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October 13, 2022

***Via Electronic Filing***

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High St. SE, Suite 100  
Salem, OR 97301

Re: In the Matter of PACIFICORP d/b/a PACIFIC POWER  
Request for a General Rate Revision  
**Docket No. UE-399**

Dear Filing Center:

Please find enclosed for filing the Opening Brief of the Klamath Water Users Association (KWUA) and the Oregon Farm Bureau Federation (OFBF).

Thank you. If you have any questions, please contact the undersigned.

Sincerely,

Crystal Rivera, Secretary to  
Paul S. Simmons

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UE 399**

In the Matter of

PACIFICORP, d/b/a PACIFIC POWER,

Request for a General Rate Revisions

**OPENING BRIEF**

**OF THE**

**KLAMATH WATER USERS ASSOCIATION**

**AND THE OREGON FARM BUREAU FEDERATION**

**October 13, 2022**

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Pursuant to the Ruling issued by Administrative Law Judge (ALJ) Katharine Mapes in this proceeding on October 6, 2022,<sup>1</sup> the Klamath Water Users Association (KWUA) and the Oregon Farm Bureau Federation (OFBF) hereby submit their Opening Brief.

## I. INTRODUCTION

On March 1, 2022, PacifiCorp d/b/a Pacific Power (“PacifiCorp” or the “Company”) filed a request for a general rate revision, requesting an increase in rates of approximately \$82.2 million to go into effect on January 1, 2023.<sup>2</sup> This increased annual revenue requirement would result in an average rate increase across all of the Company’s Oregon customers of approximately +6.6% on a net rates basis.<sup>3</sup> However, as part of its March 1 rate filing, PacifiCorp proposed to increase the Schedule 41 rate that is applicable to agricultural pumping and drainage customers by an average of +13.2% on a net rates basis.<sup>4</sup>

On July 19, 2022, the Company filed its reply testimony in this proceeding whereby it modified its requested rate increase to approximately \$86.4 million.<sup>5</sup> This increased annual revenue requirement would result in an average rate increase across all of the Company’s Oregon customers of approximately +6.9% on a net rates basis.<sup>6</sup> However, as part of this filing PacifiCorp proposed to increase the Schedule 41 rate by an average of +10.4% on a net rates basis.<sup>7</sup>

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<sup>1</sup> Procedural Scheduling Motion Granted in Part; Expedited Answer Ordered on Remainder (Oct. 6, 2022).

<sup>2</sup> Advice No. 22-002/Docket UE 399 – PacifiCorp’s Request for a General Rate Revision (Mar. 1, 2022). See PAC/100, Steward/3.

<sup>3</sup> *Ibid.*

<sup>4</sup> PAC/1110, Meredith/1.

<sup>5</sup> UE 399 – PacifiCorp Reply Testimony and Exhibits. See PAC/1200, Steward/3.

<sup>6</sup> PAC/2106, Meredith/1.

<sup>7</sup> *Ibid.*

On August 25, 2022, parties in this proceeding filed the First Partial Stipulation that settled multiple issues associated with the Company's proposal to recover in rates certain wildfire mitigation and vegetation management (WFVM) related costs.<sup>8</sup> KWUA/OFBF were not signatories to the First Partial Stipulation; however, KWUA/OFBF did not object to this stipulation agreement.

On August 25, 2022, parties in this proceeding filed the Second Partial Stipulation that settled multiple issues associated with the Company's proposed 2023 Test Year revenue requirement.<sup>9</sup> KWUA/OFBF supported the Second Partial Stipulation and were signatories thereto. In addition, KWUA/OFBF's witness in this proceeding, Mr. Lloyd C. Reed, was a co-sponsor of joint testimony submitted in support of the Second Partial Stipulation.<sup>10</sup>

On September 21, 2022, parties in this proceeding filed the Third Partial Stipulation that settled additional issues associated with the Company's proposed 2023 Test Year revenue requirement, rate spread, and other issues.<sup>11</sup> KWUA/OFBF supported the Third Partial Stipulation and were signatories thereto. In addition, KWUA/OFBF's witness, Mr. Lloyd C. Reed, was a co-sponsor of joint testimony submitted in support of the Third Partial Stipulation.<sup>12</sup>

On September 30, 2022, parties in this proceeding filed the Fourth Partial Stipulation that settled multiple issues associated with the Company's proposed Accelerated Commitment Tariff (ACT).<sup>13</sup> KWUA/OFBF were not signatories to the Fourth Partial Stipulation; however, KWUA/OFBF did not object to this stipulation agreement. On September 30, 2022, NewSun

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<sup>8</sup> First Partial Stipulation on Wildfire Mitigation and Vegetation Management Issues (Aug. 25, 2022).

<sup>9</sup> Second Partial Stipulation (Aug. 25, 2022).

<sup>10</sup> Joint Testimony in Support of the Second Partial Stipulation (Sept. 23, 2022).

<sup>11</sup> Third Partial Stipulation (Sept. 21, 2022).

<sup>12</sup> Joint Testimony in Support of the Third Partial Stipulation (Sept. 21, 2022).

<sup>13</sup> Fourth Partial Stipulation (Sept. 30, 2022).

