



# Oregon

John A. Kitzhaber, MD. Governor

## Public Utility Commission

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July 11, 2012

### ***Via Electronic Filing and U.S. Mail***

OREGON PUBLIC UTILITY COMMISSION

ATTENTION: FILING CENTER

PO BOX 2148

SALEM OR 97308-2148

**RE: Docket No. UE 245 - In the Matter of PACIFICORP dba PACIFIC  
POWER 2013 Transition Adjustment Mechanism**

Enclosed for filing are replacement pages for Staff/100 pages 7 and 8 which contain the result of an incorrect calculation. Enclosed are the corrected confidential Pages 7 and 8. The redacted versions do not change from the originals, which were filed on June 6, 2012.

Also enclosed is a confidential CD containing an Excel file with the correct calculation. See cell R-196 of the Summary worksheet, which essentially replaces cell N-196. Finally, enclosed is a corrected (non-confidential) Page 23, which corrects figures on Lines 12 and 13 and adds a sentence beginning on Line 14.

Thank you for your attention.

Stephen Schue

Senior Economist

Public Utility Commission

(503) 378-6667

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c: UE 245 Service List (parties)

1 A. The Company first performs a detailed analysis of historical forced outage data  
2 from the four-year period beginning in July 2007. The results of this detailed  
3 analysis are then used in GRID. The resulting decreases in hydro output  
4 increase NPC by \$2.0 million on a system basis.

5 **Q. WHY DO YOU DISAGREE WITH THE COMPANY'S MODELING OF**  
6 **FORCED HYDRO OUTAGES?**

7 A. Although the Company carefully performed a detailed analysis, which was  
8 included in the work papers supporting the initial filing, the approach has a  
9 serious flaw. The flaw is that the results are driven by a small number of  
10 "outlier" events. Of the 1,120 outage days at various plants included in the  
11 analysis, 411 days are associated with only two events, each lasting more than  
12 half a year. Another 213 days are associated with a related series of outages  
13 at several facilities on the Umpqua River, all lasting at least 18 days, and all  
14 beginning on the same date. Other events lasting more than 10 days sum to  
15 130 days. These "outlier" events comprise 754 of the total 1,120 days, or 67  
16 percent. In Order 10-414 (Docket UM 1355), the Commission provides a  
17 methodology under which "outlier" events are excluded from the calculation of  
18 forced outage rates at coal plants. Extreme events should also be excluded  
19 from hydro forced outage rates.

20 **Q. WHAT IS YOUR RECOMMENDATION FOR EXCLUDING "OUTLIER"**  
21 **EVENTS FROM THE COMPANY'S 2013 TEST YEAR NPC CALCULATION?**

UE 245  
SERVICE LIST (PARTIES)

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CERTIFICATE OF SERVICE

UE 245

I certify that I have, this day, served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-001-0180, to the following parties or attorneys of parties.

Dated this 11th day of July, 2012 at Salem, Oregon

A handwritten signature in cursive script that reads "Kay Barnes".

Kay Barnes  
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