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Portland, Oregon 97232

August 11, 2022

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

**RE: UE 400—Stipulation and Joint Testimony**

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

- The Stipulation between PacifiCorp, Staff of the Public Utility Commission of Oregon, the Oregon Citizens' Utility Board, the Alliance of Western Energy Consumers, Calpine Energy Solutions, LLC, Sierra Club, Klamath Water Users Association and the Oregon Farm Bureau Federation, and Vitesse, LLC; and
- Joint Testimony in Support of the Stipulation.

If you have questions about this filing, please contact Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

Shelley McCoy  
Director, Regulation

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 400**

In the Matter of  
PACIFICORP, d/b/a PACIFIC POWER,  
2023 Transition Adjustment Mechanism

**STIPULATION**

1           This Stipulation resolves all issues in the 2023 Transition Adjustment Mechanism  
2 (TAM). The TAM is an annual filing by PacifiCorp d/b/a Pacific Power (PacifiCorp or  
3 Company) to update its net power costs (NPC) in rates and set the transition adjustments  
4 for direct access customers.

**PARTIES**

5  
6           1.       The parties to this Stipulation are PacifiCorp, Staff of the Public Utility  
7 Commission of Oregon (Commission) (Staff), the Oregon Citizens' Utility Board (CUB),  
8 the Alliance of Western Energy Consumers (AWEC), Calpine Energy Solutions, LLC  
9 (Calpine Solutions), Sierra Club, Klamath Water Users Association and the Oregon Farm  
10 Bureau Federation (KWUA/OFBF), and Vitesse, LLC (Vitesse) (collectively, the  
11 Parties).<sup>1</sup>

**BACKGROUND**

12  
13           2.       On March 1, 2022, PacifiCorp filed its 2023 TAM, with direct testimony  
14 and exhibits from Michael Wilding, Daniel MacNeil, James Owen, and Judith Ridenour.  
15 PacifiCorp also filed revised tariff sheets for Schedule 201 and 205 to implement the 2023

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<sup>1</sup> NewSun Energy and the Northwest and Intermountain Power Producers Coalition (NIPPC) have indicated that they take no position on this settlement.

1 TAM. The Company filed the 2023 TAM concurrently with its current general rate case<sup>2</sup>  
2 and proposed that new rates become effective on January 1, 2023.

3 3. The TAM is PacifiCorp’s annual filing to update its NPC in rates and to set  
4 the transition adjustments for customers who choose direct access during the open  
5 enrollment window in November. Along with the forecast NPC, the 2023 TAM also  
6 includes test period forecasts for: (1) other revenues related to NPC; (2) incremental  
7 benefits related to the company’s participation in the energy imbalance market (EIM); and  
8 (3) renewable energy production tax credits (PTC).

9 4. PacifiCorp’s March 1, 2022 TAM filing (Initial Filing) reflected  
10 normalized, total-company NPC for the test period (the 12 months ending December 31,  
11 2023) of approximately \$1.684 billion. On an Oregon-allocated basis, NPC in the Initial  
12 Filing were approximately \$428.7 million. This amount was approximately  
13 \$78.17 million higher than the \$350.5 million NPC allocated to Oregon in the final 2022  
14 TAM update (Docket No. UE 390), and \$69.97 million higher when adjusted for  
15 forecasted load changes and PTCs. The Initial Filing reflected an overall average rate  
16 increase of approximately 5.6 percent.

17 5. On March 8, 2022, Calpine Solutions filed a petition to intervene. On  
18 March 10, 2022, AWEC filed to intervene in this proceeding. On March 18, 2022, CUB  
19 and Sierra Club filed petitions to intervene. On March 21, 2022, NIPPC and  
20 KWUA/OFBF filed petitions to intervene. On May 5, 2022, NewSun Energy, LLC filed a  
21 petition to intervene. On March 28, 2022, Administrative Law Judge Sarah Spruce held a

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<sup>2</sup> See Docket No. UE 399.

1 prehearing conference and subsequently issued a Prehearing Conference Memorandum  
2 granting certain requested interventions and adopting a procedural schedule.

3 6. On May 25, 2022, Staff, AWEC, CUB, Sierra Club, and Calpine Solutions  
4 filed opening testimony.

5 7. On June 6, 2022, the Parties convened a settlement conference.

6 8. PacifiCorp filed reply testimony from Michael Wilding, Ramon Mitchell,  
7 Dan MacNeil, James Owen, Seth Schwartz, and Zepure Shahumyan, along with an  
8 updated NPC forecast (June Update) on June 22, 2022. The June Update reflected  
9 normalized, total-company NPC for the test period (the 12 months ending December 31,  
10 2023) of approximately \$1.775 billion. On an Oregon-allocated basis, NPC in the June  
11 Update were approximately \$452.8 million. This amount was approximately  
12 \$102.3 million higher than the \$350.5 million NPC allocated to Oregon in the final 2022  
13 TAM update (Docket No. UE 390), and \$94.3 million higher when adjusted for forecasted  
14 load changes and PTCs. The June Update reflected an overall average rate increase of  
15 approximately 7.5 percent.

16 9. The Parties held another settlement conference on June 30, 2022. Parties  
17 continued discussions until July 13, 2022 and reached an all-party settlement in principle  
18 that resolved all the issues in the 2023 TAM. The settlement establishes baseline 2023  
19 NPC in rates, subject to the Final Update. The terms of the settlement are captured in this  
20 stipulation.

21 10. On July 14, 2022, PacifiCorp filed a Motion to Modify the Procedural  
22 Schedule based on the settlement agreement. The motion was granted that same day.

1 **AGREEMENT**

2 11. Overall Agreement: The Parties agree to submit this Stipulation to the  
3 Commission and request that the Commission approve the Stipulation as presented. The  
4 Parties agree that the rate change resulting from the Stipulation results in rates that are  
5 fair, just, and reasonable, as required by ORS 756.040. The Stipulation results in a  
6 decrease to the June Update of approximately \$27.85 million on an Oregon-allocated basis  
7 for an Oregon-allocated TAM power cost increase of approximately \$77.05 million from  
8 the 2022 TAM (Docket No. UE 390). This includes an unspecified adjustment to NPC as  
9 described in Paragraph 18 below. The Stipulation reflects an overall average rate increase  
10 of approximately \$66.43 million when adjusted for forecasted load changes and PTCs, or  
11 5.3 percent on an overall basis, as shown in Exhibit 2. This is a decrease from the June  
12 Update of approximately \$27.85 million. A preliminary estimate of the impact of  
13 adjustments is included as Exhibit 3. The impacts of the individual adjustments, described  
14 below and set forth in Exhibit 3, are based on one-off studies from the June Update in the  
15 2023 TAM.

16 12. TAM Adjustments and Updates: The Parties agree that the NPC forecast  
17 reflected in the Company's June Update, subject to the adjustments described in this  
18 Stipulation, is reasonable. The Parties agree that PacifiCorp will file a Final Update to its  
19 2023 TAM filing consistent with the TAM Guidelines, including the adjustments  
20 described in this Stipulation. The Parties recognize that the estimated impact of each of  
21 the agreed-upon adjustments may change in the TAM updates, along with the NPC  
22 baseline and overall rate change.

1           13.     PTC Rate: The PTC rate used in this proceeding will be updated to \$0.028  
2 per kilowatt-hour.

3           14.     Must Run Setting: The Parties agree that PacifiCorp will turn the must run  
4 setting back on for coal units. This will reduce modeling run-times.

5           15.     Washington Cap and Trade: As a result of Washington Cap and Trade  
6 legislation,<sup>3</sup> there is an increased cost to dispatching Chehalis. Instead of including this  
7 cost in the TAM, PacifiCorp will file a deferral to capture these costs and parties agree not  
8 to oppose PacifiCorp’s deferral. Parties may contest the prudence of any of the costs  
9 included in the deferral in the proceeding in which PacifiCorp seeks to amortize the  
10 deferral.

11          16.     Qualifying Facility (QF) Costs: PacifiCorp agrees to move to a 48-month  
12 average for estimating the production of all QFs for which the Company has historical  
13 generation data, including small-QFs (less than 10 megawatts) for the purposes of the  
14 2023 TAM. This adjustment is not intended to foreclose any party from taking any  
15 position in PacifiCorp’s ongoing general rate case proceeding (Docket No. UE 399).

16          17.     EIM Benefits Correction: PacifiCorp will incorporate a correction to the  
17 forecast of PacifiCorp West (PACW) inter-regional EIM export benefits resulting from a  
18 mis-specification of certain formulas. More specifically, whereas the PACW inter-regional  
19 EIM export benefits model originally derived the final forecast through the exponentiation  
20 of the regression’s results by two, a correction was made to derive the final forecast  
21 through application of the exponential function.

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<sup>3</sup> 2021 Wa. Laws, Ch. 316.

1           18.    NPC Adjustment: The Parties agree to an Oregon-allocated unspecified  
2 reduction to NPC of \$4.9 million.

3           19.    Ozone Transport Rule: In the event the proposed U.S. Environmental  
4 Protection Agency cross-state air pollution rules are finalized, PacifiCorp will not include  
5 this cost in the TAM. Instead of including this cost in the TAM, PacifiCorp will file a  
6 deferral to capture these costs and Parties agree not to oppose PacifiCorp’s deferral.  
7 Parties may contest the prudence of any of the costs included in the deferral in the  
8 proceeding in which PacifiCorp seeks to amortize the deferral.

9           20.    Northwest Pipeline Settlement: If Northwest Pipeline reaches a settlement  
10 prior to the filing of the indicative update in the TAM, PacifiCorp will incorporate the  
11 benefits of this settlement into the TAM. This will be reflected as a lower rate for the use  
12 of the pipeline and include any refunds resulting from the Northwest Pipeline Settlement.

13          21.    TAM Benchmarking Study: PacifiCorp will produce two benchmarking  
14 studies in the Aurora model, one each in the 2024 TAM proceeding and 2025 TAM  
15 proceeding. PacifiCorp will make best efforts to provide to parties a benchmarking study  
16 that uses inputs from 2019 actuals on February 1, 2023. PacifiCorp will make best efforts  
17 to provide a second benchmarking study that uses inputs from 2020 actuals on February 1,  
18 2024. In the event that PacifiCorp is unable to meet these deadlines, PacifiCorp will  
19 promptly inform parties and provide an explanation of the difficulties encountered and a  
20 revised timeline for resolving them.

