

August 17, 2020

VIA ELECTRONIC FILING

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

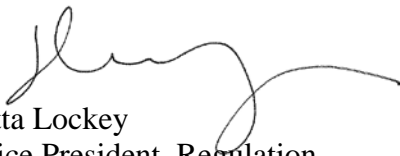
Attn: Filing Center

RE: UE 375—Response to ALJ Bench Request Set 3

Pursuant to Administrative Law Judge (ALJ) Sarah Rowe's Ruling of July 31, 2020, enclosed for filing in this docket are the Confidential Responses to ALJ Bench Request Nos. 3.1 and 3.4 and the Responses to ALJ Bench Request Nos. 3.2 and 3.3. Also enclosed is Confidential Attachment ALJ Bench Request 3.2.

Please direct any questions regarding this filing to Cathie Allen at (503) 813-5934.

Sincerely,


Etta Lockey
Vice President, Regulation

Enclosures

ALJ Bench Request 3.1

Please address the maintenance at Colstrip Unit 4 in early 2021 referenced in PacifiCorp's General Rate Case Stipulation filed with the Washington Utilities and Transportation Commission on July 20, 2020 (page 8).

- (a) Will this maintenance work result in an outage of Colstrip 4 in 2021, and if so, how long is the outage expected to be?
- (b) Please explain whether and how the 2021 Net Power Cost (NPC) forecast reflects a 2021 outage at Colstrip 4.
 - i. Will an outage cause PacifiCorp to accept a lower coal delivery amount than what is shown at PAC/700, Ralston/15?
 - ii. If yes, please provide an updated forecast delivery level and compare that level to the previous two years' forecast level.
 - iii. If PacifiCorp will incur additional costs for a delivery level under its minimum delivery level, due to an outage, please provide those estimated costs.
 - iv. Please explain whether the maintenance is a force majeure event referenced in PacifiCorp's June 29, 2020 response to ALJ Bench Request 2.2.

Confidential Response to ALJ Bench Request 3.1

The Company assumes that the ALJ Bench Request reference to “Stipulation filed with the Washington Utilities and Transportation Commission on July 20, 2020 (page 8)” was intended to be a reference to page 9, Stipulation paragraph 22, section “E. Net Power Costs,” subsection “4. Colstrip Unit 4” of the Settlement Stipulation in Docket UE-191024 dated July 17, 2020. Based on the foregoing assumption, the Company responds as follows:

- (a) The Colstrip Unit 4 outage is currently scheduled for the [REDACTED]. Due to dynamic COVID-19 pandemic conditions, the owners are monitoring potential impacts. The outage is currently anticipated to last [REDACTED].
- (b) The net power costs forecast is intended to reflect a normalized view of expected power costs in 2021. As a result, a normalized planned and forced outage schedule is used for the Generation and Regulation Initiative Decision Tool. In the Oregon transition adjustment mechanism (TAM), there is a planned outage at Colstrip Unit 4 that runs from [REDACTED] [REDACTED] included in the forecast period. The forced outage

schedule follows the pattern from the 48-month history with approximately [REDACTED] hours of forced outage in the 2021 test period.

- i. No.
- ii. Not applicable.
- iii. The forecast coal consumption for the forecast generation for Colstrip in the 2021 TAM is above the minimum delivery level. Therefore, no additional coal costs are forecast due to any outage in the forecast test period.
- iv. No. Scheduled maintenance outages are not force majeure events.

Highlighted information is designated as Protected Information under Order No. 16-128 and may only be disclosed to qualified persons as defined in that order.

ALJ Bench Request 3.2

In light of PacifiCorp's statement that coal nominations occur in the summer of 2020, please provide the most updated delivery levels by showing changes to PAC/700, Ralston/15 or Sierra Club Exhibit 108.

- (a) Will updated nomination levels impact the GRID runs and the NPC forecast?
- (b) Are delivery levels subject to a further update in the NPC Indicative/Final update?

Response to ALJ Bench Request 3.2

Please refer to Confidential Attachment ALJ Bench Request 3.2, which provides an updated version of Confidential Table 2 from Exhibit PAC/700, Ralston/15 as of May 27, 2020.

- (a) No. Coal unit price updates are currently not allowed in the Transition Adjustment Mechanism (TAM) indicative and final updates provided in November in TAM proceedings in accordance with the TAM guidelines established in Order No. 09-274 (docket UE 199). Coal unit price and volume updates for third-party coal and transportation contracts are only permitted in the Company's reply testimony filing. As a result, no changes to coal nomination levels beyond the information used in the reply testimony will be captured in the indicative and final update filings. However, there will likely be some kind of change in coal generation and total coal expense in the indicative and final update filings as a result of updates to other Generation and Regulation Initiative Decision inputs, but coal nomination levels will not drive any of those changes.
- (b) Please refer to the Company's response to subpart (a) above.

