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May 24, 2017

## *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, dba PACIFIC POWER  
Application for Transportation Electrification Programs  
**Docket Nos. UM 1810, UM 1812 and UM 1813 (*consolidated*)**

Dear Filing Center:

Enclosed please find the Reply Testimony of Bradley G. Mullins on behalf of the Industrial Customers of Northwest Utilities in the above-referenced matter.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

/s/ Jesse O. Gorsuch  
Jesse O. Gorsuch

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UM 1810**

In the Matter of )  
 )  
PACIFICORP, dba PACIFIC POWER, )  
 )  
Application for Transportation Electrification )  
Programs. )  
\_\_\_\_\_ )

**REPLY TESTIMONY OF BRADLEY G. MULLINS**

**ON BEHALF OF THE INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES**

**May 24, 2017**

**EXHIBIT LIST**

Exhibit No. ICNU/101 – Regulatory Appearances of Bradley G. Mullins

1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. My name is Bradley G. Mullins, and my business address is 333 SW Taylor Street, Suite 400,  
4 Portland, Oregon 97204.

5 Q. PLEASE STATE YOUR OCCUPATION AND ON WHOSE BEHALF YOU ARE  
6 TESTIFYING.

7 A. I am an independent consultant representing industrial customers throughout the western  
8 United States. I am appearing on behalf of the Industrial Customers of Northwest Utilities  
9 (“ICNU”). ICNU is a non-profit trade association whose members are large industrial  
10 customers served by electric utilities throughout the Pacific Northwest, including customers of  
11 PacifiCorp, dba Pacific Power (the “Company”).

12 Q. PLEASE SUMMARIZE YOUR EDUCATION AND WORK EXPERIENCE.

13 A. A summary of my education and work experience can be found at ICNU/101.

14 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

15 A. I reply to the Company’s Application for Transportation Electrification Programs, as updated  
16 through its supplemental filing of April 12, 2017 (“Application”), which is supported by the  
17 testimony and exhibits sponsored by Mr. Eli M. Morris and Mr. Robert M. Meredith.

18 Q. DO YOU SUPPORT THE COMPANY’S TRANSPORTATION ELECTRIFICATION  
19 PROGRAM PROPOSALS?

20 A. In part. There are some encouraging features within the Company’s proposals. That said, I  
21 also have some concerns as to whether PacifiCorp’s non-residential customers will have a  
22 reasonable opportunity to fully participate in and receive benefits from the Company’s  
23 proposed programs. Accordingly, I recommend a few program modifications that could  
24 improve the Company’s proposals.

1 **Q. WHAT CONCERNS YOU ABOUT THE COMPANY’S PROPOSALS?**

2 A. As I noted in reply testimony regarding Portland General Electric Company’s (“PGE”)  
3 transportation electrification program proposal, “Nonresidential customers are a crucial  
4 component of widespread electric vehicle adoption.”<sup>1/</sup> In comparison to PGE, I found that  
5 PacifiCorp had initially done more to include non-residential customers in transportation  
6 electrification programs, and encouraged PGE to follow suit.<sup>2/</sup>

7 Notwithstanding, I am concerned that PacifiCorp’s current proposals have the potential  
8 to exclude large non-residential customers, such as campus customers, from meaningful  
9 participation in and benefits from transportation electrification programs. I believe, however,  
10 that fair opportunities for participation in transportation electrification should be afforded to  
11 large customers, as I explained in recent testimony on the benefits of electric vehicle (“EV”)  
12 workplace charging for such customers:

13 By including charging stations at their businesses they encourage their employees  
14 to purchase an electric vehicle because these employees know they will have a  
15 place to charge while they work. Additionally, these businesses can procure large  
16 numbers of EVs to use as fleet vehicles, which can quickly increase the  
17 penetration of EVs in the market.<sup>3/</sup>

18 **Q. WILL PACIFICORP’S DEMONSTRATION AND DEVELOPMENT PROGRAM**  
19 **PROVIDE BENEFITS TO LARGE CUSTOMERS?**

20 A. It is not necessarily clear. The Application states, under the proposed “Demonstration and  
21 Development Pilot,” that “Pacific Power will partner with non-residential customers to develop  
22 creative, customer-driven electric transportation projects.”<sup>4/</sup> This is encouraging, such that I

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<sup>1/</sup> Re PGE, Docket No. UM 1811, ICNU/100, Mullins/9:8-9 (Apr. 24, 2017).

<sup>2/</sup> Id. at 8:16-9:13.

<sup>3/</sup> Id. at 9:9-13.

<sup>4/</sup> Application at 84.

