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October 11, 2021

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem OR 97301

Re: In the Matter of PORTLAND GENERAL ELECTRIC CO.
Detailed Depreciation Study of Electric Utility Properties.
Docket No. UM 2152

Dear Filing Center:

Please find enclosed the Alliance of Western Energy Consumers' Motion to Admit Cross-Examination Exhibits (AWEC/214-225) in the above-referenced docket.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

/s/ Jesse O. Gorsuch
Jesse O. Gorsuch

Enclosures

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2152

In the Matter of)
) MOTION TO ADMIT OF THE
) ALLIANCE OF WESTERN ENERGY
 PORTLAND GENERAL ELECTRIC)
 COMPANY,) CONSUMERS
)
)
 Detailed Depreciation Study of Electric Utility)
 Properties.)
 _____)

The Alliance of Western Energy Consumers (“AWEC”) moves for admission into the record of this proceeding the cross-examination exhibits listed below for the hearing scheduled for October 11, 2021, in the above-referenced Docket. AWEC has informed Portland General Electric (“PGE”) and Oregon Public Utility Commission Staff that it intended to file this motion, but neither party has provided their position on this motion as of its filing.

Good cause exists to admit the cross-examination exhibits described in this Motion. In accordance with the Administrative Law Judge’s August 16, 2021, Ruling establishing a procedural schedule in this above-captioned docket, Stipulating Parties Reply Testimony was due September 29, 2021, and cross-examination statements and exhibits were due October 5, 2021. Given the procedural schedule, AWEC was unable to issue data requests pertaining to the Stipulating Parties Reply Testimony and receive responses in time to meet the October 5th deadline. AWEC issued the data requests one day after the Stipulating Parties’ Reply Testimony was filed, on September 30th, and the Stipulating Parties’ responses were due October 7th. Further, because the exhibits AWEC seeks to admit are all data responses from

either PGE or Staff, neither party will be prejudiced by their admission. As such, good cause exists to admit the cross-examination exhibits described in this Motion.

<u>Exhibit</u>	<u>Description</u>
AWEC/214	PGE Response to AWEC Data Request 065
AWEC/215	PGE Response to AWEC Data Request 066
AWEC/216	PGE Response to AWEC Data Request 067
AWEC/217	PGE Response to AWEC Data Request 070
AWEC/218	PGE Response to AWEC Data Request 071
AWEC/219	PGE Response to AWEC Data Request 072
AWEC/220	PGE Response to AWEC Data Request 073
AWEC/221	PGE Response to AWEC Data Request 074
AWEC/222	PGE Response to AWEC Data Request 075
AWEC/223	PGE Response to AWEC Data Request 076
AWEC/224	OPUC Response to AWEC Data Request 005

<u>Exhibit</u>	<u>Description</u>
AWEC/225	OPUC Response to AWEC Data Request 007

For the reasons set forth above, AWEC respectfully moves for admission into the record of this proceeding the cross-examination exhibits contained in this Motion.

Dated this 11th day of October, 2021.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Tyler C. Pepple

Tyler C. Pepple

1750 SW Harbor Way, Suite 450

Portland, Oregon 97201

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Of Attorneys for the

Alliance of Western Energy Consumers

October 7, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 065
Dated September 30, 2021

Request:

Please confirm that the Stipulating Parties do not dispute that PGE's depreciation study in this case shows a theoretical reserve imbalance of \$685 million. If not confirmed, please state the Stipulating Parties' understanding of the amount of the theoretical reserve imbalance and provide all supporting calculations and workpapers.

Response:

The following is PGE's response to this data request. This response is not on behalf of the Stipulating Parties.

PGE does not dispute that the theoretical reserve imbalance as of the Depreciation Study date to be approximately \$685 million. However, PGE considers the imbalance to be irrelevant in the case of depreciation rate determination. The National Association of Regulatory Utility Commissioners (NARUC) in the Depreciation Manual states: "theoretical reserve studies should not be used to modify the life and net salvage parameters for calculating future depreciation rates."

October 7, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 066
Dated September 30, 2021

Request:

Please confirm that the Stipulating Parties do not dispute that PGE's theoretical reserve imbalance is equivalent to 19% of calculated accumulated depreciation ("CAD"). If not confirmed, please state the Stipulating Parties' understanding of the percentage of CAD the theoretical reserve imbalance represents and provide all supporting calculations and workpapers.

Response:

The following is PGE's response to this data request. This response is not on behalf of the Stipulating Parties.

PGE does not dispute that the theoretical reserve imbalance as of the Depreciation Study date is equivalent to approximately 19% of the total calculated accrued depreciation. However, this percentage is not relevant to the determination of depreciation rates.

