

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1824

In the Matters of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation into PacifiCorp, dba Pacific
Power's Oregon-Specific Cost Allocation
Issues.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our September 26, 2017 Regular Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

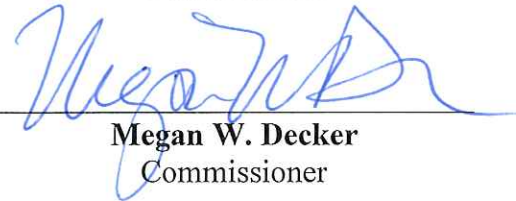
Dated this 28 day of September, 2017, at Salem, Oregon.



Lisa D. Hardie
Chair



Stephen M. Bloom
Commissioner



Megan W. Decker
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. 2

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 26, 2017

REGULAR X CONSENT _____ EFFECTIVE DATE _____

DATE: September 15, 2017

TO: Public Utility Commission

FROM: Lance Kaufman *LK*
*MA for E*THROUGH: Jason Eisdorfer and Marc Hellman *JE*SUBJECT: PACIFIC POWER: (Docket No. UM 1824) Staff Status Report on Oregon Cost Allocation Investigation.**STAFF RECOMMENDATION:**

Staff recommends that the Commission find that progress in this docket is acceptable and that Parties should continue with the informal workshop framework. Staff also recommends that Staff be asked to report to the Commission within three months regarding the ongoing progress in this investigation. Finally, Staff recommends the Commission take note of PacifiCorp's request for additional guidance in this docket.

DISCUSSION:Issue

Whether the progress and current status of Docket No. UM 1824 is consistent with Commission's expectations.

Applicable Rule or Law

Order No. 17-124 opened Docket No. UM 1824 and directs Staff to file this status report.

Analysis*Background*

PacifiCorp provides electric service in six western states. The costs of operating this system are allocated to these six states. State commissions implement state policy and

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set just and reasonable rates for customers within that state. State regulators in each of PacifiCorp's jurisdictions participate in on-going MSP discussions to coordinate state-level allocation decisions. The most recent agreement resulting from the MSP discussions is the 2017 Protocol. This agreement was adopted by the Commission through Order No. 16-319 on August 23, 2016. As part of this Order the Commission noted an intention to open a new investigation to conduct detailed analysis on a reasonable allocation method for the Company and its Oregon Customers.¹

The Commission opened the new investigation as Docket No. UM 1824 (Docket) on March 29, 2017 through Order No. 17-124. Order No. 17-124 states that the Commission anticipates that Staff conduct a series of informal workshops to identify key Oregon-specific issues before progressing into a contested case format. Order No. 17-124 also directs Staff to provide the Commission with a progress report within six months of the date of the order. This memo reports on the progress of Docket No. UM 1824.

The following parties (Parties) are or have participated in this Docket:

- Staff;
- PacifiCorp;
- Industrial Customers of Northwest Utilities (ICNU);
- Calpine Solutions;
- Imperial Irrigation District;²
- Oregon Citizens' Utility Board;
- Renewable Northwest; and
- Sierra Club.

Parties have held three workshops and have issued several rounds of discovery requests to PacifiCorp. These workshops and discovery requests have generally addressed issues related to potential allocation methodologies and allocation implications raised by Senate Bill (SB) 1547.

Workshops

The first workshop was held in Salem on June 1, 2017. During the first workshop, parties discussed general guidelines and procedures to follow during the informal phase of the Docket. PacifiCorp agreed to a modified discovery process in which PacifiCorp consolidates discovery requests from all parties on a weekly basis. PacifiCorp also agreed to provide timely feedback to parties regarding PacifiCorp's intention to respond

¹ Order No. 16-319 page 6.

² Imperial Irrigation District's (IID) petition to intervene was denied on July 13, 2017. IID has not participated in this proceeding since that time.

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to requests. Parties acknowledged that the types of discovery requests submitted in this investigation will often require PacifiCorp to perform new or additional analysis, and Parties agreed to limit requests that will require additional analysis. Parties also agreed to identify an internal, initial list of allocation alternatives for analysis by July 6, 2017.