Confidential Attachment ALJ Bench Request 3.2 is designated as Protected Information under Order No. 16-128 and may only be disclosed to qualified persons as defined in that order.

Confidential Table - Contract Minimums - Coal Supply Agreements

Plant	Coal Mine	Minimum Deliveries	Forecast Deliveries	Minimum %
Colstrip	Rosebud			
Craig	Trapper			
Dave Johnston	Coal Creek			
Dave Johnston	Caballo			
Dave Johnston Total				
Hayden	Twentymile			
Hunter	Bronco			
Huntington	Various			
Jim Bridger	Black Butte			
Jim Bridger	Bridger			
Jim Bridger Total				
Naughton	Kemmerer			
Wyodak	Wyodak			
Note: Deliveries are in tons and represent PacifiCorp share				

ALJ Bench Request 3.3

PacifiCorp's reply update states that lower coal volumes decrease fuel expense by \$11.4 million.

- (a) Please explain which plants have lower volumes by connecting the cost decreases to the delivery volumes shown in PAC/700, Ralston/15.
- (b) PacifiCorp's reply update states that it was able to defer some Black Butte coal delivery from 2021 to 2022. Please explain what it means to defer this delivery. For example will the deferred tonnage be additive to the normal 2022 delivery?
- (c) PacifiCorp states that GRID dispatches up the coal plants to meet their minimum take levels, "to ensure those contractual provisions are respected." PAC/500, Webb/49. Please explain whether shortfall payments (minimum take penalties or liquidated damages) are only visible in the PCAM due to this modeling. Alternatively, please explain if there are shortfall payments included in the 2021 NPC forecast beyond the environmental shortfall payment for Naughton.

Response to ALJ Bench Request 3.3

- (a) The Craig, Hunter, Jim Bridger and Wyodak plants had volume reductions included in PacifiCorp's Reply Update compared with PacifiCorp's initial filing.
- (b) The Black Butte Coal Supply Agreement (CSA) was originally scheduled to terminate December 31, 2021. The CSA contains a provision that allows PacifiCorp to defer coal scheduled for delivery in 2021 into 2022 if desired. PacifiCorp elected to defer some 2021 coal into 2022. The deferred coal will be delivered in the first four months of 2022, and the current/existing CSA will now terminate on April 30, 2022. As there is currently no agreement in place for 2022 deliveries after April 30, 2022, the coal delivered in the first four months will not be additive. If PacifiCorp agrees to purchase additional coal from Black Butte in 2022, PacifiCorp's election to defer the coal originally scheduled for delivery in 2021 will result in a smaller volume being purchased under a new contract with Black Butte for 2022 coal deliveries.
- (c) There are no shortfall payments included in the 2021 transition adjustment mechanism (TAM) net power costs forecast for any coal unit except Naughton, as noted in the question. Any shortfall payment increases or decreases included in the power cost adjustment mechanism (PCAM) that were higher or lower than the amount forecast in the applicable TAM would only be included in customers rates if a PCAM rate change occurred due to

UE 375/PacifiCorp
August 17, 2020
ALJ Bench Request 3.3

the triggering of the deadbands, earnings test, and sharing bands which has not occurred previously.

ALJ Bench Request 3.4

Please address how PacifiCorp manages the annual minimum take deliveries from Wolverine for the Huntington plant.

- (a) Please describe the amount of the 2021 delivery that is forecast to be stored as inventory for later use. Please compare this amount with the amount that was stored last year, and the current space available for storage.
- (b) Does the Wolverine contract allow PacifiCorp to refuse delivery and instead make a shortfall payment?
 - i. What is the cost associated with refusing delivery under the Wolverine CSA?
 - ii. Could a shortfall penalty at Huntington be mitigated by using the coal at a different plant or selling the coal?

Confidential Response to ALJ Bench Request 3.4

PacifiCorp's annual fuel delivery plans and schedules take into account and incorporate the annual fuel requirements under Huntington's coal supply agreement (CSA).

- (a) Based on the fuel plan for Huntington as of PacifiCorp's Reply Update in the 2021 transition adjustment mechanism, the beginning inventory at January 1, 2021 is forecast at [REDACTED] tons. Based upon the planned deliveries of [REDACTED] tons and estimated coal consumption of [REDACTED] tons, the projected ending inventory on December 31, 2021, will be approximately [REDACTED] tons. Because the plant's coal inventory capacity is greater than [REDACTED] tons of ending inventory this does not present a coal storage problem for the plant.

