

HARDY MYERS
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DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

July 31, 2008

Patrick Power
Administrative Law Judge
550 Capitol St NE Suite 235
Salem, OR 97301-2552

RE: UE 199 – Staff's Additional Testimony on A Limited Issue

On July 23, 2008, Staff filed a Motion for Leave to Add a Limited Issue to Surrebuttal Testimony ("Motion"). Staff's Motion requested leave to add a limited issue to its surrebuttal testimony, which is due August 8, 2008. Staff's Motion also noted that PacifiCorp would have the opportunity to prepare live surrebuttal testimony to this additional limited issue at the hearing on August 15, 2008.

In order to further mitigate any possible undue hardship caused by this additional limited issue, Staff is filing the attached testimony at this time instead of waiting until August 8, 2008. This early filing should allow PacifiCorp the opportunity to file a written response to Staff's offered testimony before the hearing on August 15, 2008.

Please feel free to contact me if you have any questions.

Sincerely,

Jason W. Jones
Assistant Attorney General
Regulated Utility & Business Section

JWJ:jwj/#636152

cc: Service List

**PUBLIC UTILITY COMMISSION
OF OREGON**

UE 199

STAFF SURREBUTTAL TESTIMONY OF

**Lisa Schwartz
Kelcey Brown**

**In the Matter of
PACIFICORP, dba PACIFIC POWER
2009 Transition Adjustment Mechanism
Schedule 200, Cost-Based Supply Service.**

**REDACTED
July 31, 2008**

CASE: UE 199
WITNESS: Lisa Schwartz

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 300

SURREBUTTAL TESTIMONY

July 31, 2008

1 **Q. PLEASE STATE YOUR NAME.**

2 A. My name is Lisa Schwartz.

3 **Q. ARE YOU THE SAME LISA SCHWARTZ THAT FILED REPLY**
4 **TESTIMONY IN THIS PROCEEDING?**

5 A. Yes.

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?**

7 A. On July 23, 2008, Staff filed a Motion to Leave to Add an Additional Issue to
8 Surrebuttal Testimony. Based upon agreement with PacifiCorp, I provide early
9 surrebuttal testimony on the issue of an alternative adjustment to the
10 adjustment staff recommended for the Glenrock wind project in Docket UE 200.
11 Staff witness Brown provides the alternative adjustment in Staff/400 in Docket
12 UE 199. Staff will provide surrebuttal testimony on other issues on the
13 surrebuttal testimony date, August 8, 2008.

14 **Q. DID YOU PREPARE AN EXHIBIT?**

15 A. Yes. Staff Exhibit 301 is PacifiCorp's responses to selected data requests.

16 **Q. YOU STATED IN YOUR DIRECT TESTIMONY THAT THE CAPACITY**
17 **FACTOR OF THE GLENROCK PROJECT IS 38 PERCENT. IS THAT**
18 **CORRECT?**

19 A. Staff believed so at the time, based on information PacifiCorp provided to the
20 Commission. See Staff/200 at 4, Staff/202 at 2, and Staff/301 in UE 199.¹

¹ The attachment to Staff Data Request No. 48 in UE 200 is the handout for PacifiCorp's renewable resources update to the Commission at the June 10, 2008, public meeting. Staff/202 at 2 in Docket UE 199 is the description of the Glenrock project in that handout. PacifiCorp has agreed to allow Staff to use data request responses in UE 200 to prepare its case in UE 199. See Staff/301 at 3 in Docket UE 199.

1 However, as explained in the motion filed on July 23, 2008, after Staff filed its
2 UE 199 reply testimony, Staff had the opportunity to review data request
3 responses in UE 200 that resulted in Staff's proposed UE 200 adjustment to
4 Glenrock. It became evident that the capacity factor the Company used for the
5 Glenrock project in the Transition Adjustment Mechanism and Renewable
6 Adjustment Clause filings is not the appropriate value.

7 **Q. WHAT CAPACITY FACTOR DID PACIFICORP'S CONTRACTOR**
8 **DETERMINE FOR THE GLENROCK PROJECT IN ITS TECHNICAL SITE**
9 **REVIEW?**

10 A. [REDACTED] See
11 Staff/200 at 17 and Staff/202 at 57 in UE 200.²

12 **Q. DOES ROLLING HILLS IMPACT THE GLENROCK PROJECT?**

13 A. Yes. As I stated previously, these projects are at the same site and are in close
14 proximity. See Staff/200 at 3-4, Staff/202 at 2-3, and Staff/203 at 3-4 in UE

15 199. [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]

² Pursuant to OAR 860-014-0050(1)(e), Staff asks the Commission and Administrative Law Judge to take official notice of its reply testimony in Docket UE 200 referenced herein.

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Q. [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED] See Staff/200 at 16-18 and
Staff/202 at 32.

**Q. IN CONSIDERING THE IMPACT OF THE ROLLING HILLS PROJECT ON
THE GLENROCK PROJECT, WHAT ELSE SHOULD THE COMMISSION
CONSIDER?**

A. Staff recommends that the Commission find the Rolling Hills project
imprudently acquired. See Staff/200 at 12-16 in UE 200.

