

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1081

In the Matter of An Investigation into Direct)
Access Issues for Industrial and Commercial)
Customers under SB 1149)
)
)
_____)

SUPPLEMENTAL TESTIMONY OF

LINCOLN WOLVERTON

ON BEHALF OF

THE INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES

JULY 12, 2004

1 **Q. PLEASE STATE YOUR NAME AND PROVIDE YOUR BUSINESS**
2 **ADDRESS.**

3 **A.** My name is Lincoln Wolverton and my business address is East Fork Economics,
4 Post Office Box 620, 35011 North Fork Rd., La Center, Washington 98629. I
5 previously submitted Direct Testimony in this proceeding on May 27, 2004.

6 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

7 **A.** To provide a comparison by month of the delivered cost of power for a Schedule
8 48T customer taking service under the cost-of-service rate and under direct access
9 based on the Company's Transition Adjustment proposed in their rebuttal
10 testimony. I provide this comparison because PacifiCorp did not include such a
11 comparison in their rebuttal testimony or in response to a discovery request from
12 the Industrial Customers of Northwest Utilities ("ICNU").

13 In PacifiCorp's direct testimony in this proceeding, PacifiCorp provided
14 exhibits that compared the current and the Company's then proposed Transition
15 Adjustment by month, by on-peak and off-peak hours, by Rate Schedule, and
16 Delivery Voltage from November 2003. PPL/200, Apperson/9-10; PPL/202;
17 PPL/203. PacifiCorp also provided an exhibit that calculated the difference
18 between the two schedules. PPL/200, Apperson/10; PPL/204. These exhibits
19 became obsolete when PacifiCorp abandoned its original Transition Adjustment
20 and proposed a new Transition Adjustment in its rebuttal testimony. PacifiCorp's
21 rebuttal testimony did not include exhibits that compared or calculated the
22 difference between the total cost-of-service rate and the total rate under the
23 Company's new Transition Adjustment.

1 In ICNU Data Request 5.1, ICNU requested that PacifiCorp provide a
2 comparison of the cost of power for a direct access customer using its newly
3 proposed Transition Adjustment with a cost-of-service rate. PacifiCorp refused to
4 perform the analysis and provided ICNU with the workpapers necessary to
5 perform the analysis. The data request and PacifiCorp's response (with the
6 voluminous workpapers omitted) are attached as Exhibit ICNU/106.

7 Exhibit ICNU/107 is my calculation that compares the monthly delivered
8 cost of power for a Schedule 48T customer taking service under the cost-of-
9 service rate and under direct access utilizing PacifiCorp's newly proposed
10 Transition Adjustment. I assumed that the energy price for the direct access
11 purchase is made at the forward market price curve used to set the Transition
12 Adjustment. In preparing Exhibit ICNU/107, I utilized PacifiCorp's cost-of-
13 service rates that are publicly available and the discovery material provided by the
14 Company to ICNU in this proceeding. Exhibit ICNU/107 includes a comparison
15 of the percentage difference between the Company's cost-of-service rate, the
16 Company's new Transition Adjustment and the ICNU Transition Adjustment.
17 The calculation that I performed is essentially the same calculation that
18 PacifiCorp declined to perform in response to ICNU's discovery request.

19 I also updated my calculations regarding the Transition Adjustment
20 proposed by ICNU with the information contained in the Company's testimony.
21 In Exhibit ICNU/107 and Exhibit ICNU/108, I update the Transition Adjustment
22 from my direct testimony with the forward price information. Exhibit ICNU/108
23 was developed from a spreadsheet provided by the Company that provides sample

1 transition adjustments for the Company's current Transition Adjustment, the
2 Kickstart program, and its newly proposed Transition Adjustment. I simply
3 removed the Kickstart information and added the ICNU Transition Adjustment to
4 this spreadsheet with the updated forward price information.

5 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL**
6 **TESTIMONY?**

7 **A.** Yes.