21          22.    2023 Jim Bridger Long-Term Fuel Supply Plan: When the Jim Bridger  
22 Long-Term Fuel Supply Plan is updated for the 2023 Integrated Resource Plan (IRP), it  
23 will incorporate the following elements:

1           a.       Modeling for the Long-Term Fuel Supply Plan will be conducted in  
2 a platform able to accept multiple fuel price tiers such as Aurora or PLEXOS.

3           b.       PacifiCorp will include the following scenarios:

4                i.       Scenario that does not assume a minimum take at either the Black  
5                Butte or Bridger Mine;

6                ii.      Scenario evaluating an alternative to the minimum take  
7                requirement in the Black Butte coal supply agreement signed in  
8                2022;

9                iii.     Scenario evaluating early closure of the Bridger mine (before  
10              2028) and fueling Jim Bridger through end of life with stockpiled  
11              coal supplies.

12           23.     Future Jim Bridger Long-Term Fuel Plans: As long as there are coal-fired  
13 Jim Bridger units in Oregon rates, PacifiCorp will provide an updated Long-Term Fuel  
14 Supply Plan aligned with the timing of the biennial IRP filing. The updated Long-Term  
15 Fuel Supply Plan will incorporate the elements identified in Paragraph 22, if those  
16 elements are still applicable.

17           24.     Bridger Coal Company Annual Mine Plan: As long as there are coal-fired  
18 Jim Bridger units in Oregon rates and they are fueled with coal from Bridger Coal  
19 Company, PacifiCorp will provide a copy of the updated annual Bridger Coal Company  
20 mine plan along with any alternatives that were also evaluated for PacifiCorp in future  
21 TAM filings.

22           25.     Schedule 296 Calculation: PacifiCorp affirms that the Schedule 296  
23 calculations used to calculate the Consumer Opt-Out Charge, including all supporting



1 work papers, will be provided consistent with the TAM guidelines, 30 days after filing the  
2 TAM. PacifiCorp may file a motion to waive this requirement of the TAM guidelines and  
3 would ensure that motion is served on Calpine Solutions, LLC on or before PacifiCorp  
4 makes the initial filing in the TAM.

5 26. Direct Access: While this is an all-issue settlement, it does not preclude  
6 any party from taking any position on the operation of the Direct Access program in  
7 another proceeding.

8 27. Modeling Adjustments: This stipulation allows for the settlement of this  
9 case without agreement of parties on the methodology for market caps, regulating  
10 reserves, planned maintenance, and the day-ahead/real-time price adder. Approval of the  
11 stipulation does not represent the Commission adopting any parties' methodologies for  
12 those adjustments.

13 28. Entire Agreement: The Parties agree that this agreement represents a  
14 compromise among competing interests and a resolution of all contested issues in this  
15 docket. Any adjustment to PacifiCorp's Initial Filing or Reply Update not incorporated  
16 into this stipulation directly or by reference is resolved without an adjustment for the  
17 purposes of this proceeding.

18 29. This Stipulation will be offered into the record of this proceeding as  
19 evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation  
20 throughout this proceeding and any appeal, provide witnesses to sponsor this Stipulation at  
21 the hearing, and recommend that the Commission issue an order adopting the settlements  
22 contained herein. The Parties also agree to cooperate in drafting and submitting joint

1 testimony or a brief in support of the Stipulation in accordance with OAR 860-001-  
2 0350(7).

3 30. If this Stipulation is challenged, the Parties agree that they will continue to  
4 support the Commission's adoption of the terms of this Stipulation. The Parties agree to  
5 cooperate in any hearing and put on such a case as they deem appropriate to respond fully  
6 to the issues presented, which may include raising issues that are incorporated in the  
7 settlements embodied in this Stipulation.

8 31. The Parties have negotiated this Stipulation as an integrated document. If  
9 the Commission rejects all or any material part of this Stipulation or adds any material  
10 condition to any final order that is not consistent with this Stipulation, each Party reserves  
11 its right, pursuant to OAR 860-001-0350(9), to present evidence and argument on the  
12 record in support of the Stipulation or to withdraw from the Stipulation. The Parties agree  
13 that in the event the Commission rejects all or any material part of this Stipulation or adds  
14 any material condition to any final order that is not consistent with this Stipulation, the  
15 Parties will meet in good faith within 15 days and discuss next steps. A Party may  
16 withdraw from the Stipulation after this meeting by providing written notice to the  
17 Commission and other Parties. Parties shall be entitled to seek rehearing or  
18 reconsideration pursuant to OAR 860-001-0720 in any manner that is consistent with the  
19 agreement embodied in this Stipulation.

20 32. By entering into this Stipulation, no Party shall be deemed to have  
21 approved, admitted, or consented to the facts, principles, methods, or theories employed  
22 by any other Party in arriving at the terms of this Stipulation, other than those specifically  
23 identified in the body of this Stipulation. No Party shall be deemed to have agreed that

1 any provision of this Stipulation is appropriate for resolving issues in any other  
2 proceeding, except as specifically identified in this Stipulation.

3 33. The Parties agree to make best efforts: (1) to provide each other any and all  
4 news releases that any Party intends to make about the Stipulation two business days in  
5 advance of publication, and (2) to include in any news release or announcement a  
6 statement that the Staff's recommendation to approve the settlement is not binding on the  
7 Commission itself.

8 34. This Stipulation is not enforceable by any Party unless and until adopted by  
9 the Commission in a final order. Each signatory to this Stipulation acknowledges that  
10 they are signing this Stipulation in good faith and that they intend to abide by the terms of  
11 this Stipulation unless and until the Stipulation is rejected or adopted only in part by the  
12 Commission. The Parties agree that the Commission has exclusive jurisdiction to enforce  
13 or modify the Stipulation.

14 35. This Stipulation may be executed in counterparts and each signed  
15 counterpart shall constitute an original document.

**STAFF**

By: Stephanie Andrus

Date: August 10, 2022

**PACIFICORP**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ALLIANCE OF WESTERN ENERGY CONSUMERS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**OREGON CITIZENS' UTILITY BOARD**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CALPINE ENERGY SOLUTIONS LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**KLAMATH WATER USERS ASSOCIATION/OREGON FARM BUREAU FEDERATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SIERRA CLUB**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**VITESSE, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**STAFF**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**PACIFICORP**

By: Juli Forward

Date: Aug 9, 2022

**ALLIANCE OF WESTERN ENERGY CONSUMERS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**OREGON CITIZENS' UTILITY BOARD**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CALPINE ENERGY SOLUTIONS LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**KLAMATH WATER USERS ASSOCIATION/OREGON FARM BUREAU FEDERATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SIERRA CLUB**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**VITESSE, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**STAFF**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**PACIFICORP**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ALLIANCE OF WESTERN ENERGY CONSUMERS**

By: Brent Coleman \_\_\_\_\_

Date: August 10, 2022 \_\_\_\_\_

**OREGON CITIZENS' UTILITY BOARD**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CALPINE ENERGY SOLUTIONS LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**KLAMATH WATER USERS ASSOCIATION/OREGON FARM BUREAU FEDERATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SIERRA CLUB**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**VITESSE, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**STAFF**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**PACIFICORP**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ALLIANCE OF WESTERN ENERGY CONSUMERS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**OREGON CITIZENS' UTILITY BOARD**

By: /s/ Jennifer Hill-Hart

Date: August 10, 2022

**CALPINE ENERGY SOLUTIONS LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**KLAMATH WATER USERS ASSOCIATION/OREGON FARM BUREAU FEDERATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SIERRA CLUB**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**VITESSE, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**STAFF**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**PACIFICORP**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ALLIANCE OF WESTERN ENERGY CONSUMERS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**OREGON CITIZENS' UTILITY BOARD**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CALPINE ENERGY SOLUTIONS LLC**

By: 

Date: August 10, 2022

**KLAMATH WATER USERS ASSOCIATION/OREGON FARM BUREAU FEDERATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SIERRA CLUB**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**VITESSE, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_



**STAFF**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**PACIFICORP**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ALLIANCE OF WESTERN ENERGY CONSUMERS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**OREGON CITIZENS' UTILITY BOARD**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CALPINE ENERGY SOLUTIONS LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**KLAMATH WATER USERS ASSOCIATION/OREGON FARM BUREAU FEDERATION**

By: Paul S. Smith

Date: 8-10-2022

**SIERRA CLUB**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**VITESSE, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**STAFF**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**PACIFICORP**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ALLIANCE OF WESTERN ENERGY CONSUMERS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**OREGON CITIZENS' UTILITY BOARD**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CALPINE ENERGY SOLUTIONS LLC**

By: \_\_\_\_\_

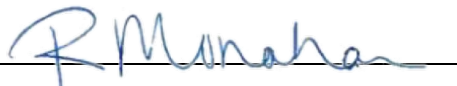
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**KLAMATH WATER USERS ASSOCIATION/OREGON FARM BUREAU FEDERATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SIERRA CLUB**

By: 

Date: August 10, 2022

**VITESSE, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**STAFF**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**PACIFICORP**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ALLIANCE OF WESTERN ENERGY CONSUMERS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**OREGON CITIZENS' UTILITY BOARD**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CALPINE ENERGY SOLUTIONS LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**KLAMATH WATER USERS ASSOCIATION/OREGON FARM BUREAU FEDERATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SIERRA CLUB**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**VITESSE, LLC**

