 33 MVA of new capacity will not be needed for 20 years, and then will be gradually put into service over time until it is fully utilized after 47 years.

5. Please provide updated calculations for the longevity of Option 3 and Option 4, showing and explaining the selection of formula and variables. If TPUD relies on the winter peak at the Wilson Substation, defend the use of that peak versus the system peak. Explain how the peak at Oceanside/Netarts factors in the calculation. Explain why the calculation of the longevity of Option 3 does not take into account the unused capacity at the Wilson Substation at your peak. (Why TPUD doesn't add the 12 MVA from Option 3 to the 2018 Winter Capacity for Wilson T1 and T2 of – 84 MVA – in making the calculation.)

Assuming the use a 0.9 percent growth rate for TPUD's calculations, explain why that rate is reasonable by substation and system-wide.

6. Explain the \$800,000 cost of abandoning the transmission bay included in Options 1, 2, and 3, and discuss other options for avoiding that cost other than by building Option 4.

Furthermore, the briefing schedule is vacated. A new briefing schedule will be set after the responses to the bench request.

Finally, the parties are advised that the Commission takes official notice under OAR 860-001-0460 of a March 15, 2018, letter and attachments from Tommy Brooks to the Tillamook County Planning Commission and also TPUD's 2018 Construction Work Plan found on its website. The rule allows any party to object to the fact noticed within 15 days of this notice.

Dated this 9th day of November, 2018, at Salem, Oregon.



Patrick J. Power
Administrative Law Judge