The second workshop was held in Salem on Tuesday, July 18, 2017. At this workshop, parties discussed the initial set of allocation alternatives to study and crafted more specific parameters for the alternatives. Staff proposed exploring an allocation methodology consistent with the method adopted by the Washington Utilities and Transportation Commission. This method is named the West Control Area (WCA). The WCA assigns the cost of generation resources located, either physically or electrically, in PacifiCorp's western balancing authority area. PacifiCorp agreed to provide the analysis requested by Staff.

ICNU proposed a theoretical power flow model, which uses theoretical generation and load pocket information from PacifiCorp's Generation and Regulation Initiative Decision (GRID) model to assign costs. PacifiCorp raised concern with the burden associated with developing an hourly theoretical power flow analysis. ICNU offered to do the preliminary model development.

Calpine Solutions identified the treatment of direct access load as an important Oregon specific issue, and proposed a change to the 2017 Protocol direct access treatment.

PacifiCorp requested that the parties also review the methodology under discussion in PacifiCorp's Multi-State Process. Parties have not discussed their review of the methodology under discussion in the current Multi-State Process.

At the second workshop parties also discussed PacifiCorp's responsiveness to discovery requests. Parties generally found PacifiCorp to be responsive. However, PacifiCorp has not retained sufficient pre-merger (i.e. prior to 1989) data necessary to calculate the growth rate for Oregon electricity prices.

The third workshop was held in Portland on September 13, 2017. PacifiCorp provided the results of the WCA as modified³ and applied to Oregon and comparison to the rolled-in method and Revised Protocol method. PacifiCorp raised concerns regarding the legality and practicality of this method. Staff, ICNU and CUB took the position that the WCA method appears to be a valid allocation method and that the method warrants

³ The WCA analysis performed by the Company modified the WCA methodology used by the Washington Utilities and Transportation Commission in the following ways: (1) Colstrip 3 is not removed; (2) the return on the Jim Bridger 3 & 4 SCR's is included; (3) the Black Cap solar project is included; and (4) the Big Fork hydro project is included.

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further analysis and consideration. The WCA method allocates fewer costs to Oregon in initial planning years, but over time the annual allocation results of the WCA method approach the results of the Revised Protocol. Parties, however, have not discussed the cost causation basis for this method.

One issue raised during the discussion of the WCA method is the appropriate treatment of the differential in accumulated depreciation of Oregon relative to other states. Oregon currently depreciates PacifiCorp coal units over a shorter life than most other states. Parties discussed two potential solutions:

- Continue the historic treatment of including coal plants in rates as if all non-Oregon states had depreciated plants consistently with Oregon's depreciable life; or
- Create a regulatory asset based on the incremental accumulated depreciation of the non-WCA coal plants.

The primary difference in these two approaches is whether to make a net book adjustment based only on the WCA-assigned plants, or based on the extra amounts Oregon historically contributed to non-WCA-assigned plants.

ICNU provided the preliminary model structure for the theoretical power flow model at the third meeting. ICNU indicated an intention to expand the model to incorporate PacifiCorp's GRID power-flow results. ICNU noted that the flow model may provide insight into which generation assets can reasonably be allocated to Oregon operations, but admitted additional complexity associated with actual operations has not been evaluated.

At the third meeting Parties discussed the status of outstanding discovery requests. PacifiCorp agreed to circulate feedback on outstanding discovery requests within the Company. Parties also discussed the timing of the ongoing MSP, and coordination of Docket No. UM 1824 with the general MSP discussions. A fourth meeting was scheduled for October 25, 2017.

Discovery

At the initial workshop parties agreed to a consolidated discovery processes whereby parties would provide information requests to PacifiCorp, but provide PacifiCorp with discretion to consolidate requests from multiple parties. ICNU has submitted four sets of information requests and Staff has submitted three sets of information requests. PacifiCorp has responded to the majority of these requests. Attachment A to this memo includes a summary of the information requests and the status of PacifiCorp's responses.