By: *Luoi Sangz*

Date: August 10, 2022

# **EXHIBIT 1**

PacifiCorp  
CY 2023 TAM  
Settlement Filing

Line no	ACCT.	Total Company				Factor	Factors CY 2022	Factors CY 2023	Oregon Allocated				
		UE-390 CY 2022 - Final Update	UE-400 TAM CY 2023 - Initial Filing	UE-400 TAM CY 2023 - Reply Filing	UE-400 TAM CY 2023 - Settlement Filing				UE-390 CY 2022 - Final Update	UE-400 TAM CY 2023 - Initial Filing	UE-400 TAM CY 2023 - Reply Filing	UE-400 TAM CY 2023 - Settlement Filing	
1													
2	Sales for Resale												
3	Existing Firm PPL	447	8,349,236	6,189,133	6,438,454	6,438,454	SG	26.482%	26.002%	2,211,009	1,613,528	1,674,111	1,674,111
4	Existing Firm UPL	447	-	-	-	-	SG	26.482%	26.002%	-	-	-	-
5	Post-Merger Firm	447	599,533,731	349,419,847	388,137,839	388,137,839	SG	26.482%	26.002%	158,765,990	91,094,949	100,922,674	100,922,674
6	Non-Firm	447	-	-	-	-	SE	25.369%	24.920%	-	-	-	-
6	<b>Total Sales for Resale</b>		<b>607,882,968</b>	<b>355,608,980</b>	<b>394,576,293</b>	<b>394,576,293</b>				<b>160,976,999</b>	<b>92,708,477</b>	<b>102,596,785</b>	<b>102,596,785</b>
7			-	-	-	-				-	-	-	-
8	<b>Purchased Power</b>												
9	Existing Firm Demand PPL	555	34,174,104	8,295,068	8,263,723	8,263,723	SG	26.482%	26.002%	9,049,842	2,162,553	2,148,713	2,148,713
10	Existing Firm Demand UPL	555	12,291,919	11,456,377	12,335,572	12,335,572	SG	26.482%	26.002%	3,255,094	2,986,717	3,207,466	3,207,466
11	Existing Firm Energy	555	107,897,352	44,724,911	44,916,482	44,916,482	SE	25.369%	24.920%	27,372,866	11,211,701	11,193,250	11,193,250
12	Post-merger Firm	555	717,644,565	885,848,099	938,522,812	938,522,812	SG	26.482%	26.002%	190,043,601	230,943,629	244,032,459	244,032,459
13	Secondary Purchases	555	-	-	-	-	SE	25.369%	24.920%	-	-	-	-
14	Other Generation Expense	555	-	-	-	-	SG	26.482%	26.002%	-	-	-	-
15	<b>Total Purchased Power</b>		<b>872,007,940</b>	<b>950,324,455</b>	<b>1,004,038,588</b>	<b>1,004,038,588</b>				<b>229,721,403</b>	<b>247,304,600</b>	<b>260,581,889</b>	<b>260,581,889</b>
16			-	-	-	-				-	-	-	-
17	<b>Wheeling Expense</b>												
18	Existing Firm PPL	565	23,937,361	23,886,724	23,886,724	23,886,724	SG	26.482%	26.002%	6,338,991	6,227,351	6,210,969	6,210,969
19	Existing Firm UPL	565	-	-	-	-	SG	26.482%	26.002%	-	-	-	-
20	Post-merger Firm	565	115,028,330	124,541,723	124,541,723	124,541,723	SG	26.482%	26.002%	30,461,316	32,468,453	32,383,041	32,383,041
21	Non-Firm	565	12,043,742	12,388,361	6,893,033	6,893,033	SE	25.369%	24.920%	3,055,420	3,105,531	1,717,753	1,717,753
22	<b>Total Wheeling Expense</b>		<b>151,009,433</b>	<b>160,816,807</b>	<b>155,321,479</b>	<b>155,321,479</b>				<b>39,855,727</b>	<b>41,801,335</b>	<b>40,311,763</b>	<b>40,311,763</b>
23			-	-	-	-				-	-	-	-
24	<b>Fuel Expense</b>												
25	Fuel Consumed - Coal	501	647,001,159	599,969,137	645,616,919	645,616,919	SE	25.369%	24.920%	164,140,043	150,401,074	160,888,638	160,888,638
26	Fuel Consumed - Coal (Cholla)	501	-	-	-	-	SE	25.369%	24.920%	-	-	-	-
27	Fuel Consumed - Gas	501	7,098,310	13,117,319	17,565,684	17,565,684	SE	25.369%	24.920%	1,800,796	3,288,267	4,377,393	4,377,393
28	Natural Gas Consumed	547	292,158,097	301,360,345	330,155,685	330,155,685	SE	25.369%	24.920%	74,118,635	75,545,418	82,275,258	82,275,258
29	Simple Cycle Comb. Turbines	547	4,046,151	9,466,735	13,249,969	13,249,969	SE	25.369%	24.920%	1,026,483	2,373,134	3,301,911	3,301,911
30	Steam from Other Sources	503	3,966,594	4,484,106	4,484,106	4,484,106	SE	25.369%	24.920%	1,006,299	1,124,082	1,117,446	1,117,446
31	<b>Total Fuel Expense</b>		<b>954,270,311</b>	<b>928,397,642</b>	<b>1,011,072,364</b>	<b>1,011,072,364</b>				<b>242,092,255</b>	<b>232,731,975</b>	<b>251,960,645</b>	<b>251,960,645</b>
32			-	-	-	-				-	-	-	-
33	TAM Settlement Adjustment**				(97,130,391)			As Settled					(25,255,844)
34													
35	<b>Net Power Cost (Per Aurora)</b>		<b>1,369,404,716</b>	<b>1,683,929,924</b>	<b>1,775,856,138</b>	<b>1,678,725,747</b>				<b>350,692,386</b>	<b>429,129,432</b>	<b>450,257,513</b>	<b>425,001,668</b>
36			-	-	-	-				-	-	-	-
37	Oregon Situs NPC Adjustments		(167,224)	(430,221)	2,571,370	2,571,370	OR	100.000%	100.000%	(167,224)	(430,221)	2,571,370	2,571,370
38	<b>Total NPC Net of Adjustments</b>		<b>1,369,237,492</b>	<b>1,683,499,703</b>	<b>1,778,427,508</b>	<b>1,681,297,117</b>				<b>350,525,162</b>	<b>428,699,211</b>	<b>452,828,883</b>	<b>427,573,038</b>
39			-	-	-	-				-	-	-	-
41	Production Tax Credit (PTC)		(258,284,914)	(269,231,073)	(269,231,073)	(279,202,594)	SG	26.482%	26.002%	(68,397,920)	(70,189,462)	(70,004,820)	(72,597,592)
42	<b>Total TAM Net of Adjustments</b>		<b>1,110,952,578</b>	<b>1,414,268,630</b>	<b>1,509,196,435</b>	<b>1,402,094,523</b>				<b>282,127,243</b>	<b>358,509,750</b>	<b>382,824,062</b>	<b>354,975,447</b>
43													
44								Increase Absent Load Change		76,382,507	100,696,819	72,848,204	
45													
46								Oregon-allocated NPC (incl. PTC) Baseline in Rates from UE-390		\$282,127,243		\$282,127,243	
47								\$ Change due to load variance from UE-390 forecast		\$6,408,529		\$6,414,086	
48								2023 Recovery of NPC (incl. PTC) in Rates		\$288,535,772		\$288,541,329	
49													
50								<b>Increase Including Load Change</b>		<b>\$ 69,973,978</b>	<b>\$ 94,288,290</b>	<b>\$ 66,434,118</b>	

## **EXHIBIT 2**

**TAM Price Change**  
**PACIFIC POWER**  
**ESTIMATED EFFECT OF PROPOSED PRICE CHANGE**  
**ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS**  
**DISTRIBUTED BY RATE SCHEDULES IN OREGON**  
**FORECAST 12 MONTHS ENDED DECEMBER 31, 2023**

Line No.	Description	Sch No.	Sch No.	No. of Cust	MWh	Present Revenues (\$000)			Proposed Revenues (\$000)			Change				Line No.
						Base Rates	Adders <sup>1</sup>	Net Rates	Base Rates	Adders <sup>1</sup>	Net Rates	Base Rates (\$000)	% <sup>2</sup>	Net Rates (\$000)	% <sup>2</sup>	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
							(6) + (7)			(9) + (10)	(9) - (6)	(12)/(6)	(11) - (8)	(14)/(8)		
<b>Residential</b>																
1	Residential	4	4	535,059	5,633,856	\$597,063	\$9,738	\$606,801	\$626,906	\$9,738	\$636,644	\$29,843	5.0%	\$29,843	4.9%	1
2	<b>Total Residential</b>			535,059	5,633,856	\$597,063	\$9,738	\$606,801	\$626,906	\$9,738	\$636,644	\$29,843	5.0%	\$29,843	4.9%	2
<b>Commercial &amp; Industrial</b>																
3	Gen. Svc. < 31 kW	23	23	84,329	1,137,011	\$124,438	\$1,015	\$125,453	\$129,957	\$1,015	\$130,972	\$5,519	4.4%	\$5,519	4.4%	3
4	Gen. Svc. 31 - 200 kW	28	28	10,462	1,992,271	\$163,732	\$9,197	\$172,929	\$172,509	\$9,197	\$181,705	\$8,777	5.4%	\$8,777	5.1%	4
5	Gen. Svc. 201 - 999 kW	30	30	797	1,281,581	\$94,197	\$4,696	\$98,893	\$99,835	\$4,696	\$104,531	\$5,638	6.0%	\$5,638	5.7%	5
6	Large General Service >= 1,000 kW	48	48	190	3,584,056	\$226,347	(\$15,493)	\$210,854	\$241,791	(\$15,493)	\$226,298	\$15,444	6.8%	\$15,444	7.3%	6
7	Partial Req. Svc. >= 1,000 kW	47	47	6	29,109	\$3,974	(\$120)	\$3,854	\$4,095	(\$120)	\$3,975	\$121	6.8%	\$121	7.3%	7
8	Dist. Only Lg Gen Svc >= 1,000 kW	848	848	1	0	\$1,805	\$10	\$1,815	\$1,805	\$10	\$1,815	\$0	0.0%	\$0	0.0%	8
9	Agricultural Pumping Service	41	41	7,998	234,973	\$25,981	(\$3,250)	\$22,731	\$27,081	(\$3,250)	\$23,831	\$1,100	4.2%	\$1,100	4.8%	9
10	<b>Total Commercial &amp; Industrial</b>			103,783	8,259,000	\$640,474	(\$3,945)	\$636,529	\$677,072	(\$3,945)	\$673,127	\$36,598	5.7%	\$36,598	5.8%	10
<b>Lighting</b>																
11	Outdoor Area Lighting Service	15	15	5,809	8,260	\$915	\$74	\$989	\$916	\$74	\$991	\$1	0.1%	\$1	0.1%	11
12	Street Lighting Service Comp. Owned	51	51	1,108	23,893	\$3,498	\$387	\$3,885	\$3,504	\$387	\$3,891	\$6	0.2%	\$6	0.2%	12
13	Street Lighting Service Cust. Owned	53	53	314	11,452	\$657	\$210	\$867	\$659	\$210	\$869	\$2	0.3%	\$2	0.2%	13
14	Recreational Field Lighting	54	54	102	1,141	\$82	\$27	\$108	\$82	\$27	\$109	\$0	0.3%	\$0	0.2%	14
15	<b>Total Public Street Lighting</b>			7,333	44,746	\$5,151	\$698	\$5,849	\$5,161	\$698	\$5,859	\$10	0.2%	\$10	0.2%	15
16	<b>Total Sales to Ultimate Consumers</b>			646,176	13,937,602	\$1,242,688	\$6,491	\$1,249,179	\$1,309,138	\$6,491	\$1,315,630	\$66,450	5.4%	\$66,450	5.3%	16
17	Employee Discount			966	13,030	(\$341)	(\$6)	(\$346)	(\$357)	(\$6)	(\$362)	(\$16)		(\$16)		17
17	AGA Revenue					(\$2,072)		(\$2,072)	(\$2,072)		(\$2,072)	\$0		\$0		17
18	AGA Revenue					\$3,521		\$3,521	\$3,521		\$3,521	\$0		\$0		18
19	COOC Amortization					\$1,767		\$1,767	\$1,767		\$1,767	\$0		\$0		19
20	<b>Total Sales with AGA</b>			646,176	13,937,602	\$1,245,563	\$6,486	\$1,252,049	\$1,311,997	\$6,486	\$1,318,483	\$66,434	5.3%	\$66,434	5.3%	20