October 7, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 067
Dated September 30, 2021

Request:

Please provide all examples the Stipulating Parties are aware of in which a utility's theoretical reserve imbalance was greater than 19% of CAD, along with supporting documentation.

Response:

The following is PGE's response to this data request. This response is not on behalf of the Stipulating Parties.

PGE objects to this request on the basis that it is asking for information that has not been collected by PGE and is not relevant to the determination of depreciation rates. Without waiving and notwithstanding this objection, PGE responds as follows:

There are instances of other utilities that have a very large theoretical reserve imbalance either in excess or deficient of the actual book reserve.

October 7, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 070
Dated September 30, 2021

Request:

Please refer to Stipulating Parties/200 at 31:12.

- a. Does \$600 million represent an annual number? If not, please clarify what this number represents.
- b. Please explain how the Stipulating Parties derived the \$600 million figure. Please include all calculations or other supporting analysis.

Response:

- a. No. The \$600 million referenced in the Stipulating Parties' testimony is not an annual number but rather an approximate total which represents the amount that the theoretical reserve imbalance will total under AWEC's proposal of amortizing the "current" (as of the Depreciation Study date) theoretical reserve imbalance while employing the depreciation rates that have been developed to recover the total investment over the remaining lives of the assets.

However, the remaining life depreciation rates would have to be recalculated if a reserve imbalance was included and if life and net salvage parameters changed. In other words, a reserve imbalance with remaining life rates is not appropriate given the methodology employed with the remaining life depreciation method.

- b. See part a.

October 7, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 071
Dated September 30, 2021

Request:

Please refer to Stipulating Parties/200 at 31:13-14, and Stipulating Parties/200 at 31:19- 32:2.

- a. What data and documentation are necessary for the Stipulating Parties to sufficiently review the correctness and validity of Dr. Kaufman's proposals?
- b. What analysis would the Stipulating Parties perform on the data and documents identified in part a?
- c. Have the Stipulating Parties attempted to obtain the data and documents identified in part a above? If yes, please provide documentation of such efforts.
- d. If the Commission approves the proposals made by Dr. Kaufman, does PGE have the capability to generate mathematically accurate depreciation rates consistent with Dr. Kaufman's proposals? If no, identify each proposal that PGE cannot incorporate into mathematically correct depreciation rates and explain why not.

Response:

The following is PGE's response to this data request. This response is not on behalf of the Stipulating Parties.

- a. To be a complete proposal and analysis, AWEC should have provided recommended depreciation rates as well as all of the bases and assumptions necessary to calculate them which includes the life and net salvage parameters. AWEC should have also provided details regarding the depreciation method, procedure, and techniques used and demonstrated that they are consistent with those generally accepted by FERC and NARUC.
- b. If the proposal had been complete and had included depreciation rates with underlying assumptions, the rates could have been reviewed for consistency with the provided assumptions, as well as evaluated for adherence to accepted methodologies of depreciation. Thus, there is not any analysis that is reasonable given the apparent mixing of methods and procedures set forth by AWEC.
- c. No. See part b of this response.
- d. No. Approval of the proposals would require the calculation of corresponding depreciation rates. Calculation of depreciation rates that correspond to Mr. Kaufman's proposals cannot be performed by PGE, since sufficient underlying assumptions to calculate depreciation rates have not been provided with his proposals. Additionally, as stated above the ability to follow proper authoritative guidelines does not exist with the mixing of methodologies.

October 7, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 072
Dated September 30, 2021

Request:

Please refer to Stipulating Parties/200 at 32:3-8. Please also refer to Stipulating Parties/102, which contains the Stipulating Parties' Proposed Depreciation Rates. For each line containing yellow highlighted data, please identify where Stipulating Parties provided documentation of the calculation of column 8 "Calculated Annual Accrual Amount".

Response:

The following is PGE's response to this data request. This response is not on behalf of the Stipulating Parties.

The depreciation rates proposed by PGE are based on the methodologies and procedures outlined in the Depreciation Study. See Part V of the Depreciation Study for details regarding the calculation of the annual and accrued depreciation. Also, see Part IX of the Depreciation Study that sets forth detailed depreciation calculations.

Where the Stipulation accruals differ from those in the Depreciation Study, the parameters used in the calculation of the Stipulation accrual have been provided and any unspecified parameters can be assumed to remain unchanged from the Depreciation Study. Please refer to the Stipulated Summary Table 1.

October 8, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 073
Dated September 30, 2021

Request:

Please provide PGE's current plant balance and accumulated depreciation for the following accounts:

- a. 311.00
- b. 312.00
- c. Colstrip Decommissioning Accrual (See Stipulating Parties / 102 Meng - Gehrke - Spanos / Page 1)
- d. 314.00
- e. 315.00
- f. 316.00
- g. 373.07
- h. 392.10

Response:

PGE objects to this data request on the basis that it is not relevant and outside the scope of the depreciation study investigated in this docket, and the Stipulation now before the Commission. The depreciation study submitted by PGE is using electric plant balances as of December 31, 2019.

