

WUTC Data Request 170

Colstrip Unit 4/ Jim Bridger Units 3-4 - In Staff's Data Request No. 149 to PacifiCorp, Staff requested the Company "identify the annual revenue requirements for rate years one and two that PacifiCorp included in its direct case related to the non-NPC costs for Colstrip Unit 4 and Jim Bridger Units 3-4." In its response to Staff's Data Request No. 149, the Company did not provide the requested information on the grounds that the requested analysis had not been performed by the Company and the data request "seeks rebuttal testimony prior to the schedule established by the [Commission] . . . in this docket." Staff interpreted the Company's response to mean that it would provide the requested information in the Company's rebuttal testimony. However, upon review of the Company's rebuttal testimony, Staff determined the Company has still not provided the annual revenue requirements related to the non-NPC costs for Colstrip Unit 4 and Jim Bridger Units 3-4 for rate years one and two, or the supporting calculations.

Staff now makes the same request as it did in its Data Request No. 149 to PacifiCorp:

Please identify the annual revenue requirements for rate years one and two that PacifiCorp included in its direct case related to the non-NPC costs for Colstrip Unit 4 and Jim Bridger Units 3-4. In your response, please show how the Colstrip 4/Bridger 3-4 annual revenue requirements were calculated, and separately identify costs for distinct revenue requirement components (e.g., decommissioning and remediation, depreciation, O&M, tax-related items, return on rate base, etc.). Please provide separate calculations for rate years one and two.

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The Company assumes this request is intending to seek annual revenue requirements for rate year 1 (RY1) and rate year 2 (RY2) that PacifiCorp included in its rebuttal case, as revenue requirement figures and balances reflected in the Company's direct case are now superseded by the Company's rebuttal filing. The Company further assumes that this request seeks non-net power costs (NPC) costs for all coal-fired resources, including Bridger Mine rate base and regulatory liabilities established to recover incremental decommissioning, other plant closure and mine reclamation costs. In other words, all coal-fired resource-related balances that would be reflected in a coal cost tracker, should one be established. Based on the foregoing assumptions, the Company responds as follows:

Please refer to Attachment WUTC 170 which provides the requested calculation of non- NPC coal-fired resource costs in RY1 and RY2, along with linked

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supporting work papers for ease of access.

The initial request, WUTC Data Request 149, was submitted with expected external due date of October 2, 2023. At that time, the Company's rebuttal filing (submitted to the Washington Utilities and Transportation Commission (WUTC) on October 27, 2023) was still in development and therefore the Company had no current basis on which to perform the requested calculation. Further, it is not the Company's primary position to create a separate tracker for coal-fired resource costs for the duration of this pending multi-year rate plan (MYRP). Accordingly, the requested imputation of coal-fired resources costs in RY1 and RY2 rates was not provided as part of the Company's rebuttal filing.

The Company has now performed the requested calculation to quantify non-NPC coal-fired resource costs embedded in the Company's price change requests for RY1 and RY2. Specifically, In Attachment WUTC 170, please refer to file "Coal-Resources Costs Revenue Requirement.xlsx" which provides the requested calculation. Note: the calculations reflect total non-NPC coal-fired resources costs in RY1 and RY2 respectively, inclusive of Bridger Mine rate base, and incremental decommissioning, other plant closure and reclamation costs. These incremental decommissioning, other plant closure and reclamation costs were approved in the Company's previous general rate case (GRC) to be collected through 2030, and therefore would not be removed from rates at the end of 2025. Assuming a coal-fired resource cost tracker were implemented, these incremental costs would continue to be collected through this tracker, and final decommissioning and reclamation costs will ultimately be trued up through this tracker once actual costs are known. Attachment WUTC 170 also provides copies of revenue requirement work papers, in some instances with necessary modification from versions previously provided in support of the Company's direct and rebuttal testimonies, relied upon to produce the requested calculations.

Finally, as discussed in the Company's previous responses and the direct testimony of Company witness, Sherona L. Cheung, the estimated impacts of non-NPC coal-fired resources cost removal are subject to change based on the final approved capital rate base associated with coal-fired resources in the outcome of this GRC proceeding. Ultimately, the Company can only calculate the coal-fired resource removal impact once asset balances in rates in RY1 and RY2 is known from the order that is issued in this GRC proceeding.

In preparing the calculations in the Company's response to WUTC Data Request 170, the Company noticed that the informational estimate of non-NPC coal-fired resources removal at the end of RY2 provided, based on work papers supporting its direct testimony in errata direct testimony Exhibit No. SLC-1Tr, omitted the removal of fly ash revenues. Regardless, the estimate provided in Exhibit No. SLC-1Tr should now be superseded by the calculations produced in response to this data request, as the currently prepared estimate of non-NPC coal-fired

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resources costs in Attachment WUTC 170 reflects the Company's most recently available coal-fired resource rate base and expense balances as reflected in the Company's rebuttal filing, submitted on October 27, 2023, and properly reflects the incorporation of fly ash revenues impact in the overall estimation of coal-fired resources costs embedded in this MYRP.

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