



October 30, 2023

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RE: **WA UE-230482**  
PC Data Request (1-5)

Please find enclosed PacifiCorp's Responses to PC Data Requests 1-5 and non-confidential Attachments. Provided via BOX are the Confidential Attachments PC. Designated information is confidential per Protective Order in UTC Docket UE-230172.

If you have any questions, please call me at 503-813-5410.

Sincerely,

          /s/            
Ariel Son  
Regulatory Affairs Manager

## PC Data Request 1

### Direct Testimony of Ramon J. Mitchell, Exh. RJM-1T.

- (a) Please provide all internal documents and memoranda describing PacifiCorp's hedging policies and procedures in effect between 2018 and 2023, inclusive.
- (b) Please provide all presentations or documents submitted or provided to the Washington Utilities and Transportation Commission or Commission Staff in the past five years regarding PacifiCorp's hedging policy.
- (c) Please provide in Excel format all hedging positions the Company has held over the last five years including but not limited to the nature of the contract, the underlying commodity (electric power, natural gas, etc.) the strike price if applicable, quantity, the date entered into, the date exited, the price paid, the price received.
- (d) Mitchell, Exh. RJM-1T, at 4:7. Please provide evidence from actual Company trading activity over the last 10 years that the Company hedges "ratably over time".
- (e) Mitchell, Exh. RJM-1T, at 4:7–9. Please explain the extent to which the Company manages outside the 12-month forward looking period, and why it does not manage more outside the 12-month forward looking period. In your answer, please provide numerical evidence for your answer.
- (f) In your response to subpart (e), please provide citations to PacifiCorp's written risk management policy to support your answer.
- (g) Mitchell, Exh. RJM-1T, at 5:6–8. Please provide evidence from actual Company trading activity that the Company hedges "for Washington in line with its active risk management policy, ratably over time".
- (h) Mitchell, Exh. RJM-1T, at 5:3–8:
  - 1. Please explain what the Company means by "efficient" in this section.
  - 2. Please answer yes or no. Does the Company assert that efficient means that PacifiCorp's Washington ratepayers benefit as much as PacifiCorp ratepayers in other jurisdictions?
  - 3. If the answer to subpart (h) 2. is yes, please provide evidence including any calculations and documentation of your answer.

4. If the answer to subpart (h) 2. is no, why does the Company's approach maximally benefit Washington ratepayers?
- (i) Mitchell, Exh. RJM-1T, at 5:14–6:11:
1. Please explain what is meant by “economically favorable”.
  2. Please answer yes or no. Does “economically favorable” mean to all of PacifiCorp's ratepayers across all jurisdictions compared to other arrangements?
  3. If the answer to subpart (i) 2. is yes, please provide evidence including any calculations and documentation for your answer.
  4. If the answer to subpart (i) 2. is no, why is the Company's approach in the interest of Washington ratepayers. Please provide documentation for your answer.
  5. Please answer yes or no. Does “economically favorable” mean Pareto optimal?
  6. If the answer to subpart (i) 5. is yes, please provide evidence including any calculations and documentation for your answer.
  7. If the answer to subpart (i) 5. is no, why is the Company's approach in the interest of Washington ratepayers. Please provide documentation for your answer.
  8. PacifiCorp discusses a “hypothetical example” in this section. Please provide a numerical example supporting the “hypothetical example”.
  9. Please provide an instance for PacifiCorp that actually happened and numerical backup with sources that that supports the “hypothetical example”.
- (j) Mitchell, Exh. RJM-1T, at 7:7–15. Please provide a numerical example based on an actual situation PacifiCorp has experienced why it would be inefficient for the Company to “purchase market instruments in the real power markets to use physical energy to hedge for Washington's short position”. Please provide source data and calculations for your answer.
- (k) Mitchell, Exh. RJM-1T, at 9:23–25. Please provide a list of all transactions executed by the Company for which it separately hedged for Washington including but limited to the nature of the contract, the underlying commodity (electric power, natural gas, etc.), the strike price if applicable,

quantity, date entered into, date exited, price paid, and price received.

