WUTC DOCKET: UE-191024 EXHIBIT: JJS-8T ADMIT ☑ W/D ☐ REJECT □

Exh.JJS-8T Dockets UE-191024 *et. al.* Witness: John J. Spanos

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba PACIFIC POWER & LIGHT COMPANY

Respondent.

Dockets UE-191024, UE-190750, UE-190929, UE-190981, UE-180778 (*Consolidated*)

PACIFICORP

SUPPLEMENTAL TESTIMONY OF JOHN J. SPANOS

ATTACHED EXHIBITS

- Exhibit No. JJS-9—Updated 2020 Depreciation Accrual Rates for Colstrip and Jim Bridger Assets
- Exhibit No. JJS-10—Updated 2020 Depreciation Calculations for Colstrip and Jim Bridger Assets
- Exhibit No. JJS-11—Updated 2020 Production Net Salvage Analysis for Colstrip and Jim Bridger Assets

1	Q.	Please state your name and address.
2	A.	My name is John J. Spanos. My business address is 207 Senate Avenue, Camp Hill,
3		Pennsylvania 17011.
4	Q.	Have you previously submitted testimony in this proceeding?
5	А.	In September 2018 and December 2019, I submitted testimony in PacifiCorp's 2018
6		Depreciation Study proceeding, docket UE-180778, ¹ which was subsequently
7		consolidated with this proceeding.
8	Q.	On whose behalf are you testifying in this case?
9	А.	I am testifying on behalf of PacifiCorp dba Pacific Power & Light Company
10		(PacifiCorp or the Company).
11		PURPOSE OF TESTIMONY
12	Q.	What is the purpose of your testimony?
13	A.	I am sponsoring a second depreciation study update for steam production assets
14		related to Jim Bridger Units 1-4 (Jim Bridger) and Colstrip Unit 4. The initial
15		depreciation study performed for PacifiCorp, Exhibit JJS-3, set forth the calculated
16		annual depreciation accrual rates by account as of December 31, 2017. Based on
17		these depreciation accrual rates, I recommended depreciation rates using the projected
18		December 31, 2020 plant and reserve balances for approval. The first updated
19		depreciation accrual rates set forth historical data as of December 31, 2018, and
20		projected depreciation rates as of December 31, 2020, for steam assets for Jim
21		Bridger and Colstrip Unit 4. ² It also incorporated changes to the probable retirement
22		dates for the units at both these generating plants. The second updated depreciation

¹ In the matter of Pac. Power & Light Co., Docket No. UE-180778, filed September 13, 2018. ² See Docket No. UE-180778, Exhibit Nos. JJS-6 and JJS-7, filed Dec. 13, 2019.

1		accrual rates set forth the same historical data and life parameters as the first update,
2		however, changes to the decommissioning estimates for both generating plants are
3		now being incorporated.
4		DEPRECIATION STUDY UPDATE
5	Q.	Can you explain what has changed since the first updated Depreciation Study
6		was filed by PacifiCorp in this proceeding?
7	A.	Yes. The first updated Depreciation Study was submitted by PacifiCorp in
8		December 2019 with actuarial data through December 31, 2018, and projected data
9		through December 31, 2020, based on life parameters as of that time period. Since
10		that time there have been revisions to the decommissioning estimates for Jim Bridger
11		and Colstrip Unit 4.
12	Q.	Do the changes in the decommissioning estimates affect any other components of
13		this depreciation study update?
14	A.	Yes. There is an additional component that is affected by these changes. The
15		weighted net salvage percentage by unit for Jim Bridger and Colstrip Unit 4 will
16		change due to the revised decommissioning estimates.
17	Q.	Have you prepared updated depreciation schedules that set forth these changes?
18	A.	Yes. Exhibit JJS-9 sets forth the updated depreciation accrual rates for Jim Bridger
19		and Colstrip Unit 4 assets by account and location as of December 31, 2020, utilizing
20		the updated weighted net salvage percentages for Jim Bridger and Colstrip Unit 4.
21	Q.	Have you prepared any other exhibits?
22	A.	Yes. The detailed schedules that support the depreciation results of Exhibit JJS-9
23		have been prepared. Exhibit JJS-10 consists of the detailed depreciation calculations

- 1 by account and unit. Exhibit JJS-11 consists of the weighted net salvage percentage
- 2 calculations for each unit.

3 Q. Does this conclude your supplemental testimony?

4 A. Yes.