

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

LC 62

In the Matter of

PACIFICORP, dba PACIFIC POWER,

2015 Integrated Resource Plan.

BENCH REQUEST

As part of its 2015 Integrated Resource Plan, PacifiCorp requests acknowledgement of its plan to construct the Wallula to McNary transmission line “based on customer need and associated regulatory requirements.” PacifiCorp states that the Wallula to McNary transmission line is the least cost option available for the company to meet its mandatory obligation to meet the request of the Eugene Water and Electric Board (EWEB) for transmission service. PacifiCorp also states that the project provides a number of reliability and other benefits to PacifiCorp's transmission.

The Commission seeks additional information about whether PacifiCorp explored or should have explored offering a higher transmission rate that could have changed EWEB's decision to seek transmission service and, thereby, possibly eliminate the need for the proposed line. PacifiCorp is directed to respond to the following questions by Monday, November 30, 2015.

1. If EWEB made no transmission service request, would PacifiCorp be seeking to construct the Wallula to McNary line? If yes, why would PacifiCorp seek to build the line and under what justification?
2. Has PacifiCorp quantified the purported benefits of the proposed line to its customers? If yes, what are the estimates and how did PacifiCorp derive those estimates?
3. Is PacifiCorp violating any reliability standards now in the absence of the proposed line?
4. How did PacifiCorp determine that the rate that it has offered to EWEB is consistent with cost-causation or beneficiary pays principles?
5. What studies were conducted and what information was provided to EWEB about their cost responsibility for the transmission project? Please provide any and all supporting documentation.

6. What is the projected annual total revenue requirement for the proposed line? What is the projected average annual revenue from EWEB's usage of the line? If the projected annual total revenue requirement from the proposed line is greater than the expected average annual revenues to be collected from EWEB, how does the company propose to recover the difference? Assuming EWEB is the sole line subscriber over the life of its contract, how much of the total revenue requirement for the line would be picked up by PacifiCorp customers if rate recovery is granted? Please provide supporting documentation for all calculations.
  
7. Did PacifiCorp develop and offer EWEB any kind of incremental-cost transmission rate—as opposed to the embedded cost rate offered that would require EWEB to pay for more of the cost of the line?<sup>1</sup> If yes, what rate or rates were offered and how were those rates developed? If no, please provide hypothetical incremental transmission rates for firm service to EWEB on the proposed Wallula to McNary line assuming revenues from EWEB covered 75 percent, 90 percent, and 100 percent of the full cost of the proposed line. Please provide supporting documentation for all calculations.

Dated this 19th day of November, 2015, at Salem, Oregon.



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Sarah Rowe  
Administrative Law Judge

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<sup>1</sup> See Docket No. UM 1495, PacifiCorp Petition for Certificate of Public Convenience and Necessity at 14 (Aug 23, 2010) (“These customers will be charged the incremental transmission service rate \* \* \*.”).