**Exhibit No. \_\_\_CT (DN-1CT)**

**Docket UE-130043**

**Witness: David Nightingale**

**Redacted Version**

**BEFORE THE WASHINGTON**

**UTILITIES AND TRANSPORTATION COMMISSION**

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| **WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,**  **Complainant,** **v.****PACIFIC POWER & LIGHT COMPANY, d/b/a PACIFICORP,**  **Respondent.** | **DOCKET UE-130043** |

**TESTIMONY OF**

**David Nightingale**

**STAFF OF**

**WASHINGTON UTILITIES AND**

**TRANSPORTATION COMMISSION**

***Prudence of Klamath Hydroelectric Settlement Agreement***

**June 21, 2013**

**CONFIDENTIAL PER PROTECTIVE ORDER**

**Redacted Version**

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**I. INTRODUCTION**

**Q. Please state your name and business address.**

A. My name is David Nightingale. My business address is the Richard Hemstad Building, 1300 South Evergreen Park Drive SW, Olympia, Washington, 98504-7250.

**Q. By whom are you employed and in what capacity?**

A. I am employed by the Washington Utilities and Transportation Commission (“Commission”) as a Senior Regulatory Engineering Specialist in the Energy Conservation and Planning Section of the Regulatory Services Division.

**Q. When did your employment at the Commission begin?**

A. I began my employment at the Commission in February 2009.

**Q. What are your duties as a Senior Regulatory Engineering Specialist?**

A. My duties involve the analysis of resource acquisition, integrated resource planning, compliance with the energy conservation and renewable portfolio standards of the Energy Independence Act, RCW 19.285, and energy conservation program development and implementation.

**Q. Please describe your education and relevant employment experience.**

A. I hold a Bachelor of Arts degree in Business Administration from Western Washington University, Bellingham. I also hold a Bachelor of Science degree in Energy Engineering from the University of Washington, Seattle, where my studies focused on fluid dynamics, thermodynamics, and alternative energy. I performed research and designed projects, including testing residential conservation standards in four fully-instrumented model homes (this research led to the technical justification for a modified Washington energy code), cost-effectiveness of residential solar hot water heating, and design of a small wind turbine system on Orcas Island.

 From 1987 to 1991, I worked for RW Beck and Associates, an engineering consulting firm in Seattle. My responsibilities included county and state waste and recycling system planning, landfill development, and waste-to-energy (renewable biomass) project evaluation and analysis for clients in Washington and Alaska.

 From 1991 through January 2009, I worked for the Washington State Department of Ecology in various capacities: as a planner, engineer, technical unit supervisor, statewide technical-lead, and policy Staff. My projects included technical review and regulatory compliance of renewable biomass projects, such as landfill gas to energy projects, variously-fueled pyrolysis plants and proposals, and fluidized-bed and mass-burn waste-to-energy plants. I was also responsible for technical review and regulatory assistance for coal combustion products recycling and disposal options for TransAlta’s Centralia generation plant, as well as combustion products disposal for Avista’s Kettle Falls wood-fueled electric generating plant.

**Q. Have you previously presented testimony before the Commission?**

A. Yes. I testified in Docket UE-090704 regarding greenhouse gas emissions compliance and prudence of the Mint Farm combustion turbine resource acquisition and Wild Horse wind resource expansion by Puget Sound Energy, Inc. (“PSE”). I testified in Docket UE-090205 regarding greenhouse gas emissions compliance and the prudence of PacifiCorp’s acquisition of the Chehalis combustion turbine generating facility. In Docket UE-100467, I provided prudence testimony regarding Avista’s Lancaster Power Purchase Agreement (PPA). I provided prudence and renewable energy portfolio standard testimony in Docket UE-111048, regarding PSE’s Lower Snake River, Phase I wind project, as well as prudence testimony for PSE’s Klamath seasonal PPA. Most recently, I provided testimony in Docket UE-120436 regarding the prudence of Avista’s acquisition of the Palouse Wind Farm PPA and investments in smart grid technologies in the Spokane and Pullman areas.

 I have presented Staff recommendations to the Commission in open public meetings on issues involving integrated resource plans, requests for proposals, conservation targets and tariffs, distributed generation interconnection rules, and other matters.