<sup>1</sup> Excludes effects of the Low Income Bill Payment Assistance Charge (Sch. 91), BPA Credit (Sch. 98), Public Purpose Charge (Sch. 290) and System Benefits Charge (Sch. 291).

<sup>2</sup> Percentages shown for Schedules 48 and 47 reflect the combined rate change for both schedules

## **EXHIBIT 3**



<b>Oregon TAM 2023 (March 2022 Initial Filing)</b>	<b>NPC (\$) =</b>	<b>1,683,929,925</b>
	<b>\$/MWh =</b>	<b>27.25</b>

<b>Oregon TAM 2023 (June 2022 Update Filing)</b>	<b>NPC (\$) =</b>	<b>1,775,856,138</b>
	<b>\$/MWh =</b>	<b>28.73</b>

	<b>Impact (\$) Oregon Allocated Basis</b>	<b>NPC (\$) Total Company</b>
<b>Settlement Adjustment</b>		
S01 - Blackbox Settlement Adjustment	\$ (4,900,000.00)	\$ (18,844,704.25)
S02 - EIM Benefits Correction	\$ (3,920,000.00)	\$ (15,075,763.40)
S03 - Must Run Setting turned ON	\$ (11,276,854.98)	\$ (43,369,183.05)
S04 - WA Cap and Trade	\$ (5,158,989.27)	\$ (19,840,740.20)
<b>Total Changes =</b>	<b>(25,255,844)</b>	<b>(97,130,391)</b>
<b>Oregon TAM 2023 (July 2022 Filing with Settlement)</b>	<b>NPC (\$) =</b>	<b>1,678,725,747</b>
	<b>\$/MWh =</b>	<b>27.16</b>

*The PTC Rate adjustment is not reflected in Exhibit 3 above but has been included in the Net Price Change calculation in Exhibit 1*

Docket No. UE 400  
Exhibit Stipulating Parties/100  
Witnesses: Wilding, Fjeldheim,  
Jenks, Higgins, Mullins,  
Burgess, Reed, Cebulko

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**PACIFICORP**

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Stipulating Parties' Joint Testimony of  
Michael Wilding, Brian Fjeldheim, Bob Jenks, Bradley Mullins, Kevin Higgins, Edward  
Burgess, Lloyd C. Reed, and Bradley Cebulko

August 2022

**JOINT TESTIMONY OF STIPULATING PARTIES**

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**I. PURPOSE OF TESTIMONY**

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

A. This testimony is jointly sponsored by PacifiCorp (PacifiCorp or Company), Staff of the Public Utility Commission of Oregon (Commission) (Staff), the Oregon Citizens' Utility Board (CUB), the Alliance of Western Energy Consumers (AWEC), Calpine Energy Solutions, LLC (Calpine Solutions), Sierra Club, Klamath Water Users Association and the Oregon Farm Bureau Federation (KWUA/OFBF), and Vitesse, LLC (Vitesse) (collectively, the Parties).

**Q. Please provide your names and qualifications.**

A. Our names are Michael Wilding, Brian Fjeldheim, Bob Jenks, Bradley Mullins, Kevin Higgins, Edward Burgess, Lloyd C. Reed, and Bradley Cebulko. The qualifications for Mr. Wilding, the sponsor for PacifiCorp, are set forth in Exhibit PAC/100, Wilding/1. The qualification for Mr. Fjeldheim, the sponsor for Staff, are set forth in Exhibit Staff/501. The qualifications for Mr. Jenks, the sponsor for CUB, are set forth in CUB/101. The qualifications for Mr. Mullins, the sponsor for AWEC, are set forth in Exhibit AWEC/100. The qualifications for Mr. Higgins, the sponsor for Calpine Solutions, are set forth in Exhibit Calpine Solutions/100, Higgins/1-3. The qualifications for Mr. Burgess, the sponsor for Sierra Club, are set forth in Exhibit Sierra Club/101. The qualifications for Mr. Lloyd C. Reed, the sponsor for KWUA/OFBF are set forth in Exhibit Stipulating Parties/101. The qualifications for Mr. Bradley Cebulko, the sponsor for Vitesse, are set forth in Exhibit Stipulating Parties/102.

1 **Q. What is the purpose of this joint testimony?**

2 A. This joint testimony describes and supports the Stipulation filed in docket UE 400,  
3 which resolves all issues in PacifiCorp's 2023 Transition Adjustment Mechanism  
4 (TAM).

5 **Q. Has any party to docket UE 400 objected to the Stipulation?**

6 A. No. The Stipulation is supported or not opposed by all parties to docket UE 400.

7 **II. BACKGROUND ON 2023 TAM**

8 **Q. Please describe how docket UE 400 began.**

9 A. On March 1, 2022, PacifiCorp filed its 2023 TAM, with direct testimony and exhibits  
10 from Michael Wilding, Daniel MacNeil, James Owen, and Judith Ridenour.

11 PacifiCorp also filed revised tariff sheets for Schedule 201 and 205 to implement the  
12 2023 TAM. The Company filed the 2023 TAM concurrently with its current general  
13 rate case and proposed that new rates become effective on January 1, 2023.

14 **Q. What is the purpose of the TAM?**

15 A. The TAM was initially implemented in Order No. 04-516 of docket UM 1801 as an  
16 interim mechanism for PacifiCorp to use for direct access during the fall 2004 open  
17 enrollment window. In PacifiCorp's 2006 General Rate Case, docket UE 170, the  
18 Commission adopted PacifiCorp's recommendation to include an annual power cost  
19 update in conjunction with the direct access transition adjustments calculated in the  
20 TAM.<sup>1</sup> In approving PacifiCorp's recommendation, the Commission stated that the

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<sup>1</sup> *In the Matter of Pacific Power & Light Co. d/b/a Pacific Power, Request for a General Rate Increase in the Company's Oregon Annual Revenues*, Docket No. UE 170, Order 05-1050 at 21 (Sept. 28, 2005).

1 purpose of the annual update in the TAM “is to capture costs associated with direct  
2 access, and prevent unwarranted cost shifting.”<sup>2</sup>

3 In docket UE 199, the Commission issued Order No. 09-274 approving the  
4 use of Schedule 200 for recovering net power cost (NPC) related costs, as well as the  
5 TAM Guidelines. The Commission also described the purpose of the TAM in Order  
6 No. 09-274, stating that the TAM “is an annual filing, updating the Company’s  
7 forecast net power costs to account for changes in market conditions, with the final  
8 forecast update close to the direct access window to capture costs associated with  
9 direct access and to identify the proper amount for the transition adjustment.”<sup>3</sup>

10 The Commission’s administrative rules state that the transition adjustment  
11 utilizing the ongoing valuation methodology calculates the difference between the  
12 Company’s cost-of-service rate and the market value of the energy previously used to  
13 serve direct access customers.<sup>4</sup> This market-minus approach was originally approved  
14 in docket UM 1801. The two key inputs to this calculation are: (i) the market value  
15 of freed-up energy, which PacifiCorp calculates through the Aurora model, and (ii)  
16 the generation cost-of-service rate.<sup>5</sup>

17 Along with the forecast of NPC, the Company’s initial filing in the 2023 TAM  
18 also included test period forecasts for: (1) other revenues related to NPC; (2)  
19 incremental benefits related to the Company’s participation in the energy imbalance

---

<sup>2</sup> *Id.*

<sup>3</sup> See *In the Matter of PacifiCorp, dba Pacific Power 2009 Transition Adjustment Mechanism*, Docket No. UE 199, Order No. 09-274 at 2 (July 16, 2009).

<sup>4</sup> ORS 757.607(2); OAR 860-038-0005(67)-(69).

<sup>5</sup> OAR 860-038-0140.

1 market (EIM) with the California Independent System Operator Corporation; and (3)  
2 renewable energy production tax credits (PTCs).

3 **Q. What did the Company include in its March 1, 2022 TAM filing (Initial Filing)?**

4 A. PacifiCorp's March 1, 2022 TAM filing (Initial Filing) reflected normalized, total-  
5 company NPC for the test period (the 12 months ending December 31, 2023) of  
6 approximately \$1.684 billion. On an Oregon-allocated basis, NPC in the Initial Filing  
7 were approximately \$428.7 million. This amount was approximately \$78.17 million  
8 higher than the \$350.5 million NPC allocated to Oregon in the final 2022 TAM  
9 update (docket UE 390), and \$69.97 million higher when adjusted for forecasted load  
10 changes and PTCs. The Initial Filing reflected an overall average rate increase of  
11 approximately 5.6 percent.

