Q. Please state your name, business address, and present position.

A. My name is Mark R. Tallman. My business address is 825 NE Multnomah, Suite 2000, Portland, Oregon 97232. My present position is Vice President of Renewable Resources for PacifiCorp. I am responsible for PacifiCorp's hydro-powered and wind-powered generation resources. I am testifying on behalf of Pacific Power & Light Company (Pacific Power or Company), a business unit of PacifiCorp, in support of Pacific Power's separate tariff rider for the Merwin Fish Collector.

QUALIFICATIONS

Q. Briefly describe your education and professional experience.

A. I have a Bachelor of Science degree in Electrical Engineering from Oregon State University and a Master of Business Administration from City University of Seattle. I am also a Registered Professional Engineer in Oregon and Washington. I have been the Vice President of Renewable Resources since January 2011. Before that, I was Vice President of Renewable Resource Acquisition from December 2007 to January 2011 and Managing Director of Renewable Resource Acquisition from April 2006 to December 2007. I have worked at the Company for more than 28 years in a variety of positions of increasing responsibility including the commercial and trading organization, the engineering organization, and the retail organization (as a District Manager in Washington state).

PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to describe the Merwin Fish Collector, which is a fish passage facility required by one of the Federal Energy Regulatory Commission

(FERC) licenses issued for the Lewis River hydroelectric project. My testimony supports the Company's mandatory environmental investment in the Merwin Fish Collector.

Q. Please briefly describe PacifiCorp's hydro facilities.

A. PacifiCorp operates 1,145 megawatts (MW) of hydroelectric projects in the Pacific Northwest and the Rocky Mountains that provide carbon-free electricity for the benefit of customers. The Lewis River project in Washington is the largest hydro project with a generating capacity of 578 MW.

The Lewis River project consists of four hydroelectric projects—Swift 1, Swift 2, Yale, and Merwin. The most downstream project, the Merwin hydroelectric project, began operation on September 4, 1931. The Swift 2 project is owned by the Cowlitz Public Utility District (PUD). In January 1999, PacifiCorp and Cowlitz PUD filed a request with FERC to combine the licensing processes into one licensing effort. FERC approved this request on April 1, 1999. After three years of natural resource studies and preparations for licensing documentation, settlement talks began in 2002 and culminated with a signed settlement agreement in November 2004 that included 26 parties. The settlement agreement was filed with FERC, and FERC issued 50-year operating licenses for all four projects on June 26, 2008. Among other requirements, the licenses mandate installation of adult and juvenile fish passage, including the Merwin Fish Collector Project.

MERWIN FISH COLLECTOR

Q. Please describe the need for and purpose of the Merwin Fish Collector.

A. The Merwin Fish Collector is needed to implement a fish passage system designed to

collect, trap, and haul juvenile and adult anadromous fish around the three Lewis River dams. The purpose of the Merwin Fish Collector is also to implement and comply with the FERC license for the Merwin hydroelectric project.[1]

Q. Please describe the Merwin Fish Collector.

A. The facility is designed to attract and collect upstream migrating fish so that they can be hauled upstream past the dams on the Lewis River and released back into the river to continue their upstream migration. The fish collection facility is installed directly downstream of Merwin dam. Water is pumped through a large pipe to attract fish toward land-mounted collection and sorting facilities. After the fish are captured and sorted, they are transferred into a truck for transport and release upstream of Swift dam.

Q. Is the Merwin Fish Collector required by a government agency?

A. Yes. The Merwin Fish Collector is one of the environmental requirements contained in the Merwin hydroelectric project license issued by FERC.

Q. Was the design of the Merwin Fish Collector subject to review and approval by resource agencies?

A. Yes. Under the FERC license that incorporates the Lewis River settlement agreement, the Company engaged in design reviews with parties to the Lewis River settlement agreement, which included the National Marine Fisheries Services, the U.S. Fish and Wildlife Service, and the Washington Department of Fish and Wildlife. The final design was ultimately approved by the National Marine Fisheries Services and the U.S. Fish and Wildlife Service. Although the Company provides input, these

[1] *See* Order Issuing New License, 123 FERC ¶ 62, 258 (June 26, 2008), attached as Exhibit No.___(MRT-2T). *See also* Order on Rehearing, 125 FERC 61,046 (October 16, 2008), attached as Exhibit No.___(MRT-3T).

agencies have final authority over the design of the facility. Based on the design required by these agencies, the plant addition included in this filing for the Merwin Fish Collector is approximately $58.4 million on a total-company basis.

Q. When was the Merwin Fish Collector placed into service?

A. The Merwin Fish Collector was placed into service on March 28, 2014.

Q. Please describe the incremental non-labor operation and maintenance costs associated with the Merwin Fish Collector.

A. The incremental non-labor operation and maintenance costs are $250,000 per year on a total-company basis. These costs are for contract maintenance, periodic assistance from the Washington Department of Fish & Wildlife, fish monitoring supplies, and general supplies.

Q. Will the investment in the Merwin Fish Collector benefit Washington customers?

A. Yes. Through the investment in the Merwin Fish Collector, the Company will be able to continue to operate the integrated Lewis River hydro project, which is capable of generating up to 578 MW of carbon-free electricity for the benefit of customers.

Q. Does this conclude your testimony?

A. Yes.