

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 374**

In the Matter of	)	
	)	
PACIFICORP, dba PACIFIC POWER,	)	OREGON CITIZENS' UTILITY
	)	BOARD'S REPLY TO PACIFICORP
Request for a General Rate Revision.	)	BENCH RESPONSE 4.3
_____	)	

**I. INTRODUCTION**

Pursuant to Administrative Law Judge (ALJ) Lackey's November 20, 2020 Bench Request, the Oregon Citizens' Utility Board (CUB) submits this Reply to PacifiCorp's (the Company) Bench Request Response 4.3. ALJ Bench Request 4.3 reads:

*For the SCRs on each Jim Bridger Unit 3 and 4, provide an illustrative calculation showing the annual depreciation of the SCR investments on each unit for each year for the period from January 1, 2021, over the remaining life assumed in the company's modeling used to determine cost effectiveness of each SCR (i.e., 2032). Please provide these depreciation schedules on a company-wide and Oregon-allocated basis.*

CUB files this Reply to provide clarity on the Company's Response, which provided illustrative data beyond the scope of that requested in ALJ Bench Request 4.3.

The Company provides an illustrative example of 5-year straight line depreciation expense for Jim Bridger Units 3 and 4 on both a total company and Oregon-allocated basis.<sup>1</sup> CUB recommends that the Commission disregard this illustrative example for the following reasons:

- It is not the illustrative example the ALJ Bench Request sought. It does not reflect the "remaining useful life assumed in the company's modeling used to determine the cost effectiveness of each SCR, and it does not reflect a useful life of 2032."<sup>2</sup> The

---

<sup>1</sup> UE 374 – PacifiCorp Response to ALJ Bench Request 4.3, Attachment Bench Request 4.3 at 1.

<sup>2</sup> UE 374 – ALJ Bench Request 4.3.

Company did **not** model the cost effectiveness of the SCR investment based on a useful life of 2025.<sup>3</sup>

- It is not consistent with the forecasted depreciation expense that was contained in PacifiCorp's case. CUB/410 includes Attachment CUB 16, 1<sup>st</sup> Supplemental, a supplemental data response from PacifiCorp to CUB. While CUB/410 includes some additional calculations added by CUB, the column labeled OR Allocated Bridger U3 & U4 SCR Estimated Depreciation Expense Based on Oregon Lives is from the original response by PacifiCorp. This shows that the 2021 forecasted depreciation expense is \$4,625,390.<sup>4</sup> This reflects the amount that was included in PacifiCorp rate case request. Note 3 explaining this column was also in the original PacifiCorp data response and identifies this number as the depreciation expense allocated to Oregon based on the Oregon depreciable life for the Jim Bridger plant. In its response to the Bench Request Reponse 4.3, PacifiCorp identifies the depreciation expense associated with a 5-year depreciation as \$8,639,064 (\$3.9 million plus 4.7 million). After CUB placed this Data Response on the record in our Rebuttal Testimony, the Company did not offer any correction. Nor did it offer any supplements to its Data Reponse 16. PacifiCorp has not reconciled this discrepancy on the record.
- CUB's evaluation of PacifiCorp Data Response 16, 1<sup>st</sup> Supplemental demonstrated that the ~\$4.6 million depreciation expense<sup>5</sup> that was included in the rate filing would not retire the cost of the SCR in 2025, but was based on depreciating the investment by 2030, consistent with the SB 1547 deadline. CUB is concerned that the Company calculated the depreciation expense based SB 1547, not on the Oregon depreciable life of the Bridger plant and is attempting to use this Bench Request Response to correct that error.

Dated this 7<sup>th</sup> day of December, 2020.

Respectfully submitted,



Bob Jenks  
Executive Director  
Oregon Citizens' Utility Board  
610 SW Broadway, Ste. 400  
Portland, OR 97205  
T. 503.227.1984  
E. bob@oregoncub.org

---

<sup>3</sup> UE 374 – CUB's Reply Brief at 6-7.

<sup>4</sup> UE 374 – CUB/410/Jenks/1. CUB notes that while this information comes from an exhibit that was labeled confidential, this information specifically is not confidential in nature.

<sup>5</sup> UE 374 – CUB/400/Jenks/56.