1 expressly took note of the Company’s proposal in testimony on PGE’s less promising initial  
2 program offering.<sup>5/</sup>

3 Digging deeper into PacifiCorp’s Demonstration and Development Pilot, however, I am  
4 concerned that the program may be focused too heavily on small non-residential customers,  
5 rather than large non-residential customers. For example, the Company presents the “Hacienda  
6 CDC *Low Income* Car Sharing Pilot” as “an example of the type of project the program is  
7 designed to enable.”<sup>6/</sup> But, “low income” programs are generally associated with residential  
8 customers, not traditional non-residential customers, such as hospitals, corporate campuses,  
9 and manufacturing facilities.

10 **Q. SHOULD GRANT FUNDING UNDER THE DEMONSTRATION AND**  
11 **DEVELOPMENT PILOT PROGRAM BE TRACKED BY RATE SCHEDULE?**

12 A. Yes. In order to ensure that large customers receive an appropriate share of the benefits from  
13 the program, the grant funding should be tracked by rate schedule. As a general principle, the  
14 Company should commit to allocate the direct benefits from the Demonstration and  
15 Development Pilot program—the form of grant funding—in a manner that is roughly  
16 commensurate with the way that the costs of the program are reflected in rates.

17 **Q. PLEASE SUMMARIZE WHY IT IS IMPORTANT TO PROVIDE LARGE**  
18 **CUSTOMERS WITH FAIR OPPORTUNITIES FOR GRANT FUNDING UNDER THE**  
19 **DEMONSTRATION AND DEVELOPMENT PILOT.**

20 A. The Company is already proposing a separate “Public Charging Pilot,” with an estimated  
21 budget of \$1.85 million.<sup>7/</sup> Given the “public” focus of this program, non-residential customers  
22 must look to the Demonstration and Development Pilot for opportunities to implement

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<sup>5/</sup> Docket No. UM 1811, ICNU/100, Mullins/9:1-5.

<sup>6/</sup> Application at 85 (emphasis added).

<sup>7/</sup> Id. at 2.

1 projects, albeit within a smaller estimated budget for this pilot of \$1.685 million.<sup>8/</sup> Yet, if the  
2 Demonstration and Development Pilot, ostensibly designed for non-residential customers,  
3 operates by design and in practice to benefit residential and small non-residential customers,  
4 then large non-residential customers, who are responsible for a material portion of total project  
5 costs, will effectively be deprived of the opportunity to benefit from the program.

6 Similarly, the Outreach and Education Pilot also appears primarily to benefit residential  
7 and small non-residential customers, as well as serving a corporate advertising purpose. The  
8 Outreach and Education Pilot also has the smallest estimated budget, at \$1.105 million.<sup>9/</sup> Thus,  
9 the Demonstration and Development Pilot may be the only program through which large non-  
10 residential customers may benefit, meaning it is important for large customers to receive a  
11 proportionate amount of grants from the program.

12 **Q. DOES THIS CONCLUDE YOUR REPLY TESTIMONY?**

13 A. Yes.

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<sup>8/</sup> Id.

<sup>9/</sup> Id.

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**EXHIBIT NO. ICNU/101**

**REGULATORY APPEARANCES OF BRADLEY G. MULLINS**

1 **Q. PLEASE PROVIDE A LIST OF YOUR REGULATORY APPEARANCES.**

2 A. I have sponsored testimony in the following regulatory proceedings:

- 3 • Or.PUC, UM 1811: In re Portland General Electric Company, Application for  
4 Transportation Electrification Programs
- 5 • Wa.UTC, UE-161204: In re Pacific Power & Light Company, Revisions to Tariff  
6 WN-U-75 (Net Removal Tariff)
- 7 • Wa.UTC, UE-161123: In re Puget Sound Energy's Revisions to Tariff WN U-60,  
8 Adding Schedule 451, Implementing a New Retail Wheeling Service
- 9 • Bonneville Power Administration, BP-18: 2018 Joint Power and Transmission Rate  
10 Proceeding
- 11 • Or.PUC, UP 334 (Cons.): In re Portland General Electric Company Application for  
12 Approval of Sale of Harborton Restoration Project Property
- 13 • Ar.PSC, 16-028-U: In re An Investigation of Policies Related to Renewable  
14 Distributed Electric Generation
- 15 • Ar.PSC, 16-027-R: In re Net Metering and the Implementation of Act 827 of 2015
- 16 • Ut.PSC, 16-035-01: In re the Application of Rocky Mountain Power for Approval of  
17 the 2016 Energy Balancing Account
- 18 • Wa.UTC, UE-160228, UG-160229: In re Avista Corporation Request for a General  
19 Rate Revision
- 20 • Wy.PSC, 20000-292-EA-16: In re the Application of Rocky Mountain Power to  
21 Decrease Current Rates by \$2.7 Million to Recover Deferred Net Power Costs