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PacifiCorp Request for Guidance

Due to the limited time remaining in the year, PacifiCorp requests the Commission's guidance to assist in narrowing the issues to consider in the investigation going forward. Specifically, the PacifiCorp requests that the Commission advise on whether the following goals are appropriate, and should be included in Staff's final recommendation:

- A thorough discussion of Oregon-specific cost causation issues;
 - Including the impact of any Oregon energy goals and policies on the PacifiCorp and its customers;
- An evaluation that any methodology would result in just and reasonable rates;
- Compliance with prior Commission policy or a thorough discussion regarding why a deviation is required; and
- Any legal impediments to any proposed allocation methodology.

The discussions to date have focused on data and alternative methodologies, but have not specifically addressed the broader implications. PacifiCorp also seeks clarification that the scope of the investigation does not include re-visiting the Commission's approval of 1989 merger or Utah Power and PacifiCorp.

Conclusion

Parties have used the Docket to explore alternate allocation methodologies and to develop analysis that may not have been undertaken within the context of the general MSP investigation in Docket No. UM 1050. The progress in this docket has been sufficient to continue in an informal environment. Staff recommends that the Commission find that progress in this Docket is acceptable and that Parties should continue with the informal workshop framework. Staff also recommends that Staff be asked to report to the Commission within three months regarding the ongoing progress in this investigation. Staff also recommends the Commission take note of PacifiCorp's request for additional guidance in this Docket.

Parties have reviewed an initial version of this memo and PacifiCorp was the only party to provide comments. Parties have not had the opportunity to review the changes made in response to PacifiCorp's comments.

PROPOSED COMMISSION MOTION:

Staff continue the investigation in Docket No. UM 1824 and provide a further progress report to the Commission at a Public Meeting within three months.

UM 1824 PacifiCorp Allocation Report.docx

SUBJECT		ORIGINAL REQUEST	PACIFICORP REPLY TO REQUEST	PARTY SUBMITTING	STATUS
DATA	1	Please provide the Company's 2016 results of operations for the Washington jurisdiction of the Company and provide workpapers supporting each pro-forma and restating adjustment (including the calculation of power costs) that the Company makes with respect to Washington results of operations. Please provide these documents as Excel spreadsheets. Please retain all links within, and between, the provided files such that the results of operations are linked to the underlying workpapers. Please do not include any hardcoded numbers, except where the source of the hardcoded number is publicly available and plainly identified.		ICNU	Available by Reference
	2	Please provide the Company's 2016 results of operations for the Oregon jurisdiction of the Company and provide workpapers supporting each pro-forma and restating adjustment (including the calculation of power costs) that the Company makes with respect to Oregon results of operations. Please provide these documents as Excel spreadsheets. Please retain all links within, and between, the provided files such that the results of operations are linked to the underlying workpapers. Please do not include any hardcoded numbers, except where the source of the hardcoded number is publicly available and plainly identified.		ICNU	Available by Reference
	3	Please provide the GRID model project, workpapers, and output files used to prepare the Company's 2016 Oregon results of operations. In preparing the response, please ensure that, at a minimum the following information is available in the Company's workpapers or as a parameter in the model:	Can provide by July 10.	ICNU	Provided
		a. The balancing area of each generator and date when installed and interconnected with the electric grid;	Can provide by July 10.	ICNU	Provided
		b. Nameplate capacity of each transmission line, as measured by kV;	Can provide by July 10.	ICNU	Provided
		c. The fuel type of each generator (e.g., coal, natural gas, hydro, wind, nuclear, solar, or other); and	Can provide by July 10.	ICNU	Provided
		d. Generator nameplate capacity.	Can provide by July 10.	ICNU	Provided
	4	Actual hourly and monthly generation logs for each generating resource on the Company's system over the period 2012 – 2016.	Can provide by July 10. Information is confidential and we will provide subject to an NDA. If Staff cannot execute an NDA, PacifiCorp requests that Staff inquire whether a protective order is appropriate in a non-contested proceeding. PacifiCorp objects to providing this information to competitors and wholesale market participants.	ICNU	Provided
	5	Please provide parties with access to all confidential responses to data request, and confidential testimony, provided in Docket No. UE 323.	PacifiCorp does not see the benefit to this proceeding of information from the 2018 net power costs forecast that has not yet been decided by the Commission. If there is specific information that parties believe would be useful, PacifiCorp is willing to discuss. Agreed to provide access to GRID model and data for Brad Mullins.	ICNU	Provided
	6	Please describe the line losses attributed to the Company transmission and distribution systems and the manner that such line losses are calculated.	Can provide by July 10.	ICNU	Provided