- (l) Mitchell, Exh. RJM-1T, at 9:23–25. Please provide in Excel format work papers and data supporting Exh. RJM-2.
- (m) Mitchell, Exh. RJM-1T, at 12:7–12. Please provide the “assessment of market reliance” along with work papers in Excel format and supporting documentation referenced in the Company’s 2023 Integrated Resource Plan.
- (n) Mitchell, Exh. RJM-1T, at 13:1–10. Please provide evidence including any calculations and work papers in Excel format to support the statement: “Based upon the seasonality of load wherein a few days during the summer or winter call for high levels of generation to maintain the energy supply/demand balance, it is expected that any strategy which procures enough long-term firm generation to serve all customer load for all hours of the year will result in total Company expense that is higher than a strategy which relies on some market purchases / exposure”.
- (o) Mitchell, Exh. RJM-1T, at 14:18–15:3:
  - 1. Please describe the current status including any agreements and conclusions reached so far of the Framework Issues Working Group of the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol. Please provide documentation including any presentations to the Framework Issues Working Group to support your answer.
  - 2. Please describe the ways in which Washington “This process allows Washington to better align the ratemaking reliance on the market to a level that is consistent with the operational reality of the rest of the Company’s system”. Please provide documentation including any presentations to the Framework Issues Working Group to support your answer.
- (p) Does PacifiCorp use options or other derivative type instruments other than swaps to hedge?
- (q) If the answer to subpart (p) is no, please explain why not including documentation and references to PacifiCorp hedging policy.
- (r) Please provide in Excel format all options or other derivative type instruments other than swaps that PacifiCorp has purchased or sold over the last five years including but limited to the nature of the contract, the underlying commodity (electric power, natural gas, etc.), the strike price if applicable, quantity, date entered into, date exited, price paid, and price

received.

- (s) Please answer yes or no. Do PacifiCorp's hedging practices in actual operations does consider any individual state's regulatory mechanisms? Please explain your answer.

### **Response to PC Data Request 1**

- (a) The Company interprets this request as seeking PacifiCorp's hedging policies and procedures documents which are, in of themselves, the Company's internal documentation describing PacifiCorp's hedging policies and procedures. Based on the foregoing interpretation, the Company responds as follows:

Please refer to the Company's responses to AWEC Data Request 002, AWEC Data Request 003, AWEC Data Request 004 and AWEC Data Request 005. These responses relate to PacifiCorp's Energy Risk Management Policy documents, and PacifiCorp's Energy Supply Management (ESM) Front Office Procedures documents.

In addition, please refer to the Company's response to WUTC Data Request 1 subpart (e) with regards to the Company's most recent Semi-Annual Hedging Report documents.

- (b) Please refer to the Company's response to AWEC Data Request 006.
- (c) Please refer to Confidential Attachment PC 1-1 which provides fixed price hedging transactions data with delivery in the last five years.
- (d) Please refer to Confidential Attachment PC 1-2.
- (e) PacifiCorp's Energy Risk Management Policy requires hedging of natural gas exposure in three rolling 12-month periods (Year 1 is months 1 through 12, Year 2 is months 13 through 24, and Year 3 is months 25 through 36). Year 1 must be hedged between 50 percent to -80 percent of expected natural gas requirements, Year 2 30 percent to -50 percent, and Year 3 10 percent to -30 percent. Power requires hedging just over six quarters from delivery for quarterly average positions that are short.
- (f) Please refer to the Company's response to AWEC Data Request 002 which provides copies of PacifiCorp's Energy Risk Management Policy. Specifically, please refer to PacifiCorp's current Energy Risk Management Policy approved April 17, 2023, Appendix E (Natural Gas Percent Volume Hedge Limits) on page 33, and Appendix F (Power Volume Hedge Limits)













### **PC Data Request 3**

**Power Costs.** From January 1, 2012 to present, for each power plant owned in full or in part by PacifiCorp please provide in Excel format:

- (a) The hourly net output of the plant at the plant meter in Excel format;
- (b) The monthly variable O&M cost and the fixed O&M cost;
- (c) The number of forced outage hours; and
- (d) The number of maintenance outage hours.

### **Response to PC Data Request 3**

The Company objects to this request as overly burdensome. The Company further objects to this request which seeks information related to periods that are outside the scope of this calendar year 2022 power cost adjustment mechanism (PCAM) proceeding. Data and information prior to calendar year 2022 is not reasonably calculated to lead to the discovery of admissible evidence in this proceeding. Without waiving the foregoing objections, the Company responds as follows:

The Company interprets the request for data for “each power plant” to mean information / data regarding Company-owned thermal resources. Based on the foregoing interpretation, the Company responds as follows:

- (a) Please refer to Confidential Attachment PC 3-1 which provides copies of the hourly generation logs for Company-owned thermal resources for calendar years 2012 through 2022.
- (b) Variable operations and maintenance (VOM) costs for thermal units are calculated on an annual basis. The VOM costs are based on the prior year actual costs and generation level. Please refer to Confidential Attachment PC 3-2 which provides the Company’s available VOM calculations covering calendar year 2012 through 2022.

