

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM 1801

In the Matter of the Application of IDAHO )  
POWER COMPANY for Authority to )  
Implement Revised Depreciation Rates for )  
Electric )  
Plant-in-Service. )  
\_\_\_\_\_)

STAFF - IDAHO POWER – CUB

JOINT TESTIMONY IN SUPPORT  
OF STIPULATION

WITNESSES: COURTNEY WAITES, MING PENG and BOB JENKS

May 5, 2017

1 **Q. Who is sponsoring this testimony?**

2 A. This testimony is jointly sponsored by Idaho Power Company (“Idaho Power” or the  
3 “Company”), Staff of the Public Utility Commission of Oregon (“Staff”), and the  
4 Citizens’ Utility Board of Oregon (“CUB”), referred to collectively as the “Stipulating  
5 Parties.”

6 **Q. Please state your names.**

7 A. Courtney Waites, Ming Peng and Bob Jenks. Ms. Waites’ qualifications are set forth  
8 in Idaho Power/101; Ms. Peng’s qualifications are set forth in Staff/101; Mr. Jenks’  
9 qualifications are set forth in CUB/101.

10 **Q. What is the purpose of your testimony?**

11 A. This testimony describes and supports the Stipulation executed by the Stipulating  
12 Parties dated and filed in this case on May 4, 2017 (the “Stipulation”). Our testimony  
13 supports all provisions of the Stipulation.

14 **Q. Have all parties in this docket joined in the Stipulation?**

15 A. Yes.

16 **Q. How did the Parties arrive at the Stipulation?**

17 A. The Stipulating Parties scheduled an initial settlement conference in this docket on  
18 March 9, 2017. All Stipulating Parties attended and participated. Although the  
19 Stipulating Parties were unable to reach agreement at the March 9, 2017, settlement  
20 conference, they did agree to reconvene on March 28, 2017. The Stipulating Parties  
21 reconvened once again on April 20, 2017, and were able to reach an agreement that  
22 resolved all the issues in this docket.  
23

1 **I. BACKGROUND<sup>1</sup>**

2 **Q. Please describe Idaho Power's original request in this case.**

3 A. On November 2, 2016, Idaho Power filed an Application for Authorization to Implement  
4 Revised Depreciation Rates ("Application") and supporting testimony pursuant to OAR  
5 860-027-0350 that requires Idaho Power to perform a depreciation study and update  
6 its depreciation rates approximately every five years.<sup>2</sup> The purpose of the update is  
7 to reflect changes in the appropriate remaining lives of assets as circumstances  
8 change. Accordingly, the Company recently engaged Gannett Fleming Valuation and  
9 Rate Consultants, LLC ("Gannett Fleming") to conduct a depreciation study of its  
10 electric plant-in-service ("the Study") as of December 30, 2015. The Study updates  
11 net salvage percentages and service life estimates for all plant assets. The resulting  
12 depreciation rates are based on the straight line method, the remaining life technique,  
13 and the average service life procedure to calculate the depreciation accrual rates for  
14 production, transmission, distribution and general plant accounts. The Application  
15 requests authorization to: (1) institute revised depreciation rates for the Company's  
16 electric plant-in-service, based upon updated net salvage percentages and service life  
17 estimates for all plant assets, and (2) adjust Oregon jurisdictional base rates to reflect  
18 the revised depreciation rates, as applied to the approved 2011 general rate case plant  
19 balances, effective June 1, 2017. The revised depreciation rates proposed by the  
20 Company were based on the results of the Study.

---

<sup>1</sup> The parties note that Docket No. UM 1801 was consolidated with Docket No. UE 316 per the Administrative Law Judge's Ruling dated December 23, 2016. Subsequently, in her Ruling dated March 23, 2017, Judge Harper granted the parties motion to suspend the procedural schedule just as it relates to Docket UM 1801.

<sup>2</sup> The last major changes to the Company's depreciation rates occurred June 1, 2012, as a result of Order No. 12-296 issued in Docket No. UM 1576.

1 **Q. As part of the preparation of the Study, did Idaho Power address Staff's**  
2 **concerns articulated in the Stipulation approved with Order No. 09-317?**

3 A. Yes. In accordance with the intent of the Stipulation approved with Order No. 09-317  
4 in Docket No. UM 1395, on October 21, 2016, Idaho Power filed a concurrent request  
5 with the Idaho Public Utilities Commission seeking authority to implement the revised  
6 depreciation rates in its Idaho jurisdiction as well (Case No. IPC-E-16-23). The  
7 Company hoped that this concurrent filing would allow for an outcome that would result  
8 in the same depreciation rates being in effect for the Company on a system-wide basis.