**Q. WHAT CAPACITY FACTOR SHOULD THE COMMISSION USE FOR THE
GLENROCK PROJECT?**

A. Consistent with the third-party analysis of the wind resource for the Glenrock
project – [REDACTED] – and in consideration of the imprudent acquisition of the
Rolling Hills project, Staff recommends the Commission make an adjustment to
reflect a [REDACTED] capacity factor for the Glenrock project in this proceeding
or, alternatively, in Docket UE 200. Staff witness Brown provides the
adjustment alternatives in Staff/400 in UE 199 and in Staff/300 at 9-12 in UE
200.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

CASE: UE 199
WITNESS: Lisa Schwartz

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 301

**Exhibits in Support
of Surrebuttal Testimony**

July 31, 2008

UE-200/PacifiCorp
June 27, 2008
OPUC Data Request 51

OPUC Data Request 51

Please provide the company's assumed capacity factors for each of the wind resources included in the 2009 RAC filing.

Response to OPUC Data Request 51

Please refer to the Company's response to OPUC Data Request 48.

UE-200/PacifiCorp
June 27, 2008
OPUC Data Request 48

OPUC Data Request 48

Please provide the handout PacifiCorp provided to the Commission for the company's renewable resources update at the June 10, 2008, regular public meeting.

Response to OPUC Data Request 48

Please refer to Attachment OPUC 48.

UE-199/PacifiCorp
July 2, 2008
OPUC Data Request 63

OPUC Data Request 63

Does PacifiCorp agree to allow Staff to use the data responses from UE 200 subject to appropriate confidentiality treatment?

Response to OPUC Data Request 63

The Company does not object to Staff using PacifiCorp's responses in Docket UE-200 to prepare its case position in this docket, subject to maintaining the confidentiality of such responses consistent with the terms and conditions of the protective orders in this docket and Docket UE-200. PacifiCorp reserves all evidentiary objections to introducing such data requests into the record in this case, including relevancy objections based on the limited scope of the TAM.

CASE: UE 199
WITNESS: Kelcey Brown

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 400

SURREBUTTAL TESTIMONY

July 31, 2008

1 **Q. PLEASE STATE YOUR NAME.**

2 A. My name is Kelcey Brown.

3 **Q. ARE YOU THE SAME KELCEY BROWN THAT FILED REPLY**
4 **TESTIMONY IN THIS PROCEEDING?**

5 A. Yes.

6 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY**
7 **TODAY?**

8 A. On July 23, 2008, Staff filed a Motion for Leave to Add Limited Issue to
9 Surrebuttal Testimony. Based upon agreement with PacifiCorp, I provide early
10 surrebuttal testimony on the issue of an alternative adjustment to the
11 adjustment staff recommended for the Glenrock wind project in Docket UE 200
12 (See Staff/300, Brown/10-12 in UE 200). Staff will provide surrebuttal testimony
13 on other issues in UE 199 on the surrebuttal testimony date, August 8, 2008.

14 **Q. WHAT IS STAFF'S PROPOSED ALTERNATIVE ADJUSTMENT FOR THE**
15 **GLENROCK WIND PROJECT IN THE CURRENT PROCEEDING?**

16 A. Staff proposes a capacity factor adjustment for the Glenrock wind facility, with
17 support for this adjustment provided by Staff witness Schwartz in Staff/300.

18 **Q. DID STAFF USE THE SAME METHODOLOGY FOR THE PROPOSED**
19 **GLENROCK CAPACITY FACTOR ADJUSTMENT AS THAT USED IN ITS**
20 **REPLY TESTIMONY FOR THE ROLLING HILLS CAPACITY FACTOR**
21 **ADJUSTMENT?**

22 A. Yes. Using the same methodology as in Staff/100, Brown/14 for the Rolling
23 Hills wind facility capacity factor adjustment, Staff used PacifiCorp's GRID

1 system dispatch model provided in the 2009 TAM filing and changed the
2 capacity factor from approximately 38.6% to [REDACTED] for the Glenrock wind facility.
3 This change to the capacity factor results in a total reduction in NVPC of
4 \$374,585, on an Oregon-allocated basis, and an increase of 21,141 MWh from
5 the facility.

6 The adjustment for the Glenrock capacity factor is reduced by additional wind
7 integration charges of \$6,365, associated with the increased production of the
8 facility. Staff will address the issue of wind integration charges within its
9 surrebuttal testimony due August 8, 2008.

10 **Q. DOES THIS ADJUSTMENT USE PACIFICORP'S UPDATED VERSION OF**
11 **THE GRID MODEL, FILED ON JULY 25, 2008?**

12 A. Yes.

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 A. Yes.

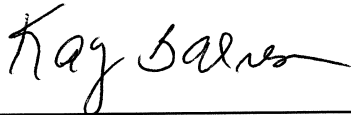
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CERTIFICATE OF SERVICE

UE 199

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to the following parties or attorneys of parties.

Dated at Salem, Oregon, this 31st day of July, 2008.



Kay Barnes
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Regulatory Operations
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UE 199
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