**II. SCOPE AND SUMMARY OF TESTIMONY**

**Q. Please explain the purpose of your testimony.**

A. My testimony addresses the request of PacifiCorp d/b/a Pacific Power and Light Company (“PacifiCorp” or “Company”) that the Commission issue an order:

* Approving an accelerated depreciation schedule for the Klamath Hydroelectric Project (“Klamath Project”) based on the timeframe contained in the Klamath Hydroelectric Settlement Agreement (“KHSA”). This treatment is part of a 2011 depreciation study pending in Docket UE-130052. Application of this depreciation treatment is reflected in Adjustment 6.3 in this rate case.
* Allowing a full year of amortization of the relicensing and settlement process costs associated with the Klamath Project. These costs were included for only one month (December 2010) when calculating the average of monthly averages balance for the test period in the Company’s last general rate case, Docket UE-111190.

 I also evaluate the prudence of the Company’s decision to enter the KHSA, which commits the Company to decommissioning the Klamath Project instead of continuing to pursue Federal Energy Regulatory Commission’s (“FERC”) relicensing. The Company does not request an explicit Commission finding of prudence, but it has offered evidence on the issue in support of its two specific ratemaking requests.

**Q. What information did you evaluate in conducting your analyses?**

A. Staff reviewed the direct testimony and exhibits of Company witness Andrea L. Kelly. Her exhibits include the KHSA, mapping of the overall project, a timeline of significant events related to the project, and the economic analysis the Company completed to compare the project alternatives of relicensing versus eventual decommissioning and removal.

 Staff also reviewed documents related to the Klamath Project provided in response to Staff data requests, including the original FERC license; the proposed modified terms and conditions for a new license issued by the National Marine Fisheries Service (“NMFS”), US Fish and Wildlife Service (“USFWS”), Bureau of Reclamation, and the Bureau of Land Management in January 2007; the biological opinions issued by NMFS and USFWS in December 2007; and the Interim Conservation Plan prepared by the Company following issuance of the biological opinions by NMFS and USFWS. Finally, Staff reviewed relevant decisions by other state commissions, including the Oregon and California commissions.

**Q. Please summarize your recommendations for the Klamath Project.**

A. Based on my review of the documents provided by the Company, I recommend that the Commission issue the order requested by PacifiCorp, with the condition that the Company must adjust the depreciation schedule of the Klamath Project assets and amortization of relicensing and settlement process costs in any future general rate case, if the anticipated or realized useful lives of those assets change from that shown in the KHSA.

I also conclude that the Company’s decision to enter the KHSA was prudent when compared to the costs and risks of the FERC relicensing alternative.

**III. KLAMATH PROJECT DISCUSSION**

**A. Prudence of the Klamath** **Hydroelectric Settlement Agreement**

1. **Commission Prudence Standard**

**Q. Does the decision of the Company to not relicense the Klamath Project and instead enter the KHSA fit into the usual context of a prudence evaluation?**

A. No. Typically, the Commission conducts a prudence review when a regulated electric utility acquires significant generating assets and seeks to recover the costs of those new assets from ratepayers. Nonetheless, the question of prudence can be applied to other transactions such as the KHSA, which involves the decommissioning, or retiring, of an existing generation resource.[[1]](#footnote-1)

**Q. What is the fundamental question that is answered through a prudence review?**

A. The Commission has stated that the fundamental question is whether the transaction was reasonable:

The Commission has consistently applied a reasonableness standard when reviewing the prudence of decisions relating to power costs, including those arising from power generation asset acquisitions. The test the Commission applies to measure prudence is what would a reasonable board of directors and company management have decided given what they knew or reasonably should have known to be true at the time they made a decision. This test applies both to the question of need and the appropriateness of the expenditures. The company must establish that it adequately studied the question of whether to purchase these resources and made a reasonable decision, using the data and methods that a reasonable management would have used at the time the decisions were made.[[2]](#footnote-2)

In my opinion, the same “reasonableness” standard should apply to evaluate the prudence of the Company’s decision to enter the KHSA.

