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January 25, 2013

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
550 Capitol Street NE, Ste 215
Salem, OR 97301-2551

Attn: Filing Center

RE: UM 1182 – Errata – Replacement Pages to Stacey J. Kusters’ Reply Testimony

PacifiCorp d/b/a Pacific Power submits for filing an original and five copies of the corrected confidential and redacted page 23 and the corrected Confidential Exhibit PAC/206 to the reply testimony of Stacey J. Kusters. Please replace the previously sent pages with the enclosed pages.

Please direct any informal inquiries regarding this filing to Bryce Dalley, Director, Regulatory Affairs and Revenue Requirement, at (503) 813-6389.

Sincerely,

William R. Griffith
Vice President, Regulation

Enclosures

cc: Service List UM 1182

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document, in Docket UM 1182, on the date indicated below by email and/or US Mail, addressed to said parties at his or her last-known address(es) indicated below.

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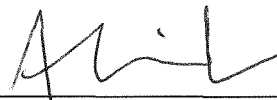
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DATED: January 25, 2013



Amy Eissler
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1 relevant California Public Utilities Commission (CPUC) proceeding reveals that
2 this project was unique: it was a directive from the CPUC to SCE to develop and
3 construct black-start reliability “must-run” resources in a very short time period.
4 The reason that SCE’s original estimates were low was because, as SCE noted in
5 its testimony, it did not have adequate time to scope the project.²⁴ SCE did not
6 have adequate time to scope the project because it was given less than a year to
7 develop and install up to 250 MW of black-start, dispatchable generation
8 capacity.²⁵ This unique circumstance involving a “fast track” project should not
9 be used to extrapolate a trend that informs the evaluation process of future RFPs
10 in Oregon.

11 **Q. What has been the Company’s experience with respect to construction cost-**
12 **over-runs on utility-owned resources?**

13 A. The Company’s analysis shows that there has been an average cost under-run of
14 ■■■ percent associated with the Company’s owned projects. Confidential Exhibit
15 PAC/204 shows the costs used for evaluation purposes and the actual costs for the
16 Company’s owned thermal and wind projects. The highest construction cost
17 under-run was ■■■ percent whereas the highest construction cost over-run was ■■■
18 percent.

19 **Q. What do you conclude from this?**

20 A. A corrected analysis supports the following conclusions: 1) construction cost
21 over-runs are a not a demonstrable past or current trend; 2) the Company has

²⁴ NIPPC/100, Monsen/10.

²⁵ NIPPC/102, Monsen/1-2 (“On August 15, 2006, in Rulemakings 05-12-013 and 06-02-013, an Assigned Commissioner’s Ruling (ACR) “Addressing Electric Reliability Needs in Southern California For Summer 2007” directed Southern California Edison Company (SCE) to, among other thing, pursue the development and installation of up to 250 MW of black-start dispatchable generation capacity within its service territory for 2007 operation.”)