9 **Q. Please describe Idaho Power's original depreciation request.**

10 A. The Company proposed depreciation rates that would result in a \$131.2 million annual  
11 depreciation expense on a system basis, based on December 31, 2015 plant values.  
12 The weighted depreciation rate for total depreciable plant was 2.69%.

13 **Q. Were the Stipulating Parties able to resolve the study differences for the electric**  
14 **plant accounts?**

15 A. Yes, the differences were resolved in a settlement meeting held on April 20, 2017.

16 **Q. What is the final impact on estimated depreciation expense due to Stipulation?**

17 A. The result of the settlement is annual depreciation expense on a system basis of  
18 \$124.6 million, based on December 31, 2015 plant values, or a depreciation rate of  
19 2.55%, as shown in the Stipulation, Joint Exhibit Attachment 1. The net annual  
20 difference in depreciation expense, when comparing the Stipulation to the depreciation  
21 study as filed in the Company's Application, is a reduction of approximately \$6.6  
22 million.

23 **Q. Please describe Idaho Power's original revenue requirement increase request.**

24 A. The Company's proposed rate adjustment related to the revised depreciation rates  
25 would have resulted in an increase to annual depreciation expense in Oregon of

1 approximately \$604,000—which translates to an increase in the Company’s Oregon  
2 revenue requirement of \$721,548, as measured against the revenue requirement  
3 identified in the Partial Stipulation in Docket UE 233, which was approved by the  
4 Commission on February 23, 2012.<sup>3</sup> The Application requested that the incremental  
5 revenue requirement of \$721,548 be spread to customer classes on a uniform  
6 percentage basis and be recovered through a uniform percentage increase to all base  
7 rate components except the service charge. The proposed change equated to an  
8 overall increase of 1.30 percent.

9 **Q. Did the Study propose a change in depreciation to all of the Company’s electric**  
10 **plant-in-service?**

11 A. No. The Company’s filing did not propose a change to the depreciation related to the  
12 Boardman power plant, in which Idaho Power owns a 10 percent interest along with  
13 Portland General Electric, which has a 90 percent ownership and is the majority  
14 partner. Any changes in depreciation associated with the Boardman power plant due  
15 to the early shutdown have been addressed in Docket No. UE 239.<sup>4</sup> The Company’s  
16 filing also proposed no change to the depreciation related to the North Valmy power  
17 plant (“Valmy”). Any changes in depreciation associated with Valmy due to the  
18 accelerated end-of-life date will be addressed in the Docket No. UE 316.

---

<sup>3</sup> See *Re Idaho Power Co. Request for General Rate Revision*, Docket No. UE 233, Order No. 12-055 (Feb. 23, 2012).

<sup>4</sup> See *In the Matter of Idaho Power Co. Application for Authority to Implement a Boardman Operating Life Adjustment Tariff for Electric Service to Customers in the State of Oregon*, Docket No. UE 239, Order No. 12-235 (June 26, 2012).

1 **Q. Did Staff and CUB conduct a thorough examination of the Company's filing?**

2 A. Yes. In addition to participation in workshops held by Idaho Power, Staff conducted  
3 extensive discovery on Idaho Power's filing. See Staff/100 (testimony provided by  
4 Ming Peng).

5 **II. DEPRECIATION PARAMETERS**

6 **Q. Did the Parties reach an agreement with respect to the depreciation parameters?**

7 A. Yes. The Parties agreed to (1) 20 adjustments to Idaho Power's proposed curve life  
8 combination for depreciable plants and changes in average service life or dispersion  
9 curve (or both) for FERC account categories in Hydraulic Production, Other Production  
10 Plant, Transmission Plant, and Distribution Plant, (2) 13 adjustments to Idaho Powers  
11 proposed net salvage rates for certain depreciable plant accounts and (3) two  
12 adjustments to the amortization periods of certain depreciable plant. The following  
13 details the changes in depreciation parameters, as compared to the Company's initial  
14 request:

- 15 • Jim Bridger Steam Production Plant
  - 16 ○ Account 311.0 – Structures and Improvements. The Parties agree  
17 that the net salvage rate should be (9) instead of the proposed (10).
  - 18 ○ Account 312.1 – Boiler Plant Equipment – Scrubbers. The Parties  
19 agree that the Company shall use a 70-S1 survivor curve with a net salvage  
20 of (5) instead of the proposed 60-S1 survivor curve with a net salvage of (10).
  - 21 ○ Account 312.2 – Boiler Plant Equipment – Other. The Parties agree  
22 that the net salvage rate should be (8) instead of the proposed (10).
  - 23 ○ Account 312.3 – Boiler Plant Equipment – Rail Cars. The Parties  
24 agree that the Company shall use a 35-R3 survivor curve with net salvage of

- 1 10 instead of the proposed 30-R3 estimated survivor curve with zero net  
2 salvage.
- 3 ○ Account 315.0 – Accessory Electric Equipment. The Parties agree  
4 that the net salvage rate should be (3) instead of the proposed (5).
- 5 ○ Account 316.0 – Miscellaneous Power Plant Equipment. The Parties  
6 agree that the net salvage rate should be 2 instead of the proposed (2).
- 7 • Hydraulic Production Plant
- 8 ○ Account 331.0 – Structures and Improvements. The Parties agree  
9 that the Company shall use a 120 year survivor curve life instead of the  
10 proposed 115 year survivor curve life.
- 11 ○ Account 332.1 and 332.2 – Reservoirs, Dams and Waterways. The  
12 Parties agree that the Company shall use a 120-S1.5 survivor curve instead  
13 of the proposed 100-S4 survivor curve.
- 14 ○ Account 333.0 – Water Wheels, Turbines and Generators. The  
15 Parties agree that the Company shall use a 100-R2.5 survivor curve instead  
16 of the proposed 90-S2 survivor curve.
- 17 ○ Account 334.0 – Accessory Electric Equipment. The Parties agree  
18 that the Company shall use a 65 year survivor curve life with a net salvage  
19 rate of (10) instead of the proposed 54 year survivor curve life and net  
20 salvage of (15).
- 21 ○ Account 336.0 – Roads, Railroads, and Bridges. The Parties agree  
22 that the Company shall use a 100-R3 survivor curve instead of the proposed  
23 85-R4 survivor curve.

- 1           •     Other Production Plant
- 2                 ○     Account 344.0 – Generators. The Parties agree that the Company
- 3                 shall use a 50 year survivor curve life instead of the proposed 45 year
- 4                 survivor curve life.
- 5                 ○     Account 345.0 – Accessory Electric Equipment. The Parties agree
- 6                 that the Company shall use a 55 year survivor curve life instead of the
- 7                 proposed 50 year survivor curve life.
- 8           •     Transmission Plant
- 9                 ○     Account 350.2 – Land Rights and Easements. The Parties agree that
- 10                the Company shall use a 100 year survivor curve life instead of the proposed
- 11                80 year survivor curve life.
- 12                ○     Account 352.0 – Structures and Improvements. The Parties agree
- 13                that the net salvage rate should be (33) instead of the proposed (35).
- 14                ○     Account 353.0 – Station Equipment. The Parties agree that the
- 15                Company shall use a 52 year survivor curve life instead of the proposed 50
- 16                year survivor curve life.
- 17                ○     Account 354.0 – Towers and Fixtures. The Parties agree that the
- 18                Company shall use an 80 year survivor curve life instead of the proposed 75
- 19                year survivor curve life.
- 20                ○     Account 356.0 – Overhead Conductors and Devices. The Parties
- 21                agree that the Company shall use a 74-R1.5 survivor curve instead of the
- 22                proposed 65-R2 survivor curve.



