

Docket No. UE 390
Exhibit SBUA/200
Witness: Darren S. Wertz

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON
REBUTTAL TESTIMONY OF DARREN S. WERTZ
ON BEHALF OF
SMALL BUSINESS UTILITY ADVOCATES

JULY 30, 2021

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2 **Q: Please state your full name for this testimony.**

3 A. My name is Darren S. Wertz.

4 **Q: Are you the same Darren S. Wertz that provided Opening Testimony on behalf of**
5 **SBUA in this docket on June 9, 2021?**

6 A: Yes.

7 **Q: Are you qualified as an expert to submit meaningful testimony for SBUA?**

8 A: Yes. PacifiCorp d.b.a. Pacific Power (“Company”) disregards the entire Opening
9 Testimony as being “general confusing,” “misunderstanding the scope of the TAM
10 proceeding.” PAC/900 Meredith/6, and for support cites the joint filing by Citizens
11 Utility Board (“CUB”) and Alliance of Western Energy Consumers (“AWEC”) that
12 SBUA is unqualified and unable to effectively participate or substantially contribute in
13 the docket at all.¹ But the Company does not deny that Mr. Wertz has a Masters Degree in
14 Economics, or that he has 12 years of experience in utility-related matters in the
15 Company’s territory. Nor does the Company question the legitimacy of Mr. Wertz 's
16 resume or qualifications in any fashion.² CUB and AWEC may benefit by limiting the
17 effective intervenors. Clearly Mr. Wertz is qualified to submit meaningful testimony.

18 **Q: Robert M. Meredith (“Meredith”) mentions Schedule 201 and net power costs in his**
19 **testimony PAC/900 Meredith 8. What does that mean in the context of this TAM and**
20 **the different classes of customers?**

21 A: According to the Commission’s Order 09-274, which set up the TAM guidelines, net
22 power costs will be collected through a Schedule 201. The Schedule 201 for this 2022
23 TAM includes an energy charge for Schedule 23.

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26 ¹ Response of the Alliance of Western Energy Consumers and Oregon Citizens’ Utility Board, filed 6/25/21
available at: <https://edocs.puc.state.or.us/efdocs/HAC/ue390hac134615.pdf> (last accessed 7/30/21).

² SBUA’s Opening Testimony and Exhibit of Darren S. Wertz (SBUA/100-101, Wertz).

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2 **Q: Meredith says in PAC/900 Meredith 7 that Advanced Metering Infrastructure**
3 **(“AMI”) data is not necessary to set just and reasonable rates and that Schedule 201**
4 **prices for all rate schedules are energy only rates. What is your response to that?**

5 A: I would respond by acknowledging that Schedule 201 was approved by the Commission
6 in Order 09-274, that Schedule 201 sets prices for net power costs, and that Schedule 201
7 includes energy-only rates and not demand charges for small commercial customers. The
8 AMI produces data against which the reasonableness of the Company’s forecast may be
9 measured. I had assumed the Company would use the AMI data in this TAM since it had
10 collected it from the UE 374 Rate Case.

11 **Q: How does the forecasting in this 2022 TAM impact your analysis?**

12 A: Forecasting load is part of the TAM and, as the Company’s David G. Webb describes, the
13 2022 load forecast used in the Company’s calculations of Net Power Costs reflects an
14 increase in Oregon load compared to the 2021 forecast loads in the 2021 TAM. PAC/100
15 Webb/3. The Company’s source for its response to SBUA’s Data Request 8 (repeat the
16 data request) is the Company’s Oregon Service Territory Economic Drivers Forecast for
17 non-manufacturing employment in the economic drivers. While there is some decrease
18 shown in the Company’s forecasting source in 2020³, SBUA/201, the decrease is not
19 nearly to the extent shown in the State of Oregon data. SBUA/202.⁴ The State of
20 Oregon’s economic data reports an employment drop far below the 1990 recession with a
21 return to pre-COVID employment projected for the 4th quarter of 2022 included here
22 with this testimony. That steep drop is not seen anywhere in the Company’s forecasting.
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26 ³ PAC Response to SBUA Data Request 8 subject to General Protective Order 16-128 on file as SBUA/201.

⁴ SBUA/202 Oregon Recession Comparison Source: Employment Department, Oregon Economic Office of Economic Analysis, available at <https://oregoneconomicanalysis.com/> (Last accessed 7/30/21).

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Q: If there were demand-based rates in the TAM, do you agree with Meredith that such rates would not necessarily be beneficial for businesses struggling during the pandemic?

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A: Yes, a demand-based rate may not be beneficial, but it may be beneficial. The store that was open seven days a week and then changed its delivery model to offer fewer open hours to walk-in customers but more hours to on-line purchases.

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Q: Why do you insist on consideration of the Schedule 23 load in this TAM?

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A: This schedule is a significant part of the Oregon load and has been significantly impacted, and we are seeking to ensure that the Oregon rates are fair and reasonable.

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Q: Meredith also maintains that the 2020 Protocol does not have any bearing on how costs are allocated amongst rate schedules in Oregon. PAC/900 Meredith 9. What is your response?