12 **Q. Did Staff and other parties conduct discovery on the Company's 2023 TAM?**

13 A. Yes. Staff, AWEC, Calpine Solutions, and Sierra Club issued over 300 data requests.

14 **Q. Did Staff propose adjustments or make other recommendations related to the  
15 2023 TAM?**

16 A. Yes. Staff proposed adjustments totaling (\$133.5) million on a total-company basis,  
17 or \$35.5 million on an Oregon-allocated basis. Staff also recommended actions to for  
18 future TAM filings relating to PAC's participation in the CAISO Extended Day-  
19 Ahead market (CAISO EDAM), forecasts of off-system sales, EIM transfer benefits  
20 modeling, Coal Supply Agreements, the Jim Bridger Long Term Fueling Plan and a  
21 "backcast" model validation run in PAC's 2023 PCAM.<sup>6</sup>

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<sup>6</sup> Staff/100, Enright/11-13.

1 **Q. Mr. Mullins, does AWEC support the stipulation?**

2 A. Yes. AWEC filed testimony regarding a number of adjustments, including testimony  
3 on PTCs, Northwest Pipeline Refunds, and Non-firm wheeling expenses. The  
4 Stipulation resulted in an approximate \$27.86 million reduction to TAM revenues and  
5 explicitly adopts several of the issues that AWEC raised in Opening Testimony.  
6 Further, the inclusion of a black-box, unspecified adjustment in the amount of  
7 \$4.9 million provided sufficient consideration for the issues that AWEC raised, which  
8 were not explicitly resolved by the Stipulation. In light of the issues AWEC  
9 identified, AWEC found the Stipulation to be a reasonable compromise. AWEC  
10 recommends that the Commission find that the Stipulation is just, reasonable and in  
11 the public interest and that the Commission adopt the Stipulation.

12 **Q. Did CUB propose any adjustments to the 2023 TAM?**

13 A. Yes. CUB raised concerns about how this docket could combine with the outcome of  
14 other proceedings and cause rate shock to residential customers in January 2023.  
15 CUB proposed a total of \$32.3 million in combined adjustments to PacifiCorp's  
16 proposals relating to market capacity limits, regulation reserves, planned maintenance  
17 outages and the Day-Ahead/Real-Time Adder.

18 **Q. Did Calpine Solutions make any recommendations related to the 2023 TAM?**

19 A. Yes. Calpine Solutions recommended that going forward PacifiCorp be required to  
20 adhere to the schedule for filing the Schedule 296 sample calculation as approved in  
21 docket UE 374; that is, the Schedule 296 sample calculation with supporting  
22 workpapers should be provided within 30 days after the filing of the TAM.



1 **Q. Did Sierra Club propose any adjustments to the 2023 TAM?**

2 A. Yes. Sierra Club made several recommendations pertaining to PacifiCorp's coal  
3 generating units. Specifically, Sierra Club recommended that the Commission  
4 exclude from the Company's proposed NPC certain costs associated with fueling the  
5 Jim Bridger plant from the Black Butte and Bridger mines. Sierra Club further  
6 recommended that PacifiCorp update its Jim Bridger Long-Term Fuel Supply Plan on  
7 a regular basis, with specific elements and scenarios, and that PacifiCorp provide the  
8 Commission with a copy of its annual mine plan for the Bridger mine, along with any  
9 alternatives considered. Finally, Sierra Club made recommendations regarding the  
10 Commission's review of the Naughton and Huntington coal supply agreements.

11 **Q. Did KWUA/OFBF propose any adjustments to the 2023 TAM?**

12 A. No. KWUA/OFBF reviewed PacifiCorp's filing and the testimony of other parties  
13 but did not file its own testimony or propose specific adjustments to the TAM.  
14 KWUA/OFBF also participated in a TAM settlement conference. Based on the  
15 review of parties' testimony and participation in the settlement conference,  
16 KWUA/OFBF recommends that the Commission approve the Settlement as a  
17 reasonable compromise of all issues raised in this case.

18 **Q. Did Vitesse propose any adjustments to the 2023 TAM?**

19 A. No. Vitesse reviewed PacifiCorp's filing and the testimony of other parties but did  
20 not file its own testimony or propose specific adjustments to the TAM. Vitesse also  
21 participated in the TAM settlement conferences. Based on the review of parties'  
22 testimony and participation in the settlement conferences, Vitesse recommends that

1 the Commission approve the Settlement as a reasonable compromise of all issues  
2 raised in this case.

3 **Q. Did the Company file a TAM Reply Update?**

4 A. Yes, PacifiCorp filed a TAM Reply Update (June Update) on June 22, 2022. The  
5 June Update reflected normalized, total-company NPC for the test period (the 12  
6 months ending December 31, 2023) of approximately \$1.775 billion. On an Oregon-  
7 allocated basis, NPC in the June Update were approximately \$452.8 million. This  
8 amount was approximately \$102.3 million higher than the \$350.5 million NPC  
9 allocated to Oregon in the final 2022 TAM update (docket UE 390), and  
10 \$94.3 million higher when adjusted for forecasted load changes and PTCs. The June  
11 Update reflected an overall average rate increase of approximately 7.5 percent.

12 **Q. Did the Parties hold settlement discussions after Staff and intervenors filed  
13 opening testimony?**

14 A. Yes. The Stipulating Parties held a settlement conference on June 6, 2022, and an  
15 additional settlement conference on June 30, 2022. Parties continued discussions  
16 until July 13, 2022, and reached an all-party settlement in principle that resolved all  
17 the issues in the 2023 TAM. The settlement establishes baseline 2023 NPC in rates,  
18 subject to the Final Update.

19 **III. KEY PROVISIONS OF THE STIPULATION**

20 **A. Overview of Stipulation**

21 **Q. What is the Stipulating Parties' agreement on the Company's 2023 NPC?**

22 A. The Stipulating Parties agree that the NPC forecast reflected in the Company's June  
23 Update, subject to the adjustments described below, is reasonable.

1           The Stipulation results in a decrease to the June Update of approximately  
2           \$27.85 million on an Oregon-allocated basis for an Oregon-allocated TAM power  
3           cost increase of approximately \$77.05 million from the 2022 TAM (docket UE 390).  
4           This includes an unspecified adjustment to NPC as described in Paragraph 18 below.  
5           The Stipulation reflects an overall average rate increase of approximately  
6           \$66.43 million when adjusted for forecasted load changes and PTCs, or 5.3 percent  
7           on an overall basis, as shown in Exhibit 2. This is a decrease from the June Update of  
8           approximately \$27.85 million.

9           A preliminary estimate of the impact of adjustments is included as Exhibit 3.  
10          The impacts of the individual adjustments, described below and set forth in Exhibit 3,  
11          are based on one-off studies from the June Update in the 2023 TAM. The impacts of  
12          the individual adjustments, described below and set forth in Exhibit 3, are based on  
13          one-off studies from the June Update filing in 2023 TAM. The Stipulating Parties  
14          further agree that PacifiCorp will file a Final Update to its 2023 TAM filing  
15          consistent with the TAM Guidelines, including the adjustments described below.

16          **B.      Production Tax Credit Rate**

17          **Q.      Please describe the treatment of renewable energy PTCs in the 2023 TAM.**

18          A.      The 2023 TAM includes changes in projected levels of PTCs. The forecast value of  
19          Oregon-allocated PTCs for the 2023 test period from the initial filing is  
20          approximately \$70.2 million, which is higher than the \$68.4 million included in the  
21          2022 TAM, which resulted in a decrease to the 2023 TAM of \$1.8 million.

1 **Q. How were PTCs calculated for the 2023 TAM in the Initial Filing?**

2 A. The PTC provides a federal income tax credit for the first 10 years of a renewable  
3 energy facility's operation. The PTC is calculated by multiplying the qualifying  
4 generation by a PTC rate of 2.7 cents per kilowatt-hour and then grossing-up for  
5 taxes. The current PTC rate for 2022 is 2.6 cents per kilowatt-hour.

6 **Q. Does this stipulation update the PTC rate from the initial filing?**

7 A. Yes, in the Indicative and Final update, PacifiCorp will update the PTC rate to  
8 2.8 cents per kilowatt-hour to account for inflation.

9 **Q. Has PacifiCorp quantified the impact of this change on the June Update?**

10 A. Yes, this provision will reduce Oregon-allocated NPC from the June Update by  
11 \$2.6 million.

12 **C. Modeling of PacifiCorp's Coal Units**

13 **Q. Please explain what the "must run" setting is and why the Company includes  
14 this setting for coal units in Aurora.**

15 A. The "must run" setting for coal units in Aurora is used to represent actual operational  
16 practice as closely as possible for normalized ratemaking purpose. In regulatory  
17 ratemaking, the forecasted NPC is set on a normalized basis. Aurora is designed to  
18 model the NPC with load, market conditions, prices, generation resources, and  
19 operating practices under normal conditions. Cycling coal units happens infrequently  
20 in actual operations, therefore, coal units in Aurora are modeled as closely to how  
21 they are designed in actual operations, as base load units, i.e., "must run." As part of  
22 the settlement in the 2021 TAM, PacifiCorp agreed to turn off the "must run" setting  
23 in the transition to Aurora.

1 **Q. Please describe how this stipulation addresses the “must run” setting.**

2 A. The Parties agree that PacifiCorp may turn the “must run” setting back on for coal  
3 units. This will reduce modeling run-times, and lower NPC by \$11.3 million on an  
4 Oregon-allocated basis from the June Update.

5 **D. Washington Cap and Trade Legislation**

6 **Q. What is the Climate Commitment Act (CCA), and what is it trying to  
7 accomplish?**

8 A. The CCA was signed into law by Washington Governor Inslee on May 17, 2021, and  
9 established a cap-and-invest program for the state that will be overseen and  
10 implemented by the Washington Department of Ecology. The CCA establishes  
11 regulatory requirements to reduce carbon emissions in the state.

12 **Q. How does the CCA work?**

13 A. The law attempts to reduce carbon emissions by establishing a market incentive for  
14 covered entities to reduce emissions. Generally speaking, the CCA accomplishes this  
15 by: (1) setting emissions targets (95 percent below 1990 levels by 2050); (2)  
16 establishing an annually decreasing “cap” on the amount of emissions that are  
17 permitted in the state (emissions are capped at 93 percent of 2023 baseline emissions,  
18 and generally decrease annually until 2050); (3) creating financial instruments for  
19 permitted emissions, or “allowed” emissions that fall under the “cap;” and (4)  
20 establishing a market for entities to buy, sell, and trade allowances associated with  
21 permitted CCA emissions to comply with the emissions limits.

1 As the emissions cap decreases, the available allowances will decrease, and  
2 covered entities will either have to reduce emissions, secure extra allowances, or  
3 pursue alternative compliance options.