AWEC is welcome to submit this request as part of Docket No. UE 394.

October 8, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 074
Dated September 30, 2021

Request:

Please provide PGE's forecasted plant balance and accumulated depreciation by month for the test year as filed in Docket No. UE 394 the following accounts:

- a. 311.00
- b. 312.00
- c. Colstrip Decommissioning Accrual (See Stipulating Parties / 102 Meng - Gehrke - Spanos / Page 1)
- d. 314.00
- e. 315.00
- f. 316.00
- g. 373.07
- h. 392.10

Response:

PGE objects to this data request on the basis that it is not relevant and outside the scope of the depreciation study investigated in this docket, and the Stipulation now before the Commission. The depreciation study submitted by PGE is using electric plant balances as of December 31, 2019.

AWEC is welcome to submit this request as part of Docket No. UE 394.

October 8, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 075
Dated September 30, 2021

Request:

Please provide PGE's current forecast of future accruals for Colstrip plant as of April 31, 2022.

Response:

PGE objects to this data request on the basis that it is not relevant and outside the scope of the depreciation study investigated in this docket, and the Stipulation now before the Commission. The depreciation study submitted by PGE is using electric plant balances as of December 31, 2019.

AWEC is welcomed to submit this request as part of Docket No. UE 394.

October 8, 2021

To: Jesse O. Gorsuch
Alliance of Western Energy Consumers

From: Jaki Ferchland
Manager, Revenue Requirement

Portland General Electric Company
UM 2152
PGE Response to AWEC Data Request 076
Dated September 30, 2021

Request:

Please provide PGE's current forecast of future accruals for Colstrip Decommissioning as of April 31, 2022.

Response:

PGE objects to this data request on the basis that it is not relevant and outside the scope of the depreciation study investigated in this docket, and the Stipulation now before the Commission. The depreciation study submitted by PGE is using electric plant balances as of December 31, 2019.

AWEC is welcomed to submit this request as part of Docket No. UE 394.

UM 2152 – OPUC Responses to AWEC Second Set of Data Request 002-009
Page 1

Date: October 8, 2021

TO: AWEC
Davison Van Cleve PC
Attorneys at Law
1750 SW Harbor Way Suite 450
Portland OR 97201

FROM: Ming Peng
OPUC Staff
Energy Rates, Finance and Audit Division

OREGON PUBLIC UTILITY COMMISSION
Docket No. UM 2152 – AWEC’s Second Set of Data Request No 05.

Data Request No 05.

05. Referring to Stipulating Parties/200 at 27:1-4, please provide all information on which the Stipulating Parties relied for their statement that a 25-R1 survivor curve for Account 344.01 “is within the range of majority industry statistic[s] and meets the wind power industry expectation.”

Staff Response No 05:

05. Staff does not speak on behalf of the Stipulating Parties. That notwithstanding, Staff evaluated PGE’s curve life combination in a statistical model, finding that the curve fitting Residual (SSR) for R1-25 showed a significantly better fit for a set of observations, and it has 22 percent less residual than does the curve of R3-35. This is discussed in Stipulating Parties/100, Peng – Gehrke – Spanos/7-8.

UM 2152 – OPUC Responses to AWEC Second Set of Data Request 002-009
Page 1

Date: October 8, 2021

TO: AWEC
Davison Van Cleve PC
Attorneys at Law
1750 SW Harbor Way Suite 450
Portland OR 97201

FROM: Ming Peng
OPUC Staff
Energy Rates, Finance and Audit Division

OREGON PUBLIC UTILITY COMMISSION
Docket No. UM 2152 – AWEC’s Second Set of Data Request No 07.

Data Request No 07:

07. Please refer to Stipulating Parties/200 at 31:12.
- a. Does \$600 million represent an annual number? If not, please clarify what this number represents.
 - b. Please explain how the Stipulating Parties derived the \$600 million figure. Please include all calculations or other supporting analysis.

Staff Response No 07:

07. a. No. this is an accumulative number.
- b. The cited passage of the stipulating parties testimony states “more than \$600 million” is in reference to the \$685 million theoretical reserve imbalance cited in Mr. Kaufman’s testimony. It is not an annual number. If Mr. Kaufman’s proposal related to the theoretical reserve imbalance were used and depreciation rates not recalculated to reflect this adjustment in accumulated depreciation, then the resultant depreciation rates would significantly under-recover depreciation over the lives of the Company’s assets. Mr. Kaufman himself shows how this number is calculated in AWEC/104, Kaufman/1.