**BENCH REQUEST NO. 9:**

1. Please provide a recalculation of all restating and pro forma adjustments to end-of-period (EOP) for Jason L. Ball corrected Exh. No. JLB-2r filed on April 29, 2016.
2. Please provide a separate recalculation of all restating and pro forma adjustments to average-of-monthly-averages (AMA) for Jason L. Ball corrected Exh. No. JLB-2r filed on April 29, 2016.

**RESPONSE:**

1. Staff supports the use of end-of-period and this, generally, is already reflected in Exh. No. JLB-2r. However, after consultation with Pacific Power, Staff determined that there are three additional adjustments in Staff’s case that may be impacted by the use of end-of-period. Staff reviewed the potential impact and information available for each of these adjustments and determined that the presentation of end-of-period currently reflected in Exh. No. JLB-2r is the best possible representation of the impact of end-of-period balances on Staff’s case. Each of the three adjustments is listed below along with the reason that it is already adequately reflected in Exh. No. JLB-2r.
	1. Adjustment 7.1, Interest True-up – This adjustment is calculated using restated and pro forma rate base amounts and is therefore affected by any change in ratebase.
	2. Adjustment 7.4, Power/Tax ADIT – This adjustment reflects the Company’s accumulated deferred income tax balances using its PowerTax software. Staff does not have access to the PowerTax software and has been unable to calculate an exact adjustment in the level of PowerTax ADIT *in Staff’s* *case* using end-of-period. We estimate the difference between the PowerTax ADIT amounts reflected in Staff’s and the Company’s end-of-period cases to be relatively small and believe that the difference could be corrected at the time of compliance.
	3. Adjustment 8.4, Pro Forma Plant Additions (Jim Bridger SCR) – As detailed in the testimony of Staff witness Jeremy Twitchell, Staff recommends that the Commission find the decision to install Selective Catalytic Reduction at the Jim Bridger Plant to be an imprudent decision. Based on Mr. Twitchell’s findings, Staff recommends that the Commission use the cost of natural gas conversion at Jim Bridger in place of the Jim Bridger SCR upgrades. Staff’s adjustment is a disallowance reflecting the difference in cost that Staff calculates between installing SCR and converting the plant to natural gas. Because the disallowance is calculated partially based on imputed costs, the minimal difference between end-of-period and average-of-monthly-averages is ultimately insignificant.
2. Please see the attached excel spreadsheet showing a recalculation of all restating and pro forma adjustments using average-of-monthly-averages. Workpapers are voluminous and are being provided in electronic format only.

**REQUEST NO. 10:** At hearing on May 2, 2016, Mr. Brad Purdy, on behalf of the Energy Project, indicated that some contested issues affecting low-income customers may be resolved. If the following issues have been resolved, please provide a description of the resolution:

1. Staff recommends that the Company be required to commit at least $50,000 in shareholder funding to its low-income conservation program as a condition of the Commission approving a decoupling mechanism. (Ball, Exh. JLB-1T at 42:23-24)

**RESPONSE:** Staff’s proposal remains in dispute. Staff’s proposal to increase shareholder funding by $50,000 for low income weatherization proceeds directly from the Commission’s policy statement on decoupling:

4. *Low-income.* A utility proposing a full decoupling mechanism must demonstrate whether or not its conservation programs provide benefits to low-income ratepayers that are roughly comparable to other ratepayers and, if not, it must provide low-income ratepayers targeted programs aimed at achieving a level of conservation comparable to that achieved by other ratepayers, so long as such programs are feasible within cost-effectiveness standards.[[1]](#footnote-2)

This issue of additional funding for low income weatherization is appropriately addressed inside the present proceeding. Staff, however, does not oppose discussing how such a program may operate with the additional funding in the stakeholder group discussed by The Energy Project. To be clear, Staff is not the originator of the stakeholder group proposal involving low income weatherization. Staff witness Tiffany Van Meter did propose convening a collaborative, but Ms. Van Meter’s proposal relates to an entirely separate collaborative, which would discuss cost-of-service and rate design issues only. Staff continues to believe, however, that it is most appropriate to explicitly require the Company to increase shareholder funding in conjunction with approving decoupling*.*

1. *In the Matter of the Washington Utilities and Transportation Commission’s Investigation into Energy Conservation Incentives*, Docket U-100522, Report and Policy Statement on Regulatory Mechanisms, Including Decoupling, to Encourage Utilities to Meet or Exceed their Conservation Targets, 17–19, ¶ 28 (Nov. 4, 2010). [↑](#footnote-ref-2)