**Q. What factors does the Commission use to evaluate the prudence of a utility’s electric resource decisions?**

A. There is no single set of factors. In Cause U-83-26, the Commission applied thirteen factors, which the Commission characterized as “unique” and stated that “[a]dditional factors may be considered in subsequent cases as dictated by the facts.”[[3]](#footnote-3) The unique factors that went into the Company’s decision to pursue decommissioning instead of relicensing the Klamath Project are described in the following sections of my testimony.

**2. Klamath Project Prudence**

**Q. Please describe the Klamath Project in more detail.**

A. As described by PacifiCorp,

The Project is a 169 megawatt hydroelectric facility on the Klamath River, along the Oregon-California border. The project consists of eight developments, including seven powerhouses, five mainstem dams on the Klamath River (Iron Gate. Copco No. 1, Copco No. 2, J.C. Boyle, and Keno), as well as two small diversion dams on Spring Creek and Fall Creek, tributaries to the Klamath River. The project also includes the East Side and West Side generating facilities, which are located near the southern end of Upper Klamath Lake. These two generating facilities use water diverted by the Link River Dam, a facility owned by the Bureau of Reclamation that regulates the elevation and releases of water from Upper Klamath Lake (source of the Klamath River). The Link River Dam is not included in the project. One of the dams that is included in the project, Keno Dam, has no hydroelectric generation facilities, but does serve to regulate water levels in Keno Reservoir as required by the project FERC license.

The project operates all eight developments under a single FERC license (FERC Project No. 2082). The project spans a large geographic area across Southern Oregon and Northern California, and is partially located on lands administered by the Bureau of Land Management and the Bureau of Reclamation. The furthest western facility (Iron Gate Dam) is located less than 10 miles east of Interstate 5, and the furthest eastern facilities (East Side and West Side Powerhouses) are located just south of the city of Klamath Falls. The first hydroelectric development, Fall Creek, was completed in 1903, and Iron Gate, the last hydroelectric development, was completed in 1962. Keno Dam was completed in 1968.[[4]](#footnote-4)

**Q. How did the KHSA develop and impact rate cases filed by PacifiCorp in different states?**

A. KHSA is a complex negotiated agreement that involved over 40 parties including the states of California and Oregon.[[5]](#footnote-5) As agreed by the multiple parties, the KHSA costs for decommissioning and dam removal are allocated only to Oregon and California and do not require contributions from other West Control Area states, such as Washington.[[6]](#footnote-6) The costs and benefits of the Klamath Project historically were, and in the future will remain, most directly with the 600,000 customers near the California-Oregon border of PacifiCorp’s service territory.[[7]](#footnote-7) Rate cases filed by the Company in states outside of Oregon and California, including this case, allocate only Company costs associated with the original FERC relicensing application and KHSA negotiation processes. The costs of decommissioning and dam removal, allocated only to Oregon and California, have already been approved by both those state commissions in rate cases decided in May 2011 and September 2010, respectively.[[8]](#footnote-8)

**Q. What action did the Oregon and California commissions take regarding the KHSA?**

A. The Oregon and California commissions approved decommissioning and removal of the Klamath Project and required customer contributions towards that end. Their decisions were influenced by comparing the financial impacts of relicensing versus decommissioning, where relicensing required satisfying “substantial modifications to be in compliance with current law and the requirements of a new FERC license.”[[9]](#footnote-9) I will discuss the financial analysis PacifiCorp conducted later in my testimony.

**Q. What principles guided PacifiCorp in negotiations of the KHSA?**

A. The Company set four core principles to guide its negotiation on a path that could lead to dam removal. The four principles were:

1. Protect utility customers from uncertain costs of dam removal;
2. Transfer dams to a third party for removal;
3. Protect utility customers from liabilities of dam removal; and
4. Ensure that utility customers continue to benefit from the low cost power of the dams until the dams are removed.[[10]](#footnote-10)

**Q. Is the KHSA successful in delivering on these four core principles?**

A. Yes. The KHSA addresses the four core principles, which provides more certainty and less risk for the Company and its customers than continuing to pursue the FERC relicensing process. The KHSA provides for the transfer of the Project to a Dam Removal Entity (“DRE”) no earlier than 2020.[[11]](#footnote-11) This satisfies the second principle of the Company’s negotiating strategy toward decommissioning.