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SUBJECT		ORIGINAL REQUEST	PACIFICORP REPLY TO REQUEST	PARTY SUBMITTING	STATUS
	7	Provide hourly scheduling data from 2010 to present, showing the import of energy to, or the export of energy from, the PacifiCorp West balancing authority area. For each schedule, please also detail the balancing area to, or from, which the power was exported or imported.	<i>PacifiCorp would like to discuss intent of this request with the parties. This information is extremely burdensome to collect and would include confidential third-party transmission customer data unrelated to the issues in this proceeding. PacifiCorp would propose that, in the alternative, it provide PacifiCorp's eTag data between PACE and PACW for 2015 and 2016 (subsequent to the initiation of EIM). Additional years can be added after further discussing this request.</i>	ICNU	Provided
	8	For each of PacifiCorp's six jurisdictions and for the years 1988, and 2010 through 2016, and for each of the customer categories (i.e., residential, commercial, industrial, and other), please list the annual sales, annual revenues, and average cents per kWh.	<i>Can provide by July 10.</i>	STAFF	Provided
		Please decompose all of the average cents-per-kWh figure produced in DR #6 for the twelve months ending December 31, 2016 into the following cost categories or sub-categories: distribution general, transmission general, generation plant general, generation plant state-specific (e.g., the cost increment attributed to accelerated depreciation), generation energy general, generation energy state-specific (e.g., Bonneville credit), other general, other state-specific (e.g., Energy Trust funding).	<i>PacifiCorp does not have this information available. PacifiCorp does not have unbundled rates and cannot deconstruct rates to these components. PacifiCorp would have to speculate regarding components and would not have any confidence in the resulting analysis.</i>	STAFF	Not Available
	9	Please provide workpapers used to allocate actual total-Company net power costs to Washington in the 2016 Washington results of operations. Please provide the workpapers in a fully functional format with all links intact.	<i>Provided with the ROO workpapers.</i>	ICNU	Provided
	10	Please provide workpapers used to perform interjurisdictional cost allocation of actual net power costs in the 2016 Oregon results of operations. Please provide the workpapers, with all links intact, to the underlying net power cost reports.	<i>Provided with the ROO workpapers.</i>	ICNU	Provided
	11	Please provide data from 2010-present showing the PacifiCorp West balancing authority area energy surplus or deficit without importing or exporting energy to other balancing authority areas, whether or not owned by the Company.	<i>Can provide by July 10.</i>	ICNU	Provided
	12	Please provide data from 2010-present showing the PacifiCorp West balancing authority area energy surplus or deficit without importing or exporting energy to other states.	<i>PacifiCorp does not track this information on a state-by-state basis.</i>	ICNU	Not Available
	13	Please provide documentation of PacifiCorp West balancing authority area reserve margins from 2010-present, including WECC and NERC reports, as well as the Company's internal quarterly calculations.	<i>Can provide by July 10.</i>	ICNU	Provided
	14	Please provide PacifiCorp West balancing authority area or other Company studies showing megawatt deficiencies in the PacifiCorp West balancing authority area, identifying the location of deficiencies and projected need.	<i>Please refer to the 2017 IRP for PACW and PACE capacity positions (Tables 5.14 and 5.15). PacifiCorp's IRP does not include specific locations of deficiencies and projected need at those locations.</i>	ICNU	Available by Reference