4 **Q. How does the greenhouse gas (GHG) obligation from Chehalis impact the**  
5 **dispatch price and the costs of operating Chehalis?**

6 A. The costs to purchase carbon allowances to cover the GHG obligation from Chehalis  
7 that are not covered by CCA allowances increase the costs for operating Chehalis and  
8 would thus be incorporated into the dispatch price for Chehalis in actual operations in  
9 2023.

10 **Q. How does the Stipulation address the increased costs as a result of this**  
11 **obligation?**

12 A. Instead of including this cost in the TAM, PacifiCorp will file a deferral to capture  
13 these costs and parties agree not to oppose PacifiCorp's deferral. Parties may contest  
14 the prudence of any of the costs included in the deferral in the proceeding in which  
15 PacifiCorp seeks to amortize the deferral.

16 **E. Qualifying Facilities (QF) Costs**

17 **Q. Please describe the modeling change that will be incorporated for the 2023 TAM**  
18 **regarding QF costs.**

19 A. PacifiCorp agrees to move to a 48-month average for estimating the production of all  
20 QFs for which the Company has historical generation data, including small-QFs (less  
21 than 10 megawatts) for the purposes of the 2023 TAM.

1 **Q. Is this provision intended to impact any proposals that have been identified in**  
2 **the ongoing general rate case (docket UE 399) regarding forecasting QF costs?**

3 A. No. This provision is not intended to foreclose or prevent any party from taking any  
4 position on this issue in the ongoing general rate case.

5 **F. EIM Benefits Correction**

6 **Q. Please explain the error in the EIM Benefits forecast that is being corrected in**  
7 **this stipulation.**

8 A. PacifiCorp will incorporate a correction to the forecast of PacifiCorp West (PACW)  
9 inter-regional EIM export benefits resulting from a mis-specification of certain  
10 formulas. More specifically, whereas the PACW inter-regional EIM export benefits  
11 model originally derived the final forecast through the exponentiation of the  
12 regression's results by two, a correction was made to derive the final forecast through  
13 application of the exponential function. The correct formula will be used for the final  
14 and indicative update.

15 **Q. Has PacifiCorp quantified the impact of this change on the June Update?**

16 A. Yes, this provision will reduce Oregon-allocated NPC from the June Update by  
17 approximately \$3.9 million.

18 **G. Unspecified NPC Adjustment**

19 **Q. Please explain the unspecified NPC Adjustment.**

20 A. In order to resolve all issues in this proceeding, the Parties agreed to an unspecified  
21 reduction to Oregon-allocated NPC of \$4.9 million.

1       **H.     Ozone Transport Rule (OTR)**

2       **Q.     On April 5, 2022, the United States Environmental Protection Agency (EPA)**  
3       **proposed new rules on cross-state air pollution (Ozone Transport Rule).<sup>7</sup> Please**  
4       **provide some background on this rule and its possible impact on 2023 NPC and**  
5       **the TAM?**

6       A.     The OTR is also referred to as the Good Neighbor Rule or Cross-State Air Pollution  
7       Rule and focuses on reductions of nitrogen oxides (NO<sub>x</sub>) which are precursors to  
8       ozone formation. Previously, OTR covered 22 states, but the OTR will now cover 26  
9       states with four states, Wyoming, Utah, Nevada, and California being included for the  
10      first time. Beginning in 2023, trading allowances and emissions budgets are expected  
11      to be set to achieve NO<sub>x</sub> reductions. OTR is still a proposed rule, but the trading  
12      allowances and emissions budgets are expected to have an impact to NPC.

13      **Q.     Please describe the agreement of the Parties on how to address the impact of the**  
14      **OTR.**

15      A.     In the event the new EPA rules to the cross-state air pollution rules are finalized,  
16      PacifiCorp will not include this cost in the TAM. Instead of including this cost in the  
17      TAM, PacifiCorp may file a deferral to capture these costs and Parties agree not to  
18      oppose PacifiCorp's deferral. Parties may contest the prudence of any of the costs  
19      included in the deferral in the proceeding in which PacifiCorp seeks to amortize the  
20      deferral.

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<sup>7</sup> 87 Fed. Reg. 20036 (April 5, 2022).



1           **I.       Northwest Pipeline Settlement**

2           **Q.       Please explain the Northwest Pipeline Settlement.**

3           A.       Northwest Pipeline is an interstate natural gas transmission pipeline that runs from  
4           New Mexico to Washington, and is currently in the process of working towards a pre-  
5           filing settlement for a Federal Energy Regulatory Commission rate case. If the  
6           Northwest Pipeline reaches a settlement prior to the filing of indicative update in the  
7           TAM, PacifiCorp will incorporate the benefits of this settlement into the TAM. This  
8           will be reflected as a lower rate for the use of the pipeline and include any refunds  
9           resulting from the Northwest Pipeline Settlement.

10          **J.       TAM Benchmarking Study**

11          **Q.       Please describe Parties' agreement related to the TAM Benchmarking Studies.**

12          A.       PacifiCorp will produce two benchmarking studies in the Aurora model, one each in  
13          the 2024 TAM proceeding and 2025 TAM proceeding. PacifiCorp will make best  
14          efforts to provide to parties a benchmarking study that uses inputs from 2019 actuals  
15          on February 1, 2023. PacifiCorp will make best efforts to provide a second  
16          benchmarking study that uses inputs from 2020 actuals on February 1, 2024. In the  
17          event that PacifiCorp is unable to meet these deadlines, PacifiCorp will promptly  
18          inform parties and provide an explanation of the difficulties encountered and a  
19          revised timeline for resolving them.

1           **K.     Jim Bridger Long-Term Fuel Supply Plan and Bridger Coal Company**  
2                           **(BCC) Mine Plan**

3   **Q.     Please explain PacifiCorp’s intent to conduct additional evaluation of Jim**  
4           **Bridger’s long-term fuel supply plan in the 2023 Integrated Resource Plan**  
5           **(IRP).**

6   A.     PacifiCorp has committed through deliberations in the 2021 IRP proceeding in  
7           Oregon (docket LC 77) to complete a revised long-term fuel plan and include the plan  
8           details as assumptions aligned with or as a part of the 2023 IRP. Therefore, the  
9           alternatives in the 2022 Fuel Plan, as updated and revised, will be subsequently  
10          evaluated and modeled in IRP sensitivities and analyses. As part of the 2023 IRP,  
11          PacifiCorp intends to assess the various long-term coal supply options as well as  
12          alternative options for Jim Bridger Units 3 and 4, including retrofit for carbon capture  
13          utilization and sequestration, conversion to natural gas and/or other alternative fuels,  
14          and early retirement. Going forward, the Company anticipates preparing long-term  
15          fueling plans for the Jim Bridger plant as necessary to inform and align with future  
16          IRP filings.

17   **Q.     Please describe Parties’ agreement related to the 2023 Jim Bridger Long-Term**  
18           **Fuel Supply Plan.**

19   A.     When the Jim Bridger Long-Term Fuel Supply Plan is updated for the 2023 IRP, it  
20          will incorporate the following elements: (a) Modeling for the Long-Term Fuel  
21          Supply Plan will be conducted in a platform able to accept multiple fuel price tiers  
22          such as Aurora or PLEXOS. Additionally, PacifiCorp will include the following  
23          scenarios:

- 1                   i. Scenario that does not assume a minimum take at either the Black  
2                   Butte or Bridger Mine;  
3                   ii. Scenario evaluating an alternative to the minimum take  
4                   requirement in the Black Butte coal supply agreement signed in  
5                   2022;  
6                   iii. Scenario evaluating early closure of the Bridger mine (before  
7                   2028) and fueling Jim Bridger through end of life with stockpiled  
8                   coal supplies.

9   **Q.    Please describe Parties' agreement related to the future Jim Bridger Long-Term**  
10 **Fuel Supply Plans.**

11 A.    As long as there are coal-fired Jim Bridger units in Oregon rates, PacifiCorp will  
12       provide an updated Long-Term Fuel Supply Plan aligned with the timing of the  
13       biennial IRP filing. The updated Long-Term Fuel Supply Plan will incorporate the  
14       elements identified in the preceding paragraph, if those elements are still applicable.

15 **Q.    Please describe Parties' agreement related to the annual BCC Mine Plan.**

16 A.    As long as there are coal-fired Jim Bridger units in Oregon rates and they are fueled  
17       with coal from BCC, PacifiCorp will provide a copy of the updated annual BCC mine  
18       plan along with any alternatives that were also evaluated for PacifiCorp in future  
19       TAM filings.

20 **L.    Schedule 296 Calculation and Direct Access**

21 **Q.    Please describe the Parties' agreement related to the Consumer Opt-Out Charge**  
22 **sample calculation.**

23 A.    PacifiCorp affirms that the Schedule 296 calculations used to calculate the Consumer  
24       Opt-Out Charge, including all supporting work papers, will be provided consistent  
25       with the TAM guidelines, 30 days after filing the TAM. PacifiCorp may file a  
26       motion to waive this requirement of the TAM guidelines and would ensure that

1 motion is served on Calpine Solutions, LLC on or before PacifiCorp makes the initial  
2 filing in the TAM.

3 **Q. Is any provision in this stipulation intended to preclude any party from taking**  
4 **any position in other proceedings on the operation of the Direct Access program**  
5 **in another proceeding?**

6 A. No.

7 **M. Non-Precedential Modeling Adjustments**

8 **Q. PacifiCorp proposed the implementation of a number of modeling adjustments**  
9 **for the 2023 TAM, including: the methodology for market caps, regulating**  
10 **reserves, planned maintenance, and a price adder for the Day-Ahead/Real-Time**  
11 **Adjustment. Is the approval of this settlement intended to represent the**  
12 **precedential adoption of those methodologies?**

13 A. No.

14 **N. General Terms**

15 **Q. If the Commission approves the Stipulation, will the Company file revised tariff**  
16 **sheets?**

17 A. Yes. The Company will file revised tariff sheets for Schedules 201, 205, 220, 293 (if  
18 necessary), 294, 295 and 296 as a compliance filing in docket UE 400. The revised  
19 tariff sheets will reflect the adjustments agreed upon in the Stipulation and will reflect  
20 the TAM Final Update.

