

June 1, 2020

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398

RE: UE 374—PacifiCorp’s Response in Opposition to Sierra Club’s Motion for Extension of Time to File Opening Testimony

PacifiCorp d/b/a Pacific Power encloses for filing its response to Sierra Club’s motion for an extension to file opening testimony in the above-referenced docket.

Please direct any informal inquiries regarding this filing to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,



Michael Wilding
Director, Net Power Costs & Regulatory Policy

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 374

In the Matter of

PACIFICORP, d/b/a PACIFIC POWER,

Request for a General Rate Increase.

**PACIFICORP’S RESPONSE IN
OPPOSITION TO SIERRA CLUB’S
MOTION FOR EXTENSION OF TIME
TO FILE OPENING TESTIMONY**

I. INTRODUCTION

On May 29, 2020, Sierra Club filed an Expedited Motion For Extension to File Opening Testimony and Exhibits, seeking to move the filing date for Staff’s and intervenors’ opening testimony from Thursday, June 4, 2020, to Wednesday, June 10, 2020. Only one party, the Oregon Citizens’ Utility Board (CUB), supports Sierra Club’s motion. PacifiCorp opposes the extension because it is based on flawed rationale and the extension would disrupt the schedule in the case in a manner prejudicial to PacifiCorp. In the alternative, PacifiCorp requests that the extension be limited to testimony from Sierra Club and CUB directly related to depreciation and decommissioning issues and PacifiCorp be given a similar extension of six days to file its reply testimony on these issues. All other testimony from these parties and from Staff and other intervenors should still be filed as scheduled on June 4, 2020.

II. BACKGROUND

On February 14, 2020, PacifiCorp filed this general rate case. Under the schedule issued on March 6, 2020, the target date for a final order is December 16, 2020. To accommodate five rounds of testimony and a hearing in early September, there is very little

1 flexibility in the schedule; for example, PacifiCorp has only three weeks (until
2 June 25, 2020), to file its reply testimony in this case.

3 In docket UE 374, PacifiCorp has requested that the Commission implement the
4 process in Section 4.1 of the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol (2020
5 Protocol),¹ by which a commission may issue “Exit Orders” that provide for specific “Exit
6 Dates.”² An Exit Order approves a state’s discontinuation of the use of an existing resource
7 and excludes the costs and benefits of that resource on a date certain; an Exit Date means the
8 date on which PacifiCorp will discontinue the allocation and assignment of costs and benefits
9 of that resource to the state issuing the Exit Order.³ The 2020 Protocol sets forth proposed
10 Oregon Exit Dates for all of PacifiCorp’s coal-fired resources, with the exception of the
11 Hayden plant (i.e., 23 of PacifiCorp’s 24 coal-fired resources). PacifiCorp has requested Exit
12 Orders reflecting the proposed Oregon Exit Dates.⁴

13 The 2020 Protocol also addresses responsibility for decommissioning costs for coal-
14 fired resources subject to an Exit Order, and PacifiCorp has asked the Commission to
15 allocate decommissioning costs to Oregon according to the 2020 Protocol.⁵

16 On March 31, 2020, PacifiCorp filed an unopposed motion expanding the scope of
17 docket UE 374 to include a determination of the depreciation rates for PacifiCorp’s coal-fired
18 resources and allow PacifiCorp to supplement its filing with materials now on file in docket
19 UM 1968, PacifiCorp’s pending application for revised depreciation rates. Sierra Club is not
20 a party to docket UM 1968.

¹ The Commission adopted the 2020 Protocol on January 23, 2020. *In the Matter of PacifiCorp, dba Pacific Power, Request to Initiate an Investigation of Multi-Jurisdictional Issues and Approve an Inter-Jurisdictional Cost Allocation Protocol*, Docket No. UM 1050, Order No. 20-024 (Jan. 23, 2020).

² Direct Testimony of Etta Lockey, PAC/200, Lockey/15.

³ *Id.* at PAC/200, Lockey/13.

⁴ *Id.* at PAC/200, Lockey/14-15.

⁵ *Id.* at PAC/200, Lockey/21-22.

1 PacifiCorp identified with specificity all of the testimony, exhibits and studies it
2 sought to move from docket UM 1968 to docket UE 374. PacifiCorp explained that in
3 docket UE 374, PacifiCorp asks the Commission implement the 2020 Protocol and address
4 both useful lives and decommissioning costs for PacifiCorp’s coal-fired generation resources.
5 The requested Exit Orders will set an Exit Date, which will determine the remaining life of
6 PacifiCorp’s coal-fired resources for purposes of serving Oregon customers. For judicial
7 efficiency and to avoid inconsistent orders, PacifiCorp proposed to expand the scope of
8 docket UE 374 to include determining the depreciation rates for its coal-fired resources,
9 bifurcating that issue from others pending before the Commission in docket UM 1968.

