

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 219**

In the Matter of	)	
	)	THE INDUSTRIAL CUSTOMERS OF
PACIFICORP, dba PACIFIC POWER	)	NORTHWEST UTILITIES MOTION TO
	)	ADMIT DATA RESPONSES TO ICNU
Application to Implement Provisions of	)	DATA REQUESTS
Senate Bill 76.	)	
_____	)	

The Industrial Customers of Northwest Utilities (“ICNU”) respectfully requests that the Administrative Law Judges (“ALJs”) admit ICNU’s Exhibit 102 into the record in the above captioned proceeding

ICNU’s Exhibit 102 is PacifiCorp’s Data Responses to Data Requests 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 3.7, 3.8, 3.9 and 3.10. Pursuant to OAR 860-014-0070(4), ICNU submits Exhibit 102 in lieu of the conduct of cross examination in this matter by ICNU and requests that the ALJs enter this Exhibit into the record.

Dated this 16th day of July 2010.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/Irion A. Sanger

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UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.5

**ICNU Data Request 1.5**

Does the Company agree that SB 76 does not place any obligation on other states to approve of the transfer of the Klamath dam to the Dam Removal Entity?  
Please explain.

**Response to ICNU Data Request 1.5**

The Company objects to this request on the basis that it requests a legal opinion and seeks information outside the scope of this proceeding. Without waiving these objections, PacifiCorp acknowledges that SB 76 is an Oregon statute that does not purport to regulate the actions of other states.

UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.6

**ICNU Data Request 1.6**

Please explain why other states would be likely to approve removal of the Klamath dams from service.

**Response to ICNU Data Request 1.6**

The Company objects to this request on the basis that it requests a legal opinion and seeks information outside the scope of this proceeding. Without waiving this objection, the Company responds that a state would be likely to approve removal of the Klamath dams from service as long as the legal standard for approving such a transaction is satisfied.

UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.7

**ICNU Data Request 1.7**

Please provide details showing a breakdown of the annual Oregon load forecast by class of service from the Company's most recent Interested Resource Plan update, for the period 2011 to 2020.

**Response to ICNU Data Request 1.7**

Please refer to Attachment ICNU 1.7 for the annual Oregon sales forecast by class from the Company's most recent Integrated Resource Plan update, for the period 2011 to 2020.

**Attachment ICNU 1.7**  
**Oregon Annual Sales by Customer**

Year	Residential	Commercial	Industrial	Irrigation	Lighting	Other	Total
2011	5,309,420	4,886,460	2,256,190	285,110	37,480	0	12,774,660
2012	5,370,202	4,951,922	2,488,736	285,130	37,590	0	13,133,580
2013	5,329,932	4,986,212	2,633,056	285,100	37,480	0	13,271,780
2014	5,307,974	5,028,014	2,681,362	285,100	37,480	0	13,339,930
2015	5,287,770	5,068,820	2,691,290	285,090	37,480	0	13,370,450
2016	5,288,126	5,123,216	2,687,328	285,140	37,590	0	13,421,400
2017	5,268,734	5,165,004	2,674,062	285,100	37,480	0	13,430,380
2018	5,320,292	5,218,242	2,635,796	287,370	37,480	0	13,499,180
2019	5,367,264	5,270,554	2,627,362	287,390	37,480	0	13,590,050
2020	5,404,404	5,338,724	2,622,002	287,390	37,590	0	13,690,110

UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.8

### **ICNU Data Request 1.8**

Please explain what will happen to the Klamath Hydro Settlement Agreement (“KHSA”) if the California bond referendum is not approved by voters.

### **Response to ICNU Data Request 1.8**

Capitalized terms in this data response are defined in the Klamath Hydroelectric Settlement Agreement, dated February 18, 2010. Section 4.1.2.A indicates that the California Bond Funding will only constitute the amount necessary to fund the difference between the Customer Contribution and the actual cost to complete Facilities Removal. Therefore, the California Bond Funding will only be necessary in the event that the cost of Facilities Removal exceeds \$200 million. Moreover, Section 4.1.2 .A also states that the State of California may also consider other appropriate financing mechanisms in lieu of the California Bond Funding.

Section 3.3.4.C provides that the U.S. Secretary of the Interior may not issue the Secretarial Determination until, among other things, the State of California has authorized funding for Facilities Removal. Pursuant to Section 8.7, if the State of California does not provide for sufficient funding by way of the California Bond Funding or otherwise, then any Party may initiate a Meet and Confer process in attempts to resolve a funding or any other issue.

Finally, Section 8.11.1 provides for termination of the Settlement if the State of California or the State of Oregon provide insufficient funding for the Settlement.

UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.9

**ICNU Data Request 1.9**

Please explain what will happen to the KHSA if the Congress does not vote to provide the necessary approvals related to the removal of the Klamath project.