Energy, LLC (NewSun) indicated that it opposed the Fourth Partial Stipulation. Following multiple rounds of discussions between the signatories to this stipulation agreement and NewSun, these parties were unable to agree upon a procedural path forward to address NewSun's outstanding issues associated with the ACT. Therefore, after consultation with the affected parties, the Company filed a motion on October 6, 2022, to bifurcate the remaining portion of the procedural schedule in the UE 399 case into two phases ("Phase 1" and "Phase 2").<sup>14</sup> PacifiCorp proposed that Phase 1 would encompass the issues covered under the First, Second, and Third Partial Stipulations plus one additional discrete issue raised by Calpine Energy Solutions (Calpine),<sup>15</sup> while Phase 2 would encompass the issues covered under the Fourth Partial Stipulation. In addition, the Company proposed to waive the need for a hearing for Phase 1 and have the parties proceed to complete this portion of the case with a target date for a Commission order regarding Phase 1 issues of December 16, 2022. For Phase 2 of the case, the Company proposed a separate procedural schedule (which included a hearing) that would have the Commission issuing an order on Phase 2 issues by February 1, 2023. KWUA/OFBF did not oppose the Company's October 6 motion.

On October 6, 2022, the ALJ issued a ruling: (1) accepting PacifiCorp's proposal to bifurcate the proceeding into two phases, and (2) establishing the remaining schedule for Phase 1. The ALJ, however, did not establish the remaining schedule for Phase 2 in this ruling but rather instructed NewSun to provide a response to the Company's proposed Phase 2 schedule by October 11, 2022. On October 11, 2022, NewSun filed a motion whereby it opposed PacifiCorp's proposed Phase 2 schedule and instead proposed an alternate schedule that would

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<sup>14</sup> Motion to Modify Procedural Schedule (Oct. 6, 2022).

<sup>15</sup> Calpine's remaining issue is associated with certain terms associated with the Company's Direct Access program. KWUA/OFBF take no position on the specific issue raised by Calpine.

have the Commission issuing an order on Phase 2 issues by March 1, 2023.<sup>16</sup> NewSun also stated that it did not oppose any aspect of the First, Second, or Third Partial Stipulations or the separate Direct Access issue raised by Calpine. In addition, NewSun did not object to the Company's proposed Phase 1 schedule.

## II. POSITION

Electricity is one of the most significant operating costs for agricultural customers who are highly dependent upon the use of pumping and sprinkler equipment to deliver water onto their crops. In addition, electrically-driven drainage pumps are often utilized to increase irrigation project operational efficiencies and to provide other societal benefits such as returning water into river channels and lakes.

During the course of this proceeding, KWUA/OFBF have worked collaboratively with the Company, Commission Staff, and other intervenors to develop, and ultimately become signatories to, two partial stipulation agreements (the Second Partial Stipulation and the Third Partial Stipulation) that addressed multiple issues of importance to PacifiCorp's Oregon irrigation/agricultural customers. Specifically, the Second Partial Stipulation addressed multiple issues associated with the Company's proposed 2023 Test Year revenue requirement while the Third Partial Stipulation addressed, among other things, additional revenue requirement issues and the rate spread. The combined impact of these two agreements was to reduce the average rate increase for Schedule 41 customers from 10.4%—as proposed by the Company in its reply testimony—to approximately 6.0% on a net rates basis.<sup>17</sup> While a 6.0% rate increase is still a high increase—and likely represents a significant added financial burden for many of the

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<sup>16</sup> NewSun Energy, LLC's Response to PacifiCorp's Motion to Modify Procedural Schedule (Oct. 11, 2022).

<sup>17</sup> While the majority of the Company's irrigation customers receive service under Schedule 41, a small portion of customers receive service under Schedules 23 and 48.

Company’s agricultural customers—KWUA/OFBF nevertheless believe that these two stipulation agreements represent reasonable compromises given the circumstances at hand in this proceeding. Therefore, KWUA/OFBF continue to support the Second and Third Partial Stipulations and respectfully request that the Commission approve these agreements.

In addition to the Second and Third Partial Stipulations, there are two additional partial stipulations in this proceeding. The First Partial Stipulation addressed several issues regarding PacifiCorp’s proposed WFVM costs while the Fourth Partial Stipulation addressed multiple issues associated with the Company’s proposed ACT program. As previously noted, KWUA/OFBF are not signatories to either the First or Fourth Partial Stipulations; however, KWUA/OFBF do not oppose either of these agreements.<sup>18</sup>

### III. CONCLUSION

KWUA/OFBF respectfully request that the Commission approve the Second Partial Stipulation and the Third Partial Stipulation as these agreements represent reasonable compromises that act to materially reduce the rate increase to be effective on January 1, 2023, for PacifiCorp’s agricultural customers that receive service under Schedule 41. Furthermore, KWUA/OFBF do not oppose either the First Partial Stipulation or the Fourth Partial Stipulation.

Dated this 13th day of October 2022.

Respectfully submitted,  
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<sup>18</sup> It is noted that a small portion of the reduction in the Schedule 41 rate increase from 10.4% to 6.0% is associated with WFVM issues that were addressed in the First Partial Stipulation.