- (b) [REDACTED]
 - i. [REDACTED]

ii.



Highlighted information is designated as Protected Information under Order No. 16-128 and may only be disclosed to qualified persons as defined in that order.

CERTIFICATE OF SERVICE

I certify that I delivered a true and correct copy of PacifiCorp's **Responses to Bench Request Set 3** on the parties listed below via electronic mail and/or or overnight delivery in compliance with OAR 860-001-0180.

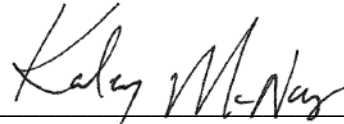
Service List UE 375

AWEC	
BRADLEY MULLINS (C) (HC) MOUNTAIN WEST ANALYTICS 1750 SW HARBOR WAY STE 450 PORTLAND OR 97201 brmullins@mwanalytics.com	BRENT COLEMAN (C) (HC) DAVISON VAN CLEVE, PC 1750 SW HARBOR WAY STE 450 PORTLAND OR 97201 blc@dvclaw.com
TYLER C PEPPLER (C) (HC) DAVISON VAN CLEVE, PC 1750 SW HARBOR WAY STE 450 PORTLAND OR 97201 tcp@dvclaw.com	
CALPINE SOLUTIONS	
GREGORY M. ADAMS (C) RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE ID 83702 greg@richardsonadams.com	GREG BASS CALPINE ENERGY SOLUTIONS, LLC 401 WEST A ST, STE 500 SAN DIEGO CA 92101 greg.bass@calpinesolutions.com
KEVIN HIGGINS (C) ENERGY STRATEGIES LLC 215 STATE ST - STE 200 SALT LAKE CITY UT 84111-2322 khiggins@energystrat.com	
OREGON CITIZENS UTILITY BOARD	
OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 dockets@oregoncub.org	MICHAEL GOETZ (C) (HC) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY STE 400 PORTLAND, OR 97205 mike@oregoncub.org
ROBERT JENKS (C) (HC) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 bob@oregoncub.org	

KWUA	
KWUA KLAMATH WATER USER ASSOCIATION KLAMATH BASIN WATER USER PROTECTIVE ASSOCIATION 2312 SOUTH SIXTH STREET, STE A KLAMATH FALLS OR 97601 assist@kwua.org	PAUL S SIMMONS (C) (HC) SOMACH SIMMONS & DUNN, PC 500 CAPITOL MALL, STE 1000 SACRAMENTO CA 95814 psimmons@somachlaw.com
NIPPC	
CARL FINK BLUE PLANET ENERGY LAW LLC 628 SW CHESTNUT ST, STE 200 PORTLAND OR 97219 cmfink@blueplanetlaw.com	SPENCER GRAY NIPPC sgray@nippc.org
PACIFICORP	
PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND, OR 97232 oregondockets@pacificorp.com	AJAY KUMAR (C) (HC) PACIFICORP 825 NE MULTNOMAH ST STE 2000 PORTLAND, OR 97232 ajay.kumar@pacificorp.com
SIERRA CLUB	
ANA BOYD (C) (HC) SIERRA CLUB 2101 WEBSTER ST STE 1300 OAKLAND CA 94612 ana.boyd@sierraclub.org	GLORIA D SMITH (C) (HC) SIERRA CLUB LAW PROGRAM 2101 WEBSTER ST STE 1300 OAKLAND CA 94612 gloria.smith@sierraclub.org
ROSE MONAHAN (C) (HC) SIERRA CLUB 2101 WEBSTER ST STE 1300 OAKLAND CA 94612 rose.monahan@sierraclub.org	
STAFF	
SCOTT GIBBENS (C) (HC) PUBLIC UTILITY COMMISSION OF OREGON 201 HIGH ST SE SALEM OR 97301 scott.gibbens@state.or.us	SOMMER MOSER (C) (HC) PUC STAFF - DEPARTMENT OF JUSTICE 1162 COURT ST NE SALEM, OR 97301 sommer.moser@doj.state.or.us
VITESSE LLC	
R BRYCE DALLEY (C) FACEBOOK INC 2400 S BERTSINGER RD RIDGEFIELD WA 98642 rbd@fb.com	LIZ FERRELL (C) FACEBOOK, INC. 1 HACKER WAY MENLO PARK CA 94205 eferrell@fb.com

IRION A SANGER (C) SANGER LAW PC 1041 SE 58TH PLACE PORTLAND OR 97215 irion@sanger-law.com	

Dated this 17th day of August, 2020.



Kaley McNay
Coordinator, Regulatory Operations