**Response to ICNU Data Request 1.9**

Capitalized terms in this data response are defined in the Klamath Hydroelectric Settlement Agreement, dated February 18, 2010. Section 3.3.4.A provides that the U.S. Secretary of the Interior may not issue the Secretarial Determination until, among other things, the required federal legislation has been enacted. Section 8.11.1.A provides for termination of the Settlement if Congress does not enact the legislation required under the Settlement.

UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.10

**ICNU Data Request 1.10**

Is there any basis for assuming that the Department of Interior scientific study will produce a final result which supports removal of the Klamath dams? Does the Company suspect the study will not be fair and objective and provide an equal opportunity for a conclusion in favor of removal as in favor of not removing the dams.

**Response to ICNU Data Request 1.10**

The FERC record contains volumes of information developed by agencies within the U.S. Department of the Interior that have analyzed the environmental and fisheries-related issues relevant to potential relicensing or removal of the Klamath dams. PacifiCorp believes these documents indicate that removal of the Klamath dams is the policy preference of those agencies. These documents are referred to in Mr. Scott's testimony and contained in Exhibit PPL/303.

Whether removal of the Klamath dams will ultimately advance restoration of the salmonid fisheries of the Klamath Basin and is in the public interest is the subject of the scientific study process. PacifiCorp has no preconceptions of what the outcome of the study process or the related Secretarial Determination may be as new information regarding the potential impacts of dam removal is considered by the Department of the Interior. Similarly, PacifiCorp has no reason to suspect that the study process will not be fair and objective. Regardless, PacifiCorp does not believe assumptions about the study process are relevant or necessary to ascertain the customer benefits related to cost and risk certainty that are provided by the KHSA.



UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.11

**ICNU Data Request 1.11**

Is it possible that possible damage caused by silting will be so severe as to render the decommissioning of the Klamath dams as uneconomic?

**Response to ICNU Data Request 1.11**

The purpose of the scientific study process is for the Department of the Interior to ascertain the potential impacts, positive and negative, from dam removal. Release of sediments impounded by the dams is one such impact that could require mitigation during the removal process. Should the potential impacts of sediment release be significant, it is possible that mitigation measures to address those impacts could cause the cost of dam removal to exceed the \$450 million State Cost Cap. Please also refer to the Company's response to ICNU Data Request 1.13.

UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.12

**ICNU Data Request 1.12**

Does the Company agree that the dam removal costs have been estimated to be as high as \$1 billion? Please provide all estimates for dam removal costs.

**Response to ICNU Data Request 1.12**

Throughout the relicensing and settlement process various parties have developed dam removal estimates based upon limited information. Please refer to the studies listed in Exhibit PPL/303, including the FERC Final Environmental Impact Statement, provided with the Company's application for this information. Pursuant to Section 3.3.2 of the KHSA, the Secretary of the Interior is to develop a Detailed Plan to implement Facilities Removal, as those terms are defined in the KHSA. The Detailed Plan will include a detailed estimate of the costs of Facilities Removal, as informed by the scientific study process.

UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.13

**ICNU Data Request 1.13**

Does the Company agree that if the dam removal costs are much higher than assumed it may no longer be economical to decommission the Klamath dams?

**Response to ICNU Data Request 1.13**

No, assuming that the term “economical” is intended to refer to the impact on PacifiCorp’s customers. The terms of the Klamath Hydroelectric Settlement Agreement (KHSA) cap the costs to PacifiCorp’s customers related to dam removal at a maximum of \$200 million. This is a key protection of the KHSA to ensure that the actual costs of dam removal are not relevant to an assessment of whether it is economic for PacifiCorp’s customers to proceed with dam removal.

From a broader perspective, please refer to the following sections in the KHSA which address the potential that the costs of dam removal exceed the State Cost Cap of \$450 million:

- Section 3.3.4 – Schedule for Secretarial Determination
- Section 4.10 – United States Not Responsible for Costs of Facilities Removal
- Section 7.2.2 – Process for Further Review of Cost Estimates Before and During Facilities Removal in the Event of a Federal DRE

UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.14

**ICNU Data Request 1.14**

Please explain why the Condit dam decommissioning process has taken many years to begin, while it appears the Company believes the Klamath dam decommissioning will occur rather quickly?

**Response to ICNU Data Request 1.14**

The extended timeline for the Condit dam decommissioning is related to the prolonged period for acquisition of requisite federal and state permits. For the most part, delay has been caused by state and federal water quality laws that are not conducive to permitting complex large scale restoration projects of this nature.