- 1 Pursuant to Tariff Schedule 95 and to Increase Rates by \$50 Thousand Pursuant to  
2 Tariff Schedule 93
- 3 • Or.PUC, UE 307: In re PacifiCorp, dba Pacific Power, 2017 Transition Adjustment  
4 Mechanism
  - 5 • Or.PUC, UE 308: In re Portland General Electric Company, 2017 Annual Power Cost  
6 Update Tariff (Schedule 125)
  - 7 • Or.PUC, UM 1050: In re PacifiCorp, Request to Initiate an Investigation of Multi-  
8 Jurisdictional Issues and Approve an Inter-Jurisdictional Cost Allocation Protocol
  - 9 • Wa.UTC, UE-152253: In re Pacific Power & Light Company, General rate increase  
10 for electric services
  - 11 • Wy.PSC, 20000-469-ER-15 In The Matter of the Application of Rocky Mountain  
12 Power for Authority of a General Rate Increase in Its Retail Electric Utility Service  
13 Rates in Wyoming of \$32.4 Million Per Year or 4.5 Percent
  - 14 • Wa.UTC, UE-150204: In re Avista Corporation, General Rate Increase for Electric  
15 Services
  - 16 • Wy.PSC, 20000-472-EA-15: In re the Application of Rocky Mountain Power to  
17 Decrease Rates by \$17.6 Million to Recover Deferred Net Power Costs Pursuant to  
18 Tariff Schedule 95 to Decrease Rates by \$4.7 Million Pursuant to Tariff Schedule 93
  - 19 • Wa.UTC, UE-143932: Formal complaint of The Walla Walla Country Club against  
20 Pacific Power & Light Company for refusal to provide disconnection under  
21 Commission-approved terms and fees, as mandated under Company tariff rules

- 1 • Or.PUC, UE 296: In re PacifiCorp, dba Pacific Power, 2016 Transition Adjustment  
2 Mechanism
- 3 • Or.PUC, UE 294: In re Portland General Electric Company, Request for a General  
4 Rate Revision
- 5 • Or.PUC, UM 1662: In re Portland General Electric Company and PacifiCorp dba  
6 Pacific Power, Request for Generic Power Cost Adjustment Mechanism Investigation
- 7 • Or.PUC, UM 1712: In re PacifiCorp, dba Pacific Power, Application for Approval of  
8 Deer Creek Mine Transaction
- 9 • Or.PUC, UM 1719: In re Public Utility Commission of Oregon, Investigation to  
10 Explore Issues Related to a Renewable Generator's Contribution to Capacity
- 11 • Or.PUC, UM 1623: In re Portland General Electric Company, Application for  
12 Deferral Accounting of Excess Pension Costs and Carrying Costs on Cash  
13 Contributions
- 14 • Bonneville Power Administration, BP-16: 2016 Joint Power and Transmission Rate  
15 Proceeding
- 16 • Wa.UTC, UE-141368: In re Puget Sound Energy, Petition to Update Methodologies  
17 Used to Allocate Electric Cost of Service and for Electric Rate Design Purposes
- 18 • Wa.UTC, UE-140762: In re Pacific Power & Light Company, Request for a General  
19 Rate Revision Resulting in an Overall Price Change of 8.5 Percent, or \$27.2 Million
- 20 • Wa.UTC, UE-141141: In re Puget Sound Energy, Revises the Power Cost Rate in  
21 WN U-60, Tariff G, Schedule 95, to reflect a decrease of \$9,554,847 in the  
22 Company's overall normalized power supply costs

- 1       • Wy.PSC, 20000-446-ER-14: In re the Application of Rocky Mountain Power for  
2       Authority to Increase Its Retail Electric Utility Service Rates in Wyoming  
3       Approximately \$36.1 Million Per Year or 5.3 Percent
- 4       • Wa.UTC, UE-140188: In re Avista Corporation, General Rate Increase for Electric  
5       Services, RE: Tariff WN U-28, Which Proposes an Overall Net Electric Billed  
6       Increase of 5.5 Percent Effective January 1, 2015
- 7       • Or.PUC, UM 1689: In re PacifiCorp, dba Pacific Power, Application for Deferred  
8       Accounting and Prudence Determination Associated with the Energy Imbalance  
9       Market
- 10      • Or.PUC, UE 287: In re PacifiCorp, dba Pacific Power, 2015 Transition Adjustment  
11      Mechanism.
- 12      • Or.PUC, UE 283: In re Portland General Electric Company, Request for a General  
13      Rate Revision
- 14      • Or.PUC, UE 286: In re Portland General Electric Company's Net Variable Power  
15      Costs (NVPC) and Annual Power Cost Update (APCU)
- 16      • Or.PUC, UE 281: In re Portland General Electric Company 2014 Schedule 145  
17      Boardman Power Plant Operating Adjustment
- 18      • Or.PUC, UE 267: In re PacifiCorp, dba Pacific Power, Transition Adjustment, Five-  
19      Year Cost of Service Opt-Out (adopting testimony of Donald W. Schoenbeck).