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DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

September 9, 2009

Public Utility Commission of Oregon
Administrative Hearings Division
550 Capitol St NE – Suite 215
Salem OR 97301

Re: UM 1355 - Staff's errata (missing page)

Dear Filing Center:

On August 31, 2009 staff filed an errata concerning testimony found at Staff/300, Brow/4-5 and 18. While staff included an explanatory document indicating how staff's testimony was being corrected, staff's cover letter inadvertently failed to include the reference to Staff/300, Brown/18 and did not include a clean copy of that page as corrected. Accordingly, staff is filing with this cover letter a clean, corrected copy of Staff/300, Brown/18, line 3, and the corresponding change to footnote 18 (reflecting that "20 percent" is amended to say "19 percent").

Sincerely,

Michael T. Weirich
Assistant Attorney General
Regulated Utility & Business Section

MTW:nal/1615966-v1
Enclosure
C: Service list

1 A. Yes. However, as I showed previously, the PacifiCorp methodology improves
2 the accuracy on average by approximately 18 percent, while the Collar
3 methodology showed an overall improvement of approximately 19 percent.¹⁸

4 **ICNU Recommendations**

5 **Q. DOES PACIFICORP ADDRESS THE ICNU RECOMMENDATIONS**
6 **ASSOCIATED WITH THE HEAT RATE CURVE ADJUSTMENT AND THE**
7 **MINIMUM OPERATING CAPACITY ADJUSTMENT IN ITS**
8 **SUPPLEMENTAL TESTIMONY?**

9 A. Yes. Mr. Duvall addresses these issues at PPL/405/Duvall/16-20.

10 **Q. PLEASE SUMMARIZE ICNU'S RECOMMENDATION ASSOCIATED WITH**
11 **THE HEAT RATE CURVE ADJUSTMENT.**

12 A. ICNU recommends that PacifiCorp be required to adjust the heat rate curve of
13 its thermal facilities so that "...it produces the same heat consumption at the
14 derated maximum and minimum capacities as the unit would actually
15 experience in normal operations..."¹⁹

16 **Q. WHAT IS A HEAT RATE CURVE?**

17 A. A heat rate curve is the input/output relationship for a generating unit.
18 Generally, thermal units show a declining amount of thermal energy needed as
19 output rises; they become more efficient at converting fuel into energy as the
20 output increases. When PacifiCorp's model derates the maximum capacity of
21 the unit, (i.e. 600 MW to 540 MW) the corresponding heat rate indicates the

¹⁸ The 18 and 19 percent improvement of the simple four-year average is calculated by comparing the three error terms of the four year average to the respective outlier methodology error terms.

¹⁹ See ICNU/100/Falkenberg/55.

1 **CERTIFICATE OF SERVICE**

2 I certify that on September 8, 2009, I served the foregoing Staff's Errata (missing pages)
3 upon all parties of record in this proceeding by delivering a copy by electronic mail and by
4 mailing a copy by postage prepaid first class mail or by hand delivery/shuttle mail to the parties
5 accepting paper service.

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