- 1           •     Distribution Plant
- 2                     ○     Account 361.0 – Structures and Improvements. The Parties agree
- 3                     that the Company shall use a 70-R3 survivor curve instead of the proposed
- 4                     70-R2.5 survivor curve.
- 5                     ○     Account 362.0 – Station Equipment. The Parties agree that the net
- 6                     salvage rate should be (6) instead of the proposed (10).
- 7                     ○     Account 364.0 – Poles, Towers and Fixtures. The Parties agree that
- 8                     the Company shall use a 58 year survivor curve life instead of the proposed
- 9                     55 year survivor curve life.
- 10                    ○     Account 366.0 – Underground Conduit. The Parties agree that the
- 11                    Company shall use a 65 year survivor curve life instead of the proposed 60
- 12                    year survivor curve life.
- 13                    ○     Account 367.0 – Underground Conductors and Devices. The parties
- 14                    agree that the net salvage rate should be (11) instead of the proposed (15).
- 15                    ○     Account 368.0 – Line Transformers. The Parties agree that the net
- 16                    salvage rate should be (7) instead of the proposed (10).
- 17                    ○     Account 369.0 – Services. The Parties agree that the Company shall
- 18                    use a 55 year survivor curve life instead of the proposed 50 year survivor
- 19                    curve life.
- 20                    ○     Account 370.0 – Meters. The Parties agree that the Company shall
- 21                    use a 30 year survivor curve life instead of the proposed 27 year survivor
- 22                    curve life.
- 23                    ○     Account 370.1 – Meters – AMI. The Parties agree that the Company
- 24                    shall use an 18-R1.5 survivor curve with a net salvage rate of (5) instead of
- 25                    the proposed 16-S1.5 survivor curve and net salvage of (10).

1           ○       Account 373.2 – Street Lighting and Signal Systems. The Parties  
2 agree that the Company shall use a 40 year survivor curve life instead of the  
3 proposed 35 year survivor curve life.

4       •       General Plant

5           ○       Account 390.11 and 390.12 – Structures and Improvements. The  
6 Parties agree that the net salvage rate should be (3) instead of the proposed  
7 (10).

8           ○       Account 397.4 – Communication Equipment – Fiber Optic. The  
9 Parties agree that the Company shall use a 15 year amortization period  
10 instead of the proposed 10 year amortization period.

11       •       Accounts Not Studied

12           ○       Account 303 – Miscellaneous Intangible Plant. The Parties agree to a  
13 62-month amortization period instead of the current 60-month amortization  
14 period.

15   **Q.    Have you prepared a summary schedule detailing the depreciation rates the**  
16   **Stipulating Parties have agreed to?**

17   A.    Yes. Attachment 1 to the Stipulation sets forth the depreciation rates the Stipulating  
18 Parties agree the Commission should adopt. The Stipulating Parties agree that the  
19 revised depreciation rates in Attachment No. 1 should be effective June 1, 2017. The  
20 agreed-upon rates represent a compromise of the differing depreciation  
21 methodologies, theories and opinions presented in this case, and do not necessarily  
22 reflect an endorsement of the underlying rationale for each adjustment by any of the  
23 Stipulating Parties.

24   **Q.    Idaho Power’s proposal included an end-of-life for the Jim Bridger coal plant**  
25   **(“Bridger”) of 2034 but continued tracking, through a regulatory liability, of an**

1           **adjustment that results in the difference between a Bridger 2034 end-of-life and**  
2           **a Bridger 2025 end-of-life as approved in Order No. 12-235. Do the Stipulating**  
3           **Parties agree to the same treatment of Bridger in this case?**

4     A.     Yes. The separate accounting for Bridger allows Idaho Power to maintain one set of  
5           depreciation records to be used for both the Oregon and Idaho jurisdictions while  
6           ensuring that the actual amounts paid by Oregon customers of Idaho Power will cover  
7           the future depreciation expenses related to the approved 2011 general rate case plant  
8           balances associated with the potential closure of Bridger as early as 2025. The  
9           depreciation rates associated with the end-of-life date for Bridger of 2025 that will be  
10          issued by Idaho Power to compute the adjustment associated with the difference in  
11          depreciation rates, is included as Attachment No. 2.

12    **Q.     Will Idaho Power make changes to the dollar amount tracked in the regulatory**  
13          **liability account?**

14    A.     No. Consistent with the stipulation approved in UM 1576, the accounting process and  
15          the dollar amount tracked will be held constant between ratemaking proceedings and  
16          will change only following Commission approval of either a base rate change  
17          associated with Bridger plant investments or the Company's next depreciation study  
18          docket.

