

Exhibit No. SRM-3T  
Docket UE-180778  
Witness: Steven R. McDougal

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PACIFIC POWER & LIGHT COMPANY

For an Order Approving a Change in  
Depreciation Rates Applicable to Electric  
Property.

Docket UE-180778

**PACIFIC POWER & LIGHT COMPANY  
SUPPLEMENTAL TESTIMONY OF STEVEN R. MCDUGAL**

**December 2019**

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1 **Q. Are you the same Steven R. McDougal who previously filed testimony in this**  
2 **proceeding on behalf of PacifiCorp dba Pacific Power & Light Company**  
3 **(PacifiCorp or the Company)?**

4 A. Yes.

5 **PURPOSE OF SUPPLEMENTAL TESTIMONY**

6 **Q. What is the purpose of your supplemental testimony?**

7 A. The purpose of my supplemental testimony is to update the depreciation impact to  
8 Washington from the Company’s initial filing in this proceeding in accordance with  
9 Order 05. My supplemental testimony calculates the impact to accelerate  
10 depreciation lives for all Washington allocated coal-fired resources consistent with  
11 the 2019 Integrated Resource Plan (IRP)<sup>1</sup> and the Clean Energy Transformation Act  
12 (CETA). In addition, my supplemental testimony also provides the impact to  
13 accelerate depreciation lives for all Washington allocated coal-fired resources to the  
14 end of 2023 under the Washington Inter-Jurisdictional Allocation Methodology  
15 (WIJAM).

16 **Q. Please summarize the changes reflected in Exhibit No. SRM-4 and Exhibit No.**  
17 **SRM-5.**

18 A. Exhibits No. SRM-4 and SRM-5 support the calculation of the incremental impact on  
19 the annual depreciation expense allocated to Washington. More specifically, these  
20 exhibits have been updated to reflect the revised depreciable lives for Colstrip and  
21 Jim Bridger Units 1–4 (Jim Bridger) as summarized in Table 1 below.

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<sup>1</sup> *Pacific Power & Light Company 2019 Integrated Resource Plan*, Docket No. UE-180259, Volume I at 14–15 (Oct. 18, 2019).

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**TABLE 1**

Production Plant	2018 Depreciation Study Depreciable Lives	2019 IRP Retirement Date	Earlier of CETA or 2019 IRP Depreciable Lives	WIJAM/GRC Proposed Depreciable Lives
Colstrip	2027	2027	2025	2023
Jim Bridger 1	2025	2023	2023	2023
Jim Bridger 2	2025	2028	2025	2023
Jim Bridger 3	2025	2037	2025	2023
Jim Bridger 4	2025	2037	2025	2023

2 **Q. What is the incremental impact from the 2018 Depreciation Study to changes**  
3 **reflected in CETA and the 2019 IRP?**

4 A. The incremental impact assuming the earlier of the 2019 IRP retirement date or CETA  
5 compliance date of 2025 is \$23.2 million, or \$5.2 million on a Washington-allocated  
6 basis. Additional support for the calculation can be found in Exhibit No. SRM-4.  
7 This reflects accelerating Jim Bridger 1 from 2025, as proposed in the 2018  
8 Depreciation Study, to 2023, consistent with the 2019 IRP, and accelerating Colstrip  
9 from 2027, as proposed in the 2018 Depreciation Study, to 2025, consistent with  
10 CETA. Compliance with CETA does not require further acceleration for the  
11 remaining Jim Bridger units from the 2018 Depreciation Study.

12 **Q. What is the incremental impact from the 2018 Depreciation Study to changes**  
13 **reflected in the WIJAM and the Company’s concurrent general rate case filing?**

14 A. The incremental impact assuming the depreciable lives proposed by the Company in  
15 the concurrent general rate case filing, and as supported by the WIJAM, is  
16 \$139.8 million, or \$31.4 million on a Washington-allocated basis. Additional support  
17 can be found in Exhibit No. SRM-5. This reflects accelerating all Jim Bridger units  
18 from 2025, as proposed in the 2018 Depreciation Study, to 2023 and Colstrip from

1           2027, as proposed in the 2018 Depreciation Study, to 2023, consistent with the  
2           WIJAM.

3   **Q.    Does this conclude your supplemental testimony?**

4   **A.    Yes.**