10 As noted above, the issues bifurcated and transferred to docket UE 374 from docket
11 UM 1968—the depreciable lives of PacifiCorp’s coal-fired resources and the allocation of
12 decommissioning costs—are addressed in this case as set forth in the 2020 Protocol. Many
13 of the key parties to this case, including CUB and Sierra Club, signed a stipulation
14 supporting the 2020 Protocol which binds them to support the proposed resolution of the
15 coal-related depreciation and decommissioning issues in docket UE 374.⁶

16 On April 2, 2020, the Commission granted PacifiCorp’s motion to expand the scope
17 of this docket, allowing PacifiCorp to transfer the identified filings from docket UM 1968 to
18 docket UE 374. On May 28, 2020, PacifiCorp made its compliance filing in this docket.
19 Because the documents to be transferred were clearly identified and available in docket
20 UM 1968 and because the motion was uncontroverted, PacifiCorp viewed this as a non-time-
21 sensitive, pro forma compliance filing.

⁶ Stipulation among PacifiCorp, Staff, CUB, AWEC and Sierra Club, Docket No. UM 1050 (Dec. 30, 2019).

1 **III. ARGUMENT**

2 **A. Sierra Club Has Not Articulated a Valid Basis for Extending the Schedule.**

3 Sierra Club’s motion is based on PacifiCorp’s recent compliance filing adding certain
4 documents filed in docket UM 1968 to this case. Without explaining exactly why the
5 compliance filing has changed anything, Sierra Club simply points to the number of pages in
6 the filing (2,000, most of which are PacifiCorp’s depreciation studies) and the timing of the
7 filing as a basis for its motion. A deeper look, however, demonstrates that this is a pretext
8 for seeking a more general extension of time.

9 First, Sierra Club did not intervene in docket UM 1968 and has not served any
10 discovery in this case related to the issues raised in that docket. Sierra Club did not oppose
11 PacifiCorp’s motion to transfer the issues from docket UM 1968 to this case, never requested
12 that PacifiCorp file the documents from docket UM 1968 in advance of the parties’ opening
13 testimony, and never claimed that its access to these documents was in any way limited.
14 Indeed, the Sierra Club’s communication on May 29, 2020, was the first expression of
15 interest in the Company’s 2018 Depreciation Study by Sierra Club.

16 Second, the depreciation and decommissioning issues transferred from docket UM
17 1968 were already raised in this case. The reason for the transfer in the first place was that
18 the issues were overlapping between the two dockets. Thus, if Sierra Club truly intended to
19 weigh in on these issues, its testimony should have been timely prepared based on the
20 existing record in docket UE 374.

21 Third, PacifiCorp has proposed to resolve the depreciation and decommissioning
22 issues in this case under the 2020 Protocol. Because Sierra Club signed a stipulation in
23 support of the 2020 Protocol in docket UM 1050, it is bound to support it here. This is

1 contrary to Sierra Club’s implicit suggestion that it needs more time to contest PacifiCorp’s
2 proposals on depreciation and decommissioning in this case.

3 **B. An Extension of Time Would Disrupt the Schedule in a Manner Prejudicial to**
4 **PacifiCorp.**

5 The schedule in this case was extensively negotiated among the parties. The
6 timelines are tight and do not provide flexibility for schedule changes simply because a party
7 would like additional time. Under the current schedule, PacifiCorp has three weeks to file its
8 reply testimony with a settlement conference set in the middle of this period; Sierra Club’s
9 motion proposes to reduce that to 15 days. Given the number of parties and potential issues
10 in this case, this time period is wholly inadequate. Sierra Club’s motion is prejudicial to
11 PacifiCorp and should be denied.

12 **C. PacifiCorp Does Not Oppose Modification of the Procedural Schedule to Address**
13 **the Independent Evaluator’s Review of Decommissioning Costs.**

14 If Sierra Club’s concern is its ability to review testimony related to the Company’s
15 decommissioning studies filed in docket UM 1968, PacifiCorp is aware that the anticipated
16 timing required for the independent evaluator to complete its review may necessitate a
17 modification of the schedule to address the decommissioning costs. PacifiCorp is aware that
18 Staff anticipates requesting a modification to the procedural schedule to address this issue in
19 the near future. If this is the concern underlying Sierra Club’s request, PacifiCorp does not
20 oppose an extension limited to that issue.

21 **D. Any Extension Should be Limited to Depreciation and Decommissioning**
22 **Testimony From Sierra Club and CUB, and PacifiCorp Should Be Given an**
23 **Additional Six Days for its Reply.**

24 If the Commission is inclined to consider Sierra Club’s motion, PacifiCorp requests
25 that any extension be strictly limited to the depreciation and decommissioning issues
26 addressed in the documents from docket UM 1968. The issues are discrete and there is no

1 basis for an extension of time on other issues or for other parties who have not joined the
2 motion. In addition, PacifiCorp should be given a day-for-day extension on its reply
3 testimony on these issues to mitigate the prejudice associated with this extension.

4 **IV. CONCLUSION**

5 For the reasons stated above, Sierra Club’s motion for extension should be denied. In
6 the alternative, the extension should be limited to depreciation and decommissioning issues,
7 apply only to Sierra Club and CUB, and PacifiCorp should receive the same extension for its
8 reply testimony.

Respectfully submitted this 1st day of June, 2020.



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