### 19   **III. EARNINGS REVIEW**

20    **Q.     Did Staff perform an earnings review prior to support its agreement to the June**  
21          **1, 2017 rate change agreed-to in the Stipulation?**

22    A.     Yes. Staff conducted an earnings review in support of its settlement position in this  
23          case. Staff's earnings review is discussed in the separate Staff testimonies provided  
24          by Marianne Gardner and Matt Muldoon. See Staff/200 and Staff/300.  
25

1 **IV. REVENUE REQUIREMENT INCREASE**

2 **Q. How do depreciation rates effect the utility's revenue requirement?**

3 A. In the traditional rate base rate-of-return environment, customer rates and utility  
4 costs are components of a utility's revenue requirement. NARUC, in its "Public Utility  
5 Depreciation Practices" manual on "Depreciation Expense and Its Effect on the  
6 Utility's Financial Performance – Revenue Requirements" states:

7 "Depreciation has a profound effect on the revenue requirement of a utility, and for  
8 many utilities, depreciation expense represents a large percentage of total operating  
9 expenses. In addition, deferred income taxes, rate base, and cost of capital are all  
10 affected by the depreciation practices of a utility." <sup>5</sup>

11 **Q. How are depreciation parameters used in determining the utility's revenue  
12 requirement?**

13 A. In a general rate case filing, the depreciation expense is calculated by using the  
14 Commission's authorized depreciation parameters, from which depreciation rates are  
15 derived, and in traditional FERC classification of generation, transmission, distribution,  
16 and general plant assets.

17 Accumulated Depreciation is the cost of the investment in gross plant that is  
18 recovered through the cost-of-service as Depreciation Expense. Accordingly, the  
19 depreciation expense is accumulated and is subtracted from the gross plant to  
20 reduce the remaining investment to be recovered. The remaining balance is the net  
21 book plant. The net book plant represents the portion of gross plant that is not  
22 depreciated.

---

<sup>5</sup> Public Utility Depreciation Practices, Chapter XIV: Depreciation Expense and Its Effect on the Utility's Financial Performance – Revenue Requirements, p. 195.

1 **Q. What is the revenue requirement increase to which the Stipulating Parties**  
2 **agree?**

3 A. The Stipulating Parties agree that the Commission should adopt the customer rates  
4 set forth in Attachment No. 3, which are based on the agreed-upon depreciation rates  
5 set forth in Attachment Nos. 1 and 2. The Stipulating Parties agree that the customer  
6 rates in Attachment No. 3 should be effective June 1, 2017. The Stipulating parties  
7 agree to an increase in the incremental Oregon jurisdictional revenue requirement of  
8 \$300,000, which equates to an overall increase of 0.54 percent. The Stipulating  
9 Parties agree that the proposed rates resulting from this agreement are just and  
10 reasonable.

11 **V. RECOMMENDATIONS**

12 **Q. Please explain why Idaho Power believes that the Commission should approve**  
13 **the Stipulation.**

14 A. The Company believes that its proposed changes to depreciation rates and  
15 corresponding revenue increase in this case are well supported and that the  
16 Stipulation is fair, just, and reasonable.

17 **Q. Please explain why Staff believes that the Commission should approve the**  
18 **Stipulation.**

19 A. As explained further in Staff/100 (Peng) , Staff/200 (Gardner) and Staff/300 (Muldoon),  
20 the final adjustment decisions were made based on the combination of the  
21 considerations of the Company's plant retirement patterns and in-house engineering  
22 opinion, the industry average level, and Staff's analytical skills and industry  
23 experience. The stipulated position on plant asset survivor curves-projection life and  
24 net salvage rates as reflected in the depreciation rates is consistent with the results of  
25 Staff's thorough review and valuation of plant asset by depreciation groups.

1 Accordingly, the stipulated adjustment represents a fair and reasonable level of  
2 depreciation expenses to be included in the depreciation rates. Therefore, Staff  
3 recommends that the Commission adopt the Stipulation in its entirety.

4 **Q. Please explain why CUB believes that the Commission should approve the**  
5 **Stipulation.**

6 A. CUB believes that the updates to depreciation are reasonable and are limited to rate  
7 base investments that have been approved by the Commission in previous rate cases.  
8 CUB believes that, in order to ensure that an increased revenue requirement has not  
9 been offset by falling costs, it is generally preferred to require a general rate case  
10 before allowing a change to a utility's depreciation rates. However, CUB believes it is  
11 reasonable to make an exception in this case. Requiring a new rate case with a future  
12 test year will bring in several years of additional capital additions, along with general  
13 inflation in terms of salaries, health care, equipment, and construction costs. From  
14 CUB's experience, updating costs in a general rate case will likely lead to an even  
15 higher rate increase. Finally, CUB believes that, because this depreciation study  
16 includes distribution, transmission, and generation investments, it is reasonable to  
17 spread the increase as a uniform percentage across all customer classes.