21 **Q. What is the proposed effective date of the revised tariff sheets?**

22 A. The revised tariff sheets will be effective January 1, 2023.

1 **Q. If the Commission rejects any part of the Stipulation, are the Stipulating Parties**  
2 **entitled to reconsider their participation in the Stipulation?**

3 A. Yes. The Stipulating Parties have negotiated the Stipulation as an integrated  
4 document, and if the Commission rejects all or any material portion of the Stipulation  
5 or imposes additional material conditions on the Stipulation, any of the Parties are  
6 entitled to withdraw from the Stipulation.

7 **Q. Are the agreements reflected in the Stipulation binding on the Parties in future**  
8 **TAMs or other proceedings?**

9 A. No. The Parties agree that by entering into the Stipulation, no Stipulating Party  
10 approved, admitted, or consented to the facts, principles, methods, or theories  
11 employed by any other Stipulating Party in arriving at the terms of this Stipulation,  
12 other than those specifically identified in the body of the Stipulation. No Stipulating  
13 Party agreed that any provision of this Stipulation is appropriate for resolving issues  
14 in any other proceeding, except as specifically identified in the Stipulation.

15 **IV. REASONABLENESS OF STIPULATION**

16 **Q. What is the basis for the Stipulation?**

17 A. The Company's Initial Filing, reply testimony, and the opening testimony filed by  
18 CUB, Staff, AWEC, Sierra Club, and Calpine Solutions create an adequate record on  
19 the Company's 2023 TAM. The Company responded to multiple sets of data requests  
20 and provided updates to its Initial Filing. Parties had several settlement conferences  
21 and resolved their differences through dialogue and negotiations.

1 **Q. Please explain why the Parties believe that the Commission should adopt the**  
2 **Stipulation.**

3 A. The Stipulation represents a reasonable compromise of the numerous and complex  
4 issues raised in this case for many reasons, including, but not limited to the fact that  
5 the Stipulation:

- 6 • results in a rate change of approximately \$27.85 million or 2.2 percent as  
7 compared to the June Update, subject to later TAM updates;
- 8 • resolves Parties' issues in this proceeding around PacifiCorp's modeling by  
9 incorporating numerous modeling changes on a non-precedential basis and  
10 allowing for future benchmarking runs to evaluate NPC modeling;
- 11 • creates a process for the recovery of costs related to obligations from  
12 Washington CCA and the Ozone transport rule in a manner that allows for the  
13 later review of these costs;
- 14 • ensures additional information on the short term and long term fueling of the  
15 Jim Bridger facility;
- 16 • supports additional information to Parties for the transition from the  
17 Generation and Regulation Initiative Decision Tool model to Aurora; and,
- 18 • corrects the EIM benefits calculation to a level supported by all Parties;

19 While the above list is not an exhaustive description of every term in the Stipulation,  
20 the compromises on the remaining issues are reasonable.

21 **Q. Have the Parties evaluated the overall fairness of the Stipulation?**

22 A. Yes. Each Stipulating Party has reviewed the record in this case and the Stipulation.  
23 The Parties agree that the rates resulting from the Stipulation meet the standard set  
24 forth in ORS 756.040 and represent a reasonable compromise of the issues presented  
25 in this case.

1   **Q.    What do the Parties recommend regarding the Stipulation?**

2    A.    The Parties recommend that the Commission adopt the Stipulation as the basis for  
3        resolving the issues in this case, and request that the Commission include the terms  
4        and conditions of the Stipulation in its final orders in this case.

5   **Q.    Does this conclude your joint testimony?**

6    A.    Yes.

Docket No. UE 400  
Exhibit Stipulating Parties/101  
Witnesses: Wilding, Fjeldheim,  
Jenks, Higgins, Mullins,  
Burgess, Reed, Cebulko

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**PACIFICORP**

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Exhibit Accompanying Joint Testimony  
Witness Qualification Statement for Lloyd C. Reed

August 2022



**LLOYD C. REED**  
**10025 Heatherwood Lane**  
**Highlands Ranch, CO 80126**

**EXPERIENCE:**

**REED CONSULTING, Highlands Ranch, CO.**

August 2009 - Present

**President.** Provided advice to multiple utility companies and/or their outside legal counsel regarding power system operational and regulatory issues. Assisted an electric utility in incorporating potential regional power shortage events into their long-term integrated resource plan. Performed a cost-of-service study for a Tribally-owned hydroelectric facility. Advised a group of Northwest publicly-owned utilities on proposals received under an RFP issued for new renewable and conventional generating resources. Prepared and submitted expert testimony to the Federal Energy Regulatory Commission in the California Refund Case and Pacific Northwest Refund Case proceedings. Performed a detailed analysis regarding the design and implementation of an intermittent resources regulation tariff on behalf of a large investor-owned utility and submitted expert testimony in a related rate case proceeding at the FERC. Derived wind generation integration costs to be included in an investor-owned utility's retail rate case. Assisted a publicly-owned utility with the marketing of surplus renewable energy and renewable energy credits into the Western markets. Performed multiple triennial Market Power Studies on behalf of two Northwest electric utilities and also prepared numerous Market Concentration Studies in support of generating plant acquisitions by these utilities. Performed preliminary feasibility studies for the development of a solar generating plant to be located in the Northwest region and hydroelectric pumped storage plants to be located in the Rocky Mountain and Northwest regions. Made multiple presentations to FERC Staff regarding the impacts of utility-scale wind generation plants on power systems operations.

**GOLDEN ENERGY SERVICES, INC., Highlands Ranch/Littleton, CO.**

April 2001 - August 2009

**Partner/Vice President.** Acted as an arbitrator in a contract dispute regarding the operation of a group of hydroelectric generating facilities and an associated set of long-term multi-party wholesale power purchase agreements. Advised the trading staff of a major Western utility in the short term and intermediate term optimization of the utility's wholesale power and natural gas portfolios. Advised a group of Northwest publically-owned utilities regarding potential power pooling arrangements and performed a preliminary pooling feasibility study. Performed multiple Market Power Studies on behalf of two electric utilities in support of FERC Section 203 and 205 rate tariff filings. Submitted testimony to the FERC in the California Refund Case on behalf of a large Northwest utility. Analyzed and recommended actions concerning open access electricity purchase options for several large industrial end use customers. Provided ongoing operational and contractual support to utility and end user customers concerning the operation of the Pacific Northwest hydroelectric generation system. Researched and presented to a national scope merchant power plant developer an assessment of Northwest area transmission availability and potential future impacts of RTO formation. Assisted the staff of an electric utility in the redesign of its retail tariff structure to incorporate alternate pricing and hedging mechanisms. Actively participated in the ongoing risk management process for a major electric/natural gas utility. Assisted in the analysis of a proposed new interstate natural gas pipeline and a proposed new major lateral for a natural gas LDC system. Advised a large Western utility in power marketing strategies for the Northwest and California markets. Assisted several end use industrial customers in the drafting and implementation of integrated energy management policies.

**PUGET SOUND ENERGY, INC., Bellevue, WA.**

September 1999 - March 2001

**Director Power Supply Operations.** Directed all aspects of PSE's forward power trading, real-time trading, scheduling, and power operations activities. Managed the operations of a diverse, 4500 MW power supply portfolio consisting of hydroelectric, coal, gas, and contract resources. Established and implemented short-term and seasonal operating plans for PSE's hydroelectric resources. Actively managed PSE's rights and obligations pursuant to the Pacific Northwest Coordination Agreement and the Mid-Columbia Hourly Coordination Agreement. Coordinated daily with the PSE Gas Operations group to optimize the operation of 1200 MW of gas-fired generation. Pursued long term power supply agreements and generation development projects as well as negotiating numerous intermediate-term power/heat rate purchases and sales. Actively assisted in the development and implementation of PSE's energy risk management procedures. Recommended various forward hedging strategies to senior management. Prompted PSE's expansion into new markets such as the CAISO and PX. Actively participated in regional energy initiatives such as RTO formation, BPA power and transmission rate cases, and WECC power supply coordination issues. Worked with large end use retail customers on market based pricing programs.

*e prime, inc./NEW CENTURY ENERGIES*, Denver, CO.

February 1996 - August 1999

**Vice President Power Marketing.** Responsible for managing all aspects of *e prime's* power business including marketing, trading, scheduling, contract administration, generating plant acquisitions, and regulatory affairs. Developed and presented to senior management long-term business strategies for both *e prime* and its parent company, New Century Energies. Analyzed numerous merchant generating project opportunities and successfully completed negotiations for the purchase of long-term tolling rights from a new gas-fired generating facility. Co-authored *e prime's* risk management policies and procedures including the development and implementation of the company's power trading parameters and limits. Actively participated with other NCE personnel in the preparation of bid packages for utility sponsored asset auctions.

**Director of Power Marketing.** Developed all business systems necessary to start up a new power marketing/trading affiliate. Responsible for hiring and supervising all of *e prime's* power marketing and trading staff, as well as directing all of the company's wholesale and retail electric trading and marketing activities. Developed and implemented various marketing/trading strategies and policies designed to establish and rapidly grow *e prime's* business. Negotiated numerous power sale, purchase, and transmission agreements ranging in duration from one month to two years. Designed and implemented *e prime's* original power scheduling/accounting software systems as well as establishing the company's power related credit procedures. Oversaw the company's involvement in several electric retail open access programs.

**PANENERGY POWER SERVICES, INC.**, Spokane, WA.

October 1994 - January 1996

**Manager Power Operations.** Developed all necessary business and energy accounting systems required to start up a new power marketing company. Supervised and coordinated PanEnergy's short/intermediate term power marketing and trading activities throughout the Western United States. Negotiated and implemented enabling/tariff agreements allowing PanEnergy to transact business with over 100 different electric utilities and power marketers. Negotiated numerous power sale, purchase, and energy management agreements.

**WASHINGTON WATER POWER**, Spokane, WA.

August 1993 - September 1994

**Systems Operations Engineer.** Acted as WWP's lead negotiator for the twenty-year extension of the eighteen party Pacific Northwest Coordination Agreement. Provided operational expertise and training to WWP's energy traders and support staff. Actively managed and optimized WWP's contractual rights under multiple power sale and hydroelectric resource coordination agreements. Coordinated WWP's short-term and seasonal hydroelectric operating plans with WWP's marketing and trading strategies. Responsible for all aspects of WWP's data submittals to the PNCA annual planning process.