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SUBJECT		ORIGINAL REQUEST	PACIFICORP REPLY TO REQUEST	PARTY SUBMITTING	STATUS
	15	Please provide PacifiCorp West balancing authority area or other Company studies showing megawatt deficiencies in the region, identifying location of deficiencies and projected need. For the purposes of this question, "region" is defined as the states of Oregon, Washington, and California currently served by Pacific Power & Light Company	Please refer to the 2017 IRP for PACW and PACE capacity positions (Tables 5.14 and 5.15). PacifiCorp's IRP does not include specific locations of deficiencies and projected need at those locations.	ICNU	Available by Reference
	16	For the year 2016, please identify by state jurisdiction, in cents per kWh, the amount in rates (either applicable to PacifiCorp or collected on behalf of another agency or entity) resulting from law and policies that are specific to that state jurisdiction, including such state policies regarding conservation acquisition, dam removal, specific renewable targets, low income bill support, etc.	Beyond the information specifically related to a rider or other mechanism, PacifiCorp does not have this information available for its bundled rates. PacifiCorp would have to speculate regarding components and would not have any confidence in the resulting analysis. PacifiCorp can analyze the charges for specific riders, but those charges are not reflected in system allocation costs.	STAFF	Not Available
	17	For amounts identified in response to the question above, please identify if any restatement is necessary in comparable state electric rates for the years 2010 through 2016. If the answer is yes, please provide those restated electric rates charged to customers by class of customer by state by year.	Beyond the information specifically related to a rider or other mechanism, PacifiCorp does not have this information available for its bundled rates. PacifiCorp would have to speculate regarding components and would not have any confidence in the resulting analysis.	STAFF	Not Available
	18	For the years 2014, 2020, 2025, and 2029 please provide the Oregon jurisdiction's annual G&T revenue requirements under the Revised Protocol, Rolled-In (Utah version), and the full Western Control Area (WCA) methodology, i.e., do not exclude Colstrip 3, Big fork Hydro, and Black Cap Solar as is the case with the Washington treatment. In the response, please use the following breakdown: Expenses; Net Power Cost, Transmission O&M, Generation O&M, Transmission Depreciation, Generation Depreciation; Rate Base: Transmission EPIS, Transmission Accumulated Depreciation, Generation EPIS, Generation Accumulated Depreciation; and Gross (i.e., income tax and interest inclusive) Return on Rate Base (i.e., about 12%). In the case of the WCA Net Power Costs, make a best estimate on the basis of extending trends or other defensible approach. Please provide this information and associated work-papers in electronic format, with formulae intact. Please identify any peripheral assumptions that differ among the three methodologies. Note, it is preferred that information for the first years be provided separately from latter-year information if such would avoid an excessive delay.	PacifiCorp prepared the analysis presented during the September 13, 2017 workshop based on discussions during the first workshop in this docket and using the years 2019, 2022 and 2026. PacifiCorp can rerun the analysis using the years requested but will require additional time. PacifiCorp has no data on which to base its expected costs for 2029. PacifiCorp will provide supporting workpapers for the analysis presented on September 13, 2017, and will breakdown components of that analysis as requested. Workpapers for analysis to be provided by September 22, 2017. Additional breakdown by October 3, 2017.	STAFF	Response being prepared
		a. Please note any RPS compliance cost and depreciation rate/base differences among the three approaches.	RPS compliance costs will be difficult to estimate based on the market. PacifiCorp will provide an analysis of RECs available for compliance with RPS requirements under WCA, rolled-in and revised protocol. Analysis by October 3, 2017.	STAFF	Response being prepared
		b. For each approach, indicate the desired/appropriate regulatory asset accrual to Oregon owing to Oregon's more aggressive depreciation schedules and describe its basis.	This information will be provided in the workpapers supporting the September 13, 2017 analysis.	STAFF	Response being prepared

