

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKET UE-152253
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	BOISE WHITE PAPER, L.L.C.
v.)	RESPONSE TO BENCH REQUEST
)	NO. 5
)	
PACIFIC POWER & LIGHT COMPANY,)	
)	
)	
Respondent.)	

BENCH REQUEST NO. 5

1. Please re-file Bradley G. Mullins' exhibit, Exh. No. BGM-11 along with the electronic worksheets supporting all calculations contained therein to reflect the requested revisions below.

Along with this response, Boise White Paper, L.L.C. ("Boise") is filing Exhibit No. BGM-11 Revised to reflect requested revisions, as noted below. Boise has also included electronic worksheets supporting all calculations, as requested.

*2. Please identify each adjustment using the descriptions and adjustment numbers included in Shelley E. McCoy's exhibits, Exh. Nos. SEM-7 and SEM-8. For example, Boise's adjustment for the Jim Bridger Unit 3 SCR Investments should be recorded within Adj. No. 8.4 rather than a separate adjustment and nomenclature of BWP-A. Assign each a unique alpha-numeric identifier **only** if you advocate adjustments not identified in Shelley E. McCoy's exhibits, (e.g. BWP-1).*

Please see Exhibit No. BGM-11 Revised. On Page 1, Mr. Mullins has combined his adjustments with those of Pacific Power & Light Company (the "Company").

In addition, Mr. Mullins prepended the Company's adjustment numbers with "PAC-" to avoid a look up error in Excel.

3. Please identify other parties' adjustments accepted by Boise using the descriptions and adjustment numbers included in Shelley E. McCoy's exhibits, Exh. Nos. SEM-7 and SEM-8. For example, Boise accepts Staff's Environment Remediation identified as Adj. No. 8.2, please record the adjustment within Adj. No. 8.2 rather than a separate adjustment and nomenclature of Staff-8.2.

Please see Exhibit No. BGM-11 Revised.

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4. Please include all revenue requirement impacts within the affected adjustment(s) rather than the inclusion of Adj. No. BWP-Z Balancing Impact of Boise Adjustments. If certain effects are estimated, please note as such within the testimony exhibit or workpapers associated with the revenue requirement model.

Please see Exhibit No. BGM-11 Revised, and accompanying work papers. Because the order of Mr. Mullins' adjustments will have a material impact on the rate base, net operating income and revenue requirement impacts of several adjustments, Mr. Mullins' testimony was that it is more appropriate to present the adjustments in a "one-off" study, rather than as a "step" study. Mr. Mullins believes that it is most appropriate to understand the impacts of his adjustments when viewed in isolation, rather than performing the adjustments sequentially, where the ordering could skew the rate base, net operating income and revenue requirement impacts of various adjustments. The reason for this is that, to the extent that two adjustments are overlapping, where the combined revenue requirement impact is greater (or less than) the sum of the two adjustments viewed in isolation, the difference (i.e., the balancing impact) could be attributable to either adjustment.

For example, Mr. Mullins' Adjustments related to Bonus Depreciation and End-of-Period Rate Base, collectively, have a revenue requirement impact of \$1.6 million. Yet, the two adjustments, viewed in isolation, result in a revenue requirement impact of \$1.5 million. In a step study, the incremental \$0.1 million balancing impact would be assigned to whichever adjustment is performed second. In a one-off study, the incremental \$0.1 million is reflected in a separate adjustment.

In order to attribute the balancing adjustment to the individual adjustments in Mr. Mullins' study, the balancing impacts were separated based on the specific overlapping adjustments analyzed by Mr. Mullins. The amounts were then pro-rated and assigned to the individual adjustments in proportion to the revenue requirement impact of each adjustment.

Finally, in preparing this response, Mr. Mullins identified an Excel error in the revenue requirement calculations presented in Cross-Answering Testimony. Mr. Mullins' proposal to adopt Public Counsel's calculations for Pension and OPEB expense was not properly reflected in Mr. Mullins' final calculations. This correction has been made in Exhibit No. BGM-11 Revised.