

PAC Draft Report Comments

Docket Number: ASC-09-PA-01

- PacifiCorp reserves the right to bring an administrative or judicial appeal of the specific issues identified herein regarding the Draft ASC Report. In addition, PacifiCorp reserves the rights to bring an administrative or judicial appeal with regard to any new issues that are not included in the Draft ASC Report but arise as a result of a change included in the Final ASC Report.
- The portion of the Oregon Public Purpose Charge allocated to Low Income Housing Rehabilitation is functionalized to Distribution in Dockets ASC-09-PA-01, ASC-09-PG-01 and ASC-10-PA-01. In Docket ASC-10-PG-01 it is functionalized to Production. PacifiCorp believes that it should be treated consistently in all four Dockets and recommends a functionalization of Distribution.
- The Draft Decision states “Account 1823040, costs associated with the Oregon’s Restructuring Law, will be functionalized to Distribution.” (Page 41) In addition, Account 187003 is functionalized to Distribution because “Costs associated with Oregon’s Restructuring Law will be functionalized to Distribution.” (Page 42)

PacifiCorp continues to assert that the correct functionalization for these two accounts is Production. Bonneville asserts on page 40 that “The costs associated with Oregon’s Electric Restructuring Law, however, relate to the retail side of the business and do not pertain to the production or transmission of electricity.” This assertion is incorrect. As stated in the same paragraph the “Law allows a customer the choice of electricity producer.” When a customer chooses an electricity producer other than PacifiCorp this frees up the electricity previously used by them to be sold on the short term market and thus directly decreases PacifiCorp’s ASC. The underlying theme throughout the Generic Issue List (Section 6.1) is that similar accounts should receive similar functionalization. In this case savings associated with Oregon’s Electric Restructuring Law reduce the Production component of PacifiCorp’s ASC. The costs associated with Oregon’s Electric Restructuring Law should similarly be functionalized to Production.

- Based on the materiality tests as defined by the 2008 ASCM, changes in the Base Period ASC, market price forecast, natural Gas price forecast, fuel costs, and Expected Annual Generation (MWhs) have resulted in some of the new resource additions to be immaterial at either the 0.5% or the 2.5% thresholds. PacifiCorp therefore requests that BPA regroup the resources in the following Groups and online dates.

	Online Date	Materiality Test	Materiality	Grouping	Group – Online Date
Lake Side Capital Building	6/30/2007	0.97%	Material	Group A	06/01/08
Blundell Bottoming Cycle	11/30/2007	0.17%	Immaterial		
CHOLU4 CAI Environmental Projects	5/30/2008	1.02%	Material	Group A	06/01/08
Goodnoe Hills Wind Project (94 MW)	6/1/2008	0.60%	Material	Group A	06/01/08
Marengo	8/1/2008	0.80%	Material	Group C	09/01/08
Chehalis (525 MW)	9/30/2008	3.21%	Material	Group B	09/01/08
Hydro Relicensing	9/30/2008	0.23%	Immaterial		
Rolling Hills Wind Project PJ (99 MW)	1/31/2009	0.86%	Material	Group C	1/31/09
Glenrock Wind Plant (99 MW)	12/31/2008	0.81%	Material	Group C	1/31/09
Seven Mile Hill Wind Plant (99 MW)	12/31/2008	0.77%	Material	Group C	1/31/09
GLENROCK III WIND PROJECT	12/31/2008	0.30%	Immaterial		
SEVEN MILE HILL II WIND PROJECT	12/31/2008	0.16%	Immaterial		
Highplains I Wind Project	10/15/2009	0.99%	Material		

Grouping	Group – Online Date	Materiality Test
Group A	06/01/08	2.59%
Group B	09/01/08	3.21%
Group C	1/31/09	3.24%

In addition, the Expected Annual Generation (MWhs) for Chehalis must be updated to more accurately reflect its operating characteristics (535 MW * 42.01% * 8760 * 39.9%) = 770,883 not the 1,062,140 resulting from a bad excel link.

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- The portion of the Oregon Public Purpose Charge allocated to Low Income Housing Rehabilitation is functionalized to Distribution in Dockets ASC-09-PA-01, ASC-09-PG-01 and ASC-10-PA-01. In Docket ASC-10-PG-01 it is functionalized to Production. PacifiCorp believes that it should be treated consistently in all four Dockets and recommends a functionalization of Distribution.

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- The Draft Decision states “Costs associated with the Oregon’s Restructuring Law, will be functionalized to Distribution.” (Page 34). PacifiCorp continues to assert that the correct functionalization for these two accounts is Production. Bonneville asserts on page 34 that “The costs associated with Oregon’s Electric Restructuring Law, however, relate to the retail side of the business and do not pertain to the production or transmission of electricity.” This assertion is incorrect. As stated in the same paragraph the “Law allows a customer the choice of electricity producer.” When a customer chooses an electricity producer other than PacifiCorp this frees up the electricity previously used by them to be sold on the short term market and thus directly decreases PacifiCorp’s ASC. The underlying theme throughout the Generic Issue List (Section 6.1) is that similar accounts should receive similar functionalization. In this case savings associated with Oregon’s Electric Restructuring Law reduce the Production component of PacifiCorp’s ASC. The costs associated with Oregon’s Electric Restructuring Law should similarly be functionalized to Production.
- Based on the materiality tests as defined by the 2008 ASCM, changes in the Base Period ASC, market price forecast, natural Gas price forecast, fuel costs, and Expected Annual Generation (MWhs) have resulted in some of the new resource additions to be immaterial at either the 0.5% or the 2.5% thresholds. PacifiCorp therefore requests that BPA regroup the resources in the following Groups and online dates.

	Online Date	Materiality Test	Materiality	Grouping	Group – Online Date
CHOLU4 CAI Environmental Projects	5/30/2008	0.94%	Material	Group A	10/01/08
Goodnoe Hills Wind Project (94 MW)	6/1/2008	0.52%	Material	Group A	10/01/08
Marengo	8/1/2008	1.18%	Material	Group A	10/01/08
Chehalis (525 MW)	9/30/2008	1.81%	Material	Group A	10/01/08
Hydro Relicensing	9/30/2008	0.23%	Immaterial		
Rolling Hills Wind Project PJ (99 MW)	1/31/2009	0.76%	Material	Group B	11/1/09
Glenrock Wind Plant (99 MW)	12/31/2008	0.70%	Material	Group B	11/1/09
Seven Mile Hill Wind Plant (99 MW)	12/31/2008	0.67%	Material	Group B	11/1/09
GLENROCK III WIND PROJECT	12/31/2008	0.34%	Immaterial		
SEVEN MILE HILL II WIND PROJECT	12/31/2008	0.18%	Immaterial		
Highplains I Wind Project	10/15/2009	0.87%	Material	Group B	11/1/09

Grouping	Group – Online Date	Materiality Test
Group A	06/01/08	4.45%
Group B	11/01/09	3.00%

In addition, the Expected Annual Generation (MWhs) for Chehalis must be updated to more accurately reflect its operating characteristics (535 MW * 42.01% * 8760 * 39.9%) = 770,883 not the 1,062,140 resulting from a bad excel link.

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Docket Numbers: ASC-09-AV-01, ASC-09-IP-01, ASC-09-FR-01,
ASC-09-NW-01, ASC-09-PS-01, ASC-10-AV-01, ASC-10-IP-01,
ASC-10-FR-01, ASC-10-NW-01, ASC-10-PS-01, ASC-10-SN-01

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