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SUBJECT		ORIGINAL REQUEST	PACIFICORP REPLY TO REQUEST	PARTY SUBMITTING	STATUS
	22	List all the significant transmission system additions that have occurred since the merger, and provide the following information for each: Gross investment, cut-over date, length (in miles), rated capacity, and end-points (identified by nearest town/ city, generation resource, and/or trading hub). For each addition or addition grouping, explain the reasons for making the addition and indicate whether or not it would have taken place had there not been the post-merger load growth in the control area served by that addition. Also indicate the incremental cost of meeting federally mandated reliability and other standards given that the line would have been built anyway owing to control area load growth or other considerations. For each addition, indicate the percentage share of the annual MWh load attributable to meeting PacifiCorp customer loads within the control area (inclusive of off-system purchases), meeting PacifiCorp customer loads in the other Company control area (inclusive of off-system purchases), making off-system opportunity sales, balancing loads among bubbles for safety and economic purposes, other (described in detail if significant). For each addition, indicate the average annual net revenue from off-system sales enabled by that addition and the major purchaser(s) of that energy.	<p><i>During the September 13, 2017 workshop, Staff indicated this request was limited to major transmission line projects. PacifiCorp's transmission system upgrades are constructed to meet load requirements, and FERC open access policy and legacy agreement requirements. Additionally, the topology of the system, equipment ratings, usage and reliability benefits of specific transmission components vary over time. As an interconnected network, all upgrades expand the overall capacity of the system, and provide increased opportunities to serve load and access trading hubs. PacifiCorp can provide the following information for major transmission lines constructed after the 1989 merger:</i></p> <ul style="list-style-type: none"> <i>In service date;</i> <i>Actual cost of construction;</i> <i>Approximate length;</i> <p><i>PacifiCorp does not have and could not estimate the additional requested information regarding usage of each transmission element.</i></p> <p><i>PacifiCorp can provide the data identified above by October 3, 2017.</i></p>	STAFF	Response being prepared
	23	Please provide a written copy of the allocation method used by Washington for PacifiCorp allocations and an electronic worksheet with cell formulae intact of the most recent version used by the WUTC in setting PacifiCorp rates in Washington. Please include any accompanying tables listing assumptions and data.	Can Provide.	STAFF	Provided
	24	Please provide a mapping between transmission area loads and jurisdictional loads, based on the GRID modeling used in both the 2016 TAM July update and the Company's 2016 Oregon results of operations.	PacifiCorp will provide by September 22, 2017.	ICNU	Response being prepared
STRUCTURAL SEPARATION		Page 7 of "Structural Separation Review: An Economic Analysis, December 14, 2016" shows the "three divisions [of PacifiCorp] doing business as (dba): Pacific Power, Rocky Mountain Power, and PacifiCorp Transmission." Please explain in detail what, if anything, distinguishes Pacific Power from the Western Control Area (WCA) in terms of generation resources, transmission resources, and service territories.	Can provide by July 10.	STAFF	Provided
		Page 32 of "Structural Separation Review: An Economic Analysis, December 14, 2016" lists a potential generation "Asset Assignment" in the event of a PacifiCorp structural separation. List the assets prospectively assigned to Rocky Mountain Power that are currently in the WCA, and those in the Pacific Power list that are currently in the Eastern Control Area (ECA).	Can provide by July 10.	STAFF	Provided
		Same as #2 [ABOVE] except list the assets prospectively assigned to Rocky Mountain Power that were originally part of PP&L (Pacific Power & Light), and those in the Pacific Power list that were originally part of UP&L (Utah Power & Light).	Can provide by July 10.	STAFF	Provided