18 **Q. What do the Stipulating Parties recommend?**

19 A. The Stipulating Parties recommend that the Commission adopt the Stipulation and  
20 Attachment No. 1 in its order in this case.

21 **Q. Does this conclude your testimony in support of the Stipulation?**

22 A. Yes.

Joint Parties/101  
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

IDAHO POWER COMPANY

UM 1801

Exhibit Accompanying Joint Testimony in Support of Stipulation

Qualifications of Courtney Waites

May 5, 2017

**WITNESS QUALIFICATION STATEMENT**

**NAME:** Courtney Waites

**EMPLOYER:** Idaho Power

**TITLE:** Senior Regulatory Analyst

**ADDRESS:** 1221 West Idaho Street, Boise, Idaho 83702

**EDUCATION:** In December of 1998, I received a Bachelor of Arts degree in Accounting from the University of Alaska in Anchorage, Alaska. In 2000, I earned a Master of Business Administration degree from Alaska Pacific University.

I have attended New Mexico State University's Center for Public Utilities and the National Association of Regulatory Utility Commissioners "Practical Skills for the Changing Electric Industry" conference, the Electric Utility Consultants, Inc.'s "Introduction to Rate Design and Cost of Service Concepts and Techniques for Electric Utilities" conference, Edison Electric Institute's "Introduction to Public Utility Accounting" course, Edison Electric Institute's Electric Rates Advanced course, SNL Knowledge Center's Essentials of Regulatory Finance course and the Financial Accounting Institute's Utility Finance and Accounting seminar.

**EXPERIENCE:** I became employed with Idaho Power in December 2004 in the Accounts Payable Department. In 2005, I accepted a Regulatory Accountant position in the Finance Department where one of my tasks was to assist in responding to regulatory data requests pertaining to financial issues. In 2006, I accepted my current position, Regulatory Analyst, in the Regulatory Affairs Department. My duties as a Regulatory Analyst include providing support for the Company's various regulatory activities, including tariff administration, regulatory ratemaking and compliance filings, and the development of various pricing strategies and policies.



Joint Parties/102  
Witness: Ming Peng

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

IDAHO POWER COMPANY

UM 1801

Exhibit Accompanying Joint Testimony in Support of Stipulation

Qualifications of Ming Peng

May 5, 2017

### WITNESS QUALIFICATIONS STATEMENT

NAME: Ming Peng (Ms.)  
EMPLOYER: Public Utility Commission of Oregon  
TITLE: Senior Economist  
Energy Rates, Finance and Audit Division  
ADDRESS: 201 High Street SE. Suite 100  
Salem, OR. 97301

#### EDUCATION & TRAINING:

M.S. Applied Economics  
University of Idaho, Moscow  
  
B.S. Statistics  
People's University of China, Beijing  
  
C.R.R.A. Certified Rate of Return Analyst  
Society of Utility and Regulatory Financial Analysts  
  
Depreciation studies - the Society of  
Depreciation Professionals  
  
NARUC Annual Regulatory Studies Program  
Michigan State University, East Lansing

300+ credit hours on 30+ topics trainings in public utility industry

EXPERIENCE: 1/11/1999-Present, Public Utility Commission of Oregon

I have been employed by the Public Utility Commission of Oregon (Commission) for 18 years since January 1999. My roles include: Expert Witness, Case Manager, Economist, Policy Analyst, Econometrician, and Principal Analyst  
I have testified in various formal state hearings and performed numerous analyses including economic, financial, statistical, mathematical, marketing, and policy analyses in public utility industry.

#### Principal Analyst & Case Manager, Settlement Leader/Negotiator for Depreciation and Ratemaking:

For the "Depreciation Rate Determination" (fixed cost allocation, capital recovery), I have served as a Principal Analyst and Case Manager for the determination of Energy Property Depreciation Rates (Oregon Revised Statute 757.140) for past 10 years.

In this position, I investigate, analyze and calculate "Energy Asset Retirement Cost & Impact" and "Power Plant Decommissioning Cost & Impact" on Customer Rates. I review, calculate, analyze fixed asset depreciation and propose depreciation parameters for each of FERC accounts on Generation, Transmission, Distribution, General, and Coal Mining Plants. The energy sources I have worked on are Steam/Coal, Hydraulic, Natural Gas, Wind, Solar and Geothermal.

