

Exhibit No.____(MRT-1T)
Docket UE-14____
Witness: Mark R. Tallman

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFIC POWER & LIGHT COMPANY,
a division of PacifiCorp

Respondent.

Docket UE-14____

**PACIFIC POWER & LIGHT COMPANY
DIRECT TESTIMONY OF MARK R. TALLMAN**

May 2014

1 **Q. Please state your name, business address, and present position with Pacific**
2 **Power & Light Company (Pacific Power or Company), a division of PacifiCorp.**

3 A. My name is Mark R. Tallman. My business address is 825 NE Multnomah Street,
4 Suite 2000, Portland, Oregon 97232. My present position is Vice President of
5 Renewable Resources for PacifiCorp. I am responsible for PacifiCorp's hydro-
6 powered and wind-powered generation resources. I am testifying on behalf of Pacific
7 Power, in support of the prudence of the Merwin Fish Collector.

8 **QUALIFICATIONS**

9 **Q. Please describe your education and professional experience.**

10 A. I have a Bachelor of Science degree in Electrical Engineering from Oregon State
11 University and a Master of Business Administration from City University of Seattle.
12 I am also a Registered Professional Engineer in Oregon and Washington. I have been
13 the Vice President of Renewable Resources since January 2011. Before that, I was
14 Vice President of Renewable Resource Acquisition from December 2007 to January
15 2011 and Managing Director of Renewable Resource Acquisition from April 2006 to
16 December 2007. I have worked at the Company for more than 28 years in a variety
17 of positions of increasing responsibility including the commercial and trading
18 organization, the engineering organization, and the retail organization (as a District
19 Manager in Washington state).

20 **PURPOSE OF TESTIMONY**

21 **Q. What is the purpose of your testimony?**

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

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

4 **Q. Please briefly describe PacifiCorp's hydro facilities.**

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

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

21 **MERWIN FISH COLLECTOR**

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

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

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

4 **Q. Please describe the Merwin Fish Collector.**

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

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

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

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

17 A. Yes. Under the FERC license that incorporates the Lewis River settlement
18 agreement, the Company engaged in design reviews with parties to the Lewis River
19 settlement agreement, which included the National Marine Fisheries Services, the
20 U.S. Fish and Wildlife Service, and the Washington Department of Fish and Wildlife.
21 The final design was ultimately approved by the National Marine Fisheries Services
22 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).

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

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

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

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

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

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

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

17 **Q. Does this conclude your direct testimony?**

18 A. Yes.