SUBJECT		ORIGINAL REQUEST	PACIFICORP REPLY TO REQUEST	PARTY SUBMITTING	STATUS
	19	Replicate the Oregon-WCA figures as in #1 but with one alteration: in the case of inter-control area power cost acquisitions, use the prevailing market price of the acquiring control area rather than the cost-averaging method used for Washington.	<i>PacifiCorp is conducting this study and will provide by October 3, 2017.</i>	STAFF	Response being prepared
	20	a. For the years 2014, 2020, 2025, and 2029 please provide PacifiCorp's complete aggregate annual G&T revenue requirement. (For example, include a return on as well as a return of the Bridger 3&4 SCRs.) For comparison purposes use the same depreciation rates as are employed by the jurisdictions who have adopted the longest lives. Please utilize the same cost breakdown as in #18.	<i>This information is available for the September 13, 2017 analysis, and will be included in the supporting workpapers.</i> <i>Workpapers for analysis to be provided by September 22, 2017.</i>	STAFF	Response being prepared
		b. For those same years, use the standard rolled-in methodology to decompose the aggregate PacifiCorp G&T revenue requirement into the revenue requirements of all the jurisdictions. As a place holder, use the same 12 CP, 75-25, and other SE, SG, and SC-related assumptions now used generally by the Company in its inter-jurisdictional allocations. In order to have these state allocations sum to the same results as in a., employ a common rate base, etc.	<i>This information is available for the September 13, 2017 analysis, and will be included in the additional component breakdown effort.</i> <i>Additional breakdown by October 3, 2017.</i>	STAFF	Response being prepared
	21	a. For the years 2014, 2020, 2025, and 2029 please provide, separately, the aggregate annual G&T revenue requirements for the WCA and the ECA. Use the same rate base assumptions (including keeping Colstrip 3 in the analyses) and depreciation rates, etc. as were employed in #3, and the same cost breakdown as in #1. In the case of net power cost acquisitions from one control area to the other, use the market prices applicable to the control area that is receiving the power.	<i>PacifiCorp does not have an ECA methodology and cannot conduct this analysis for a comparison.</i>	STAFF	Not Available
		b. For the same years please provide the annual G&T revenue requirements for the three jurisdictions served within the WCA. In order to have these state allocations sum to the same results as in a., employ a common rate base, etc. Eliminate any adjustments peculiar to a particular jurisdiction, e.g., use the same rate base assumptions (including keeping Colstrip 3 in the rate base) and depreciation rates, etc. as were employed in #3. As a place holder, use the same 12 CP, 75-25, and other SE-, SG-, and SC-related assumptions now used generally by the Company in its inter-jurisdictional allocations.	<i>PacifiCorp does not have a methodology for breaking down the WCA on a state by state basis.</i>	STAFF	Not Available
		c. Same as b. except perform the analyses for the ECA.	<i>PacifiCorp does not have an ECA methodology and cannot conduct this analysis for a comparison.</i>	STAFF	Not Available

Attachment A

SUBJECT	ORIGINAL REQUEST	PACIFICORP REPLY TO REQUEST	PARTY SUBMITTING STAFF	STATUS
	Please replicate the "Capacity & Energy Payment Summary" of page 35 of "Structural Separation Review: An Economic Analysis, December 14, 2016" which uses the "Asset Assignment[s]" of page 32, but make one change to the latter: Transfer Jim Bridger 3-4 to Pacific Power.	<p>The Company has limited resources to address information and study requests in the MSP, Oregon-specific investigation, and the California-specific investigation. Additionally, any discussion of structural separation needs to recognize that PacifiCorp could only reorganize into separate corporate entities with the agreement of all six state commissions and FERC. Accordingly, the benefits of exploring alternative resource alignments in the Capacity & Energy Payment calculation may not justify the effort and time required. This request should be discussed during the July 18, 2017 workshop to determine whether it is one of the studies parties would like the company to conduct.</p> <p>To the extent commissioners have questions regarding the structural separation analyses, the Company would be willing to present the analysis and discuss at a special public meeting.</p>	STAFF	Not Available
	Same as #4 [ABOVE] except only transfer Bridger 3 to Pacific Power rather than both 3 and 4.	<p>The Company has limited resources to address information and study requests in the MSP, Oregon-specific investigation, and the California-specific investigation. Additionally, any discussion of structural separation needs to recognize that PacifiCorp could only reorganize into separate corporate entities with the agreement of all six state commissions and FERC. Accordingly, the benefits of exploring alternative resource alignments in the Capacity & Energy Payment calculation may not justify the effort and time required. This request should be discussed during the July 18, 2017 workshop to determine whether it is one of the studies parties would like the company to conduct.</p> <p>To the extent commissioners have questions regarding the structural separation analyses, the Company would be willing to present the analysis and discuss at a special public meeting.</p>	STAFF	Not Available

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