The Company does not believe the Klamath dam decommissioning will occur rather quickly. Please refer to the Company's response to ICNU Data Request 1.1 for the target date to begin Decommissioning the Klamath facilities. Please also refer to Section 7.4.2 of the KHSA which allows PacifiCorp to continue to own and operate each facility until "the DRA notifies PacifiCorp that all necessary permits and approvals have been obtained for removal of that Facility, all contracts necessary for Facilities Removal have been finalized, and Facility Removal is ready to commence."

UE-219/PacifiCorp  
May 7, 2010  
ICNU 1<sup>st</sup> Set Data Request 1.15

**ICNU Data Request 1.15**

Please provide a list of all regulatory, or political approvals which are required before the Klamath dam can be decommissioned. Please provide a timeline for each such approval as currently expected by the Company.

**Response to ICNU Data Request 1.15**

Specific regulatory and political approvals required under the KHSA and expected timelines are outlined in Exhibit 2 of the KHSA. Identification of required permits will be an element of the Detailed Plan developed as part of the basis for the Secretarial Determination (see KHSA Section 3.32).

UE-219/PacifiCorp  
July 1, 2010  
ICNU 3<sup>rd</sup> Set Data Request 3.7

**ICNU Data Request 3.7**

Reference PPL/203 Kelly/5 line 18-21. Please explain the difficulties of tracking the refunds on a customer basis.

**Response to ICNU Data Request 3.7**

Tracking Schedule 199 refunds on a customer basis would require the Company to develop systems and processes that are not currently in place for any other tariff in the Company's six-state system. PacifiCorp serves nearly 600,000 customers in the state of Oregon. Numerous PacifiCorp customers close and open accounts on a daily basis. PacifiCorp does not require customers who have closed their accounts and are no longer served by PacifiCorp to provide a forwarding address. Given the length of time over which the surcharge will be collected, there is no assurance that information provided at the time the account is closed will remain valid. Tracking refunds for customers who move within PacifiCorp service territory would also require additional administrative resources and cost. As discussed in the testimony of Andrea Kelly, the provisions of Senate Bill 76 and the Klamath Hydroelectric Settlement Agreement create a very low likelihood that refunds will occur in the future if one or more dams are not removed. As such, the expense of creating new systems and processes is not warranted.

UE-219/PacifiCorp  
July 1, 2010  
ICNU 3<sup>rd</sup> Set Data Request 3.8

**ICNU Data Request 3.8**

Reference PPL/203 Kelly/5 line 18-21. Would the Company be agreeable to tracking potential refunds on a customer basis for customers larger than 1 MW? 5 MW? 10 MW? If not, explain why not.

**Response to ICNU Data Request 3.8**

The Company would not support tracking potential refunds on a customer basis for customers of any size. Please refer to the Company's response to ICNU Data Request 3.7.

UE-219/PacifiCorp  
July 1, 2010  
ICNU 3<sup>rd</sup> Set Data Request 3.9

**ICNU Data Request 3.9**

Reference PPL/203 Kelly/6 line 15. In this passage, Ms. Kelly states that the 3.5% interest rate was arrived at by negotiation. Is it within the power of the negotiators to whom she refers to control interest rates or the OPUC's investment strategy?

**Response to ICNU Data Request 3.9**

No.



UE-219/PacifiCorp  
July 1, 2010  
ICNU 3<sup>rd</sup> Set Data Request 3.10

**ICNU Data Request 3.10**

Reference PPL/203 Kelly/7 lines 6-7. How often is the periodic review Ms. Kelly envisions?

**Response to ICNU Data Request 3.10**

The Company believes that the review of the trust account funds and collections should occur on an on-going basis. The Company will propose changes to the tariff in consultation with the Commission.

# Davison Van Cleve PC

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July 16, 2010

*Via Electronic and U.S. Mail*

Public Utility Commission  
Attn: Filing Center  
550 Capitol St. NE #215  
P.O. Box 2148  
Salem OR 97308-2148

Re: In the Matter of PACIFICORP Application to Implement the Provisions of  
Senate Bill 76. **Docket No. UE 219**

Dear Filing Center:

Enclosed please find one original and one copy each of the Request to Make a  
Presentation and Motion to Admit Data Responses, along with Exhibit 102, on behalf of the  
Industrial Customers of Northwest Utilities in the above-referenced docket.

Thank you for your attention to this matter.

Sincerely yours,  
*/s/Kelli R. Madden*  
Kelli R. Madden  
Paralegal

Enclosures  
cc: Service List

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Request to Make a Presentation and Motion to Admit Data Responses on behalf of the Industrial Customers of Northwest Utilities upon the parties, on the service list, by causing the same to be deposited in the U.S. Mail, postage-prepaid, and via electronic mail where paper service has been waived.

Dated at Portland, Oregon, this 16th day of July, 2010.

/s/Kelli R. Madden  
Kelli R. Madden

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