Please refer to Confidential Attachment PC 3-3 which provides fixed operations and maintenance (FOM) costs for Company-owned thermal resources by month covering calendar year 2012 through 2022.

- (c) Please refer to Confidential Attachment PC 3-4 which provides outage hours for Company-owned thermal resources for calendar years 2012 through 2022.
- (d) Please refer to the Company’s response to subpart (c) above.

Confidential information is provided subject to a confidentiality agreement executed between PacifiCorp and Public Counsel.

PREPARER: Mary Kelly / Gavin Mangelson / Mike Jenson /  
Aaron Lively

SPONSOR: To Be Determined

#### **PC Data Request 4**

**Power Costs.** For each hour of last 10 years (2013–2022, inclusive), please provide in Excel format:

- (a) The amount of load served by PacifiCorp in Washington, both inclusive of transmission and distribution losses, and exclusive of transmission and distribution losses.
- (b) The amount of retail load served by PacifiCorp in Washington, both inclusive of transmission and distribution losses, and exclusive of transmission and distribution losses.
- (c) The amount of load served by PacifiCorp in PACE, both inclusive of transmission and distribution losses, and exclusive of transmission and distribution losses.
- (d) The amount of retail load served by PacifiCorp in PACE, both inclusive of transmission and distribution losses, and exclusive of transmission and distribution losses.
- (e) The amount of load served by PacifiCorp in PACW, both inclusive of transmission and distribution losses, and exclusive of transmission and distribution losses.
- (f) The amount of retail load served by PacifiCorp in PACW, both inclusive of transmission and distribution losses, and exclusive of transmission and distribution losses.

#### **Response to PC Data Request 4**

The Company objects to this request as overly burdensome. The Company further objects to this request which seeks information related to periods that are outside the scope of this calendar year 2022 power cost adjustment mechanism (PCAM) proceeding. Data and information prior to calendar year 2022 is unlikely to lead to admissible evidence in this proceeding. Notwithstanding the foregoing objections, the Company responds as follows:

- (a) Please refer to Confidential Attachment PC 4-1 which provides the Company's hourly jurisdictional load data for calendar years 2013 through 2022. The data recorded and provided is in megawatts (MW) and inclusive of transmission and distribution (T&D) losses. Note: data excluding T&D losses has not been calculated.

- (b) Please refer to Attachment PC-4-2 which provides the Company's monthly jurisdictional retail sales for calendar years 2013 through 2022. The data recorded and provided is in kilowatt-hours (kWh) and inclusive of T&D losses. Note: data excluding T&D losses has not been calculated.
- (c) Please refer to the Company's response to subpart (a) above. The requested information for the PacifiCorp East (PACE) balancing authority area (BAA) can be derived from the data provided.
- (d) Please refer to the Company's response to subpart (b) above. The requested information for the PacifiCorp East (PACE) balancing authority area (BAA) can be derived from the data provided.
- (e) Please refer to the Company's response to subpart (a) above. The requested information for the PacifiCorp West (PACW) balancing authority area (BAA) can be derived from the data provided.
- (f) Please refer to the Company's response to subpart (b) above. The requested information for the PacifiCorp West (PACW) balancing authority area (BAA) can be derived from the data provided.

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PREPARER: David Novom / Mike McCoy

SPONSOR: To Be Determined

## **PC Data Request 5**

**Power Costs.** For each of the last three years, please provide in Excel format details on spot market purchases and sales for each hour including but not limited to the market, the location of the purchase or sale, the volume (MWh), and the price (\$/MWh).

## **Response to PC Data Request 5**

The Company objects to this request as overly burdensome. The Company further objects to this request which seeks information related to periods that are outside the scope of this calendar year 2022 power cost adjustment mechanism (PCAM) proceeding. Data and information prior to calendar year 2022 is unlikely to lead to admissible evidence in this proceeding. Notwithstanding the foregoing objections, the Company responds as follows:

Please refer to Confidential Attachment PC 5 which provides real-time (RT) and day-ahead (DA) transaction data for calendar years 2020 through 2022.

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PREPARER: Ray Zacharia

SPONSOR: To Be Determined