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A: Yes, I agree. I understand that the 2020 Protocol is not about setting rates among rate classes in Oregon. Meredith's testimony does not respond to the main point of my testimony which is simply to point out that the Oregon Commission's approval, in Order 20-024, of the allocation methodology in the 2020 Protocol includes approval of Section 3.1.9 where the loss in retail load as a result of economic conditions would be reflected in changes in Load Based Dynamic Allocation Factors. It is important since Meredith testified that Oregon had a higher growth rate among the states in the 2020 Protocol.

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Q: Meredith also characterizes your position regarding the Energy Imbalance Market ("EIM") benefits as not making sense and lacking specificity and support in PAC/900 Meredith/10. How do you respond to that?

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A: Reasonably expected increased benefit from EIM to the Oregon service territory is something to be considered in future rate design proceedings.

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Q: Does this conclude your testimony?

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2 A: Yes.

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**FACSIMILE**

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DATE: July 30, 2021

RE: UE 390 Confidential filing

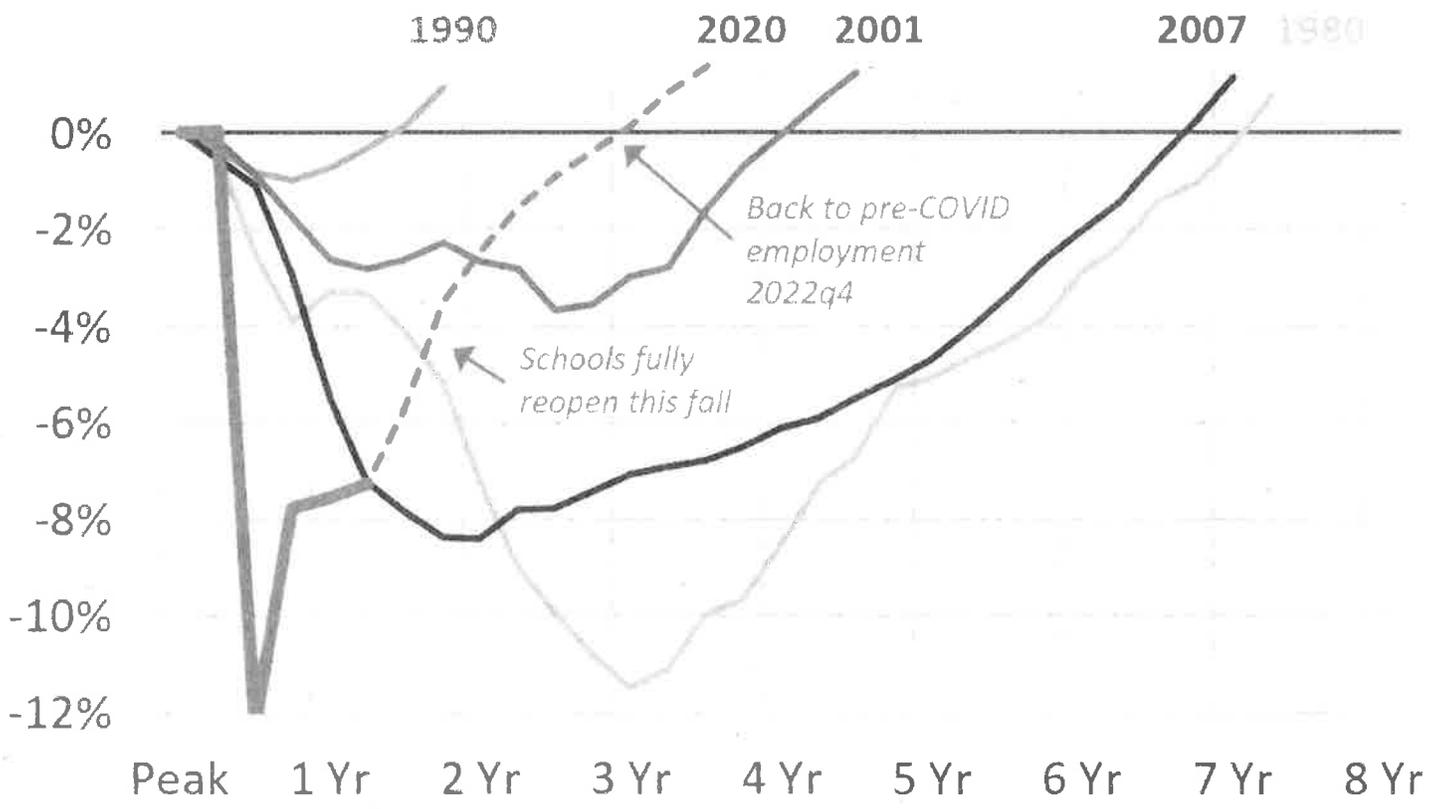
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Please accept for filing as SBUA/201 with SBUA Testimony of Darren Wertz the attached Protected information subject to General Protective Order 16-128. Also attached is the required cover letter. This protected information is being mailed this date via U.S. Mail to the parties who have not waived paper service of this information. This facsimile, the required cover letter, and the confirmation of receipt by the Hearings Office are being sent electronically to the parties.

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Oregon Recession Comparison

Employment Percent Change from Pre-Recession Peak



Source: Oregon Employment Department, Oregon Office of Economic Analysis