**PUGET SOUND POWER & LIGHT**, Bellevue, WA.

July 1982 - July 1993

**Senior Power Scheduler/Intercompany Pool Representative.** Managed the sale and purchase of up to 1000 aMW of short-term firm and non-firm energy. Developed and executed medium range operating and marketing strategies. Aggressively exercised and defended Puget's rights and obligations under more than thirty long-term power and transmission contracts. Provided real-time operational direction to Puget's power dispatchers. Represented Puget at regional Northwest Power Pool and Western Systems Power Pool meetings.

**Power Scheduler/Intercompany Pool Representative.** Devised hourly preschedules of Puget's hydroelectric, thermal, and contract resources while arranging all of Puget's prescheduled power purchase and sales transactions. Provided technical expertise during the negotiation of long-term power supply contracts. Developed and implemented short-term operating strategies for Puget's hydroelectric resources. Improved energy accounting methods and cut billing preparation time in half. Personally established new trading relationships with twelve utilities throughout the WECC region.

**Assistant Power Resource Engineer.** Provided technical support for PSE's annual hydroelectric and thermal resource planning processes. Performed hydroelectric plant optimization and redevelopment studies. Assisted in the development of PSE's short-term and medium-term resource operations strategies. Developed streamflow and generation forecasts for several of PSE's hydroelectric generating plants.

**EDUCATION:**

UNIVERSITY OF WASHINGTON – Seattle, WA.  
B.S., Electrical Engineering

June 1982

Docket No. UE 400  
Exhibit Stipulating Parties/102  
Witnesses: Wilding, Fjeldheim,  
Jenks, Higgins, Mullins,  
Burgess, Reed, Cebulko

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**PACIFICORP**

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Exhibit Accompanying Joint Testimony  
Witness Qualification Statement for Bradley Cebulko

August 2022

WITNESS QUALIFICATION STATEMENT

NAME: Bradley Cebulko

EMPLOYER: Stratagen Consulting

TITLE: Manager

ADDRESS: 10265 Rockingham Dr. Suite #100-4061, Sacramento, CA 95827

EDUCATION: I have a Master's in Public Policy and Governance from the University of Washington and a Bachelor of Arts in Political Science from Colorado State University.

EXPERIENCE: At Strategen, I work with a range of clients on electric and natural gas utility regulatory issues including new regulatory business models, integrated resource planning, and natural gas decarbonization. Prior to joining Strategen in 2021, I worked at the Washington Utilities and Transportation Commission ("WUTC") for 8 years. From 2016-2021, I was an Advisor to the commissioners of the WUTC, where I led the commissioners' review of major filings and adjudications, rulemakings, and integrated resource plans. From 2013-2016, I was an analyst with the WUTC Staff focused on electric and natural gas integrated resource planning ("IRP"), electric and natural gas energy efficiency programs, and new program design and implementation.

I am testifying before the Oregon Public Utility Commission in Docket No. UE 299, and I have testified before the WUTC, the Minnesota Public Utilities Commission, the Massachusetts Department of Public Utilities, and the Michigan Public Service Commission. Before the WUTC, I testified regarding service quality and reliability metrics in 2014 and 2015, in 2016 on a utility's proposed appliance leasing program, and in 2022 on performance metrics and a time-varying rates pilot.<sup>1</sup> Before the Minnesota Public Utilities Commission, I testified on behalf of the Minnesota Citizens Utility Board on the natural gas expenditures of three utilities during the February 2021 Winter Storm. Before the Michigan Public Service Commission, I testified on behalf of a coalition of advocacy groups in a natural gas utility rate case regarding the utility's renewable natural gas proposal and natural gas line extension policy. Finally, in Massachusetts, I testified on behalf of Sierra Club on a gas utility's

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<sup>1</sup> See *Washington Utilities and Transportation Commission v. Avista Corporation d/b/a Avista Utilities*, WUTC Dockets UE-140188 & UG-140189; *Washington Utilities and Transportation Commission v. Avista Corporation d/b/a Avista Utilities*, WUTC Dockets UE-150204 & UG-150205; and *Washington Utilities and Transportation Commission v. Puget Sound Energy*, WUTC Dockets UE-151871 & UG-151872.

proposed voluntary renewable natural gas program and petition for approval of a contract.

# Brad Cebulko

Manager



Brad leads projects and provides expert testimony on numerous utility regulation topics including gas decarbonization strategy, electric and gas integrated resource planning, power costs, energy efficiency and conservation programs, low-income ratepayer issues, and greenhouse gas regulation policy. He has prior experience with the Washington Utilities and Transportation Commission developing policy initiatives through Commission orders, policy statements, and rulemakings.

## Contact



### Location

Seattle, Washington



### Email

bcebulko@strategen.com



### Phone

+1 (510) 296-8481

## Education

### MPA

#### Environmental Policy

University of Washington  
2012

### BA

#### Political Science

Colorado State University  
2006

[STRATEGEN.COM](http://STRATEGEN.COM)

## Work Experience

### Manager

Strategen / Berkeley, CA / 2021 – Present

- + Works with state regulatory commissions, consumer advocates, non-profits, and other clients to advance the public interest in regulatory decision-making.
- + Leverages subject matter expertise in utility regulation, electric and natural gas integrated resource planning, natural gas decarbonization, fuel costs, energy efficiency, low-income ratepayer issues, and greenhouse gas regulation policy.

### Senior Policy Advisor For Energy Strategy

Washington Utilities and Transportation Commission / Olympia, WA / 2016 – 2021

- + Advised the Commissioners on utility regulation.
- + Led major Commission policy initiatives through Commission orders, policy statements, and rulemakings, including developing rules for the Clean Energy Transformation Act.
- + Served on the WA Department of Commerce's Electrification of Transportation Program Advisory Committee and Chair of the Staff Subcommittee on International Relations at NARUC.

### Regulatory Analyst

Washington Utilities and Transportation Commission / Olympia, WA / 2013 – 2016

- + Testified before the commission in suspended utility filings and general rate case proceedings.
- + Led Commission Staff's review of natural gas integrated resource plans and energy efficiency filings.
- + Negotiated with utilities and stakeholders in efforts to reach settlement on reliability standards, and other utilities proceedings.

## Expert Testimony

**Consumers Energy 2022 Natural Gas General Rate Case (DKT U-21148) On Behalf of Michigan Environmental Council, NRDC, and Sierra Club**  
Natural gas Prudence Testimony  
[Case Details](#) | [Direct](#)

**Xcel Energy, Minnesota Energy Resources Corp, CenterPoint Energy (DKT: 21-138) On Behalf of Minnesota CUB**  
Natural Gas Prudence Testimony  
[Case Details](#) | [Direct](#)

**Puget Sound Energy Proposed Leasing Program (DKT: UE-151871/UG-151872) On Behalf of Washington UTC Staff**  
Utility Service Offerings  
[Case Details](#) | [Direct](#)

**Avista 2015 General Rate Case (Dockets UE-150204/UG-150205) On Behalf of Washington UTC Staff**  
General Rate Case  
[Case Details](#) | [Direct](#)

**Avista 2014 General Rate Case (Dockets UE-140188/UG-140189) On Behalf of UTC Staff**  
General Rate Case  
[Case Details](#) | [Direct](#)

## Selection of Relevant Project Experience

**Public Utility Regulatory Policies Act (DKT: UE-161024) On Behalf of the Washington state Commission**  
Rulemaking Order  
Led the Commission's development of rules  
[Case Details](#) | [Final Order](#)

**Clean Energy Transformation Act Compliance (DKT: UE-191023 and UE-190698) On Behalf of the Washington state Utilities and Transportation Commission**  
Rulemaking Order  
Led the Commission's development of rules  
[Case Details](#) | [Final Order](#)

**Microsoft and Puget Sound Energy Renewable Direct Access Contract (DKT UE-161123) On Behalf of the Washington state Utilities and Transportation Commission**  
Order Approving Settlement  
Led the Commission's review of the settlement agreement  
[Case Details](#) | [Final Order](#)

## Selection of Relevant Experience Continued

### **Washington Utilities and Transportation Commission Proceeding to Develop a Policy Statement Addressing Alternatives to Traditional Cost of Service Rate Making, (DKT: U-210590) On Behalf of The Energy Project**

[Policy Statement](#)

Supporting client's comments on regulatory goals, outcomes, and performance metrics.

[Case Details](#) | [Comments](#)

### **Minnesota Power 2021 Integrated Resource Plan (DKT: 21-33) On Behalf of Citizen Utility Board of Minnesota**

[Electric IRP](#)

Supporting client's review of the Company's IRP.

[Case Details](#) | [Comments](#)

### **Puget Sound Energy 2023 Natural Gas Integrated Resource Plan**

[Natural Gas IRP](#)

Supporting confidential client's review of the Company's development of the inputs and assumptions that will be used in the IRP.

### **Puget Sound Energy 2023 Electric Integrated Resource Plan Update**

[Electric IRP](#)

Supporting confidential client's review of the Company's development of the inputs and assumptions that will be used in the IRP.

### **Michigan Public Service Commission, Renewable Natural Gas Study Workgroup (DKT: U-21170) On Behalf of Michigan Environmental Council, NRDC, and Sierra Club**

[Workgroup](#)

Supporting clients' review of the development of the study.

### **Kentucky Utilities and Louisville Gas and Electric Company General Rate Case (DKT: 2020-00350) On Behalf of the Kentucky Public Service Commission**

[General Rate Case](#)

Supported the Kentucky PSC evaluate testimonies on PURPA rates and set new rates for the utilities.

[Case Details](#) | [Final Order](#)



## Selection of Relevant Experience Continued

### **Puget Sound Energy 2019 General Rate Case (DKT: UE-190529/UG-190530) On Behalf of the Washington state Commission**

[General Rate Case](#)

Led the Commissioners' review of the rate case.

[Case Details](#) | [Final Order](#)

### **Proposed Sale of Avista to Hydro One Limited (DKT:: U-170970) On Behalf of the Washington state Utilities and Transportation Commission**

[Sale of Utility](#)

Co-lead the Commission's review.

[Case Details](#) | [Final Order](#)

### **Promoting Renewable Natural Gas in Washington State, A Report to the Washington State Legislature December 2018**

[Report to the Washington state Legislature](#)

Supported the authors of the report from the perspective of the Washington state Utilities and Transportation Commission.

[Report](#)