My analyses of "Power-Plant-Shutdown" activities include the following cases:

1. PGE closes Boardman Coal-fired plant (UM 1679 & UE 215),
2. PacifiCorp closes Carbon Coal Plant in Utah (UE 246)
3. Multi-state PacifiCorp Klamath Hydro Dam Removal Cost recovery for (1) J. C. Boyle Dam, (2) Copco 1 Dam, (3) Copco 2 Dam, and (4) Iron Gate Dam removal under the ORS 757.734 - Recovery of investment in Klamath River dams in OPUC UE 219.
4. Idaho Power Valmy Coal-fired power plant Shutdown (UE 316)
5. PGE Colstrip Coal-fired power plant Shutdown (UM 1809)

I conduct case investigation and analysis on Utility's filings, make rate adjustments, lead settlement negotiation, prepare testimony, and appear on behalf of the Commission. The energy companies I work with are: (1) PacifiCorp (serves 6 states), (2) PGE, (3) Northwest Natural Gas (NWN), (4) Idaho Power, (5) Avista Corp (Washington), and (6) Cascade Gas (CNG, Montana).

#### Lead Analyst and Case Manager on Financial Dockets:

Prior to my present position, I was a lead analyst and case manager for cost of capital, mainly debt capital analysis for nine years. My responsibilities included: review and analyze regulatory policy on Cost of Capital and Market Risks from utility's financial applications for their Derivative Instruments & Hedging Activities and Capital Raising Activities.

I advised the Commission on over 60 Financial Dockets and obtained the Commission Orders.

I passed the certification test offered by "Society of Utility and Regulatory Financial Analysts", become a "Certified Rate of Return Analyst" in 2002.

#### Public Utility & Policy Analyst:

Energy Merger & Acquisition: I have testified in formal state hearings involving Energy Merger & Acquisition, I conducted Acquisition Premiums & Credit Risk Analysis and testified for the Merger case of "PacifiCorp vs. MidAmerican Energy Company" (a subsidiary of Berkshire Hathaway Energy) in UM 1209. My reviews on Energy Merger & Acquisition also include "PacifiCorp vs. Scottish Power", "PGE vs. Enron".

Clean Energy – Dollar Impact on Customer Rates: I performed analyses of “Rate Impact Calculation of Oregon Clean Energy Capital Investment, Comparative Advantage of Oregon Clean Energy – Dollar Impact in Rates”.

General Rate Case Ratemaking (Revenue requirement) and Other Cases: I testified and conducted analyses on some subjects in the revenue requirement models for General Rate Cases. I testified on Fuel Price Forecasting regarding Property Sales; I reviewed Load Forecasting, Weather Normalization in “Integrated Resource Planning” (IRP) and Rate Case filing.

My work functions have also included the Statistical Sampling Design & Procedure Design, and I testified on Revenue Issues (UM 1288) by presenting the sampling results.

I conducted Energy Utility Auditing for cost of capital component on energy companies and also performed utility operational auditing. I have conducted “Interest Rate and Late Payment Charge” Survey and Analysis annually for state of Oregon (UM 779).

I conducted Telecommunications “Market Competition and Economic Policy Survey Analysis” and write report for House Bill 2577, the report has been published on OPUC web annually for 15 years.

Mentor in the ICER - International Confederation of Energy Regulators

I was selected to act as a mentor in the ICER (International Confederation of Energy Regulators) Women in Energy (ICER WIE) pilot mentoring program. My “Mentoring Topics” were focus on Incentive Regulation; Rate and Economic Impacts of “Cost-of-Service” regulation in US and “Price-Cap” in Europe; Cost of Capital, Energy Demand and Price Forecasting Models; Least Cost Planning; and Regulatory Policy & Renewable Energy issues affecting Utility Rates.

Joint Parties/103  
Witness: Bob Jenks

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

IDAHO POWER COMPANY

UM 1801

Exhibit Accompanying Joint Testimony in Support of Stipulation

Qualifications of Bob Jenks

May 5, 2017

## 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, UE 233, UE 246, UE 283, UG 152, UM 995, UM 1050, UM 1071, UM 1147, UM 1121, UM 1206, UM 1209, UM 1355, UM 1635, 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