 The DRE is responsible for decommissioning and removal of the dams once funded by customers in California and Oregon and a bond or other revenues from California. This shields the Company and its customers regarding uncertain risks of decommissioning and dam removal, as the DRE takes responsibility for final execution once the funding is provided. This addresses the first and third principles to protect against uncertain costs of dam removal and associated liabilities.

 The KHSA calls for the US Secretary of the Interior to conduct further studies and environmental review and to issue a determination regarding whether dam removal should proceed. Prior to the Secretary’s determination, key milestones must occur, including the passage of federal legislation to enact key provisions of the KHSA that protect the Company and its customers from liabilities related to dam removal and additional costs. The KHSA contains a $200 million cap on customer contribution to the costs of dam removal. These provisions strengthen the protection for customers from uncertain future costs under the KHSA and further support of the first core principle.

 The KHSA sets out a timeline for dam removal that will not occur until the end of 2019. This condition addresses the final negotiating principle, to ensure that customers continue to benefit from low cost power until the dams are removed.

**Q. Have other state commissions addressed these features of the KHSA as compared to the FERC relicensing?**

A. Yes.On May 6, 2011, the California Public Utilities Commission issued Decision 11-05-002, which authorized a rate increase effective January 1, 2011.

Pursuant to the Klamath Hydroelectric Settlement Agreement, PacifiCorp is authorized to institute a Klamath surcharge, to collect $13.76 million over nine years from its California customers.[[12]](#footnote-12)

In coming to this decision, the California Commission stated that:

We find that authorization of the proposed surcharge pursuant to the terms of the KHSA provides the most cost effective method of collecting the funds necessary to resolve conflicts over resources in the Klamath Basin. Through the use of the KHSA cost cap, ratepayers are protected from the uncertain costs of relicensing, litigation, and decommissioning that customers may be responsible for sans the KHSA. If the KHSA surcharge is not instituted, the KHSA may be terminated and ratepayers would then be exposed to an uncertain amount of costs in addressing what to do with PacifiCorp’s Klamath assets.[[13]](#footnote-13) (Footnote omitted.)

 On September 16, 2010, the Oregon Public Utilities Commission issued Order No. 10-364, which authorized the Company to institute the surcharges outlined in the KHSA.[[14]](#footnote-14) In its decision, the Oregon Commission stated:

We are persuaded that continued pursuit of the relicensing option would pose significant risks to ratepayers. The nature and scope of the costs involved with relicensing would remain uncertain and subject to significant escalation for a considerable period of time. The KHSA in contrast, offers a more certain path for the Project's future, providing a timeline for continued operation until December 31, 2010, followed by transfer of the facilities to a third party responsible for removing the dams. The KHSA also caps customer costs and liabilities for Klamath dam removal and the environmental restoration of the Klamath River at a reasonable level, while providing customers with renewable replacement power. Further, we believe that Pacific Power has reasonably estimated the cost of replacement power if the Klamath dams are decommissioned. Due to significant tangible and intangible benefits associated with the KHSA, we conclude it is in the best interest of customers and find the KHSA surcharges to be fair, just and reasonable.[[15]](#footnote-15)

**Q. Is satisfaction of these negotiation principles a sufficient basis upon which to conclude that entering the KHSA was a prudent decision?**

A. No. These negotiating principles provide significant protection for the Company and ratepayers against future uncertain costs and liabilities; they provide a basis for a less risky path forward.

 However, satisfaction of these principles alone does not mean that it was prudent for the Company to enter the KHSA. The principles must also be paired with projected financial benefits that outweigh the dam relicensing path. Both of these concepts -- reduced future risk and a more economical solution -- are required before one might conclude that entering the KHSA was prudent. The next section of my testimony addresses the financial benefits question.

**3. Cost and Risk Analysis of the KHSA v. Relicensing**

**Q. How did the Company evaluate the economic costs and benefits supporting its decision to enter the KHSA?**

A. Prior to entering the KHSA in February 2010, PacifiCorp compared the cost to customers if the KHSA was implemented to the costs to customers under a conservative FERC relicensing scenario. The conservative relicensing scenario relied heavily on independent cost estimates and data developed during the FERC relicensing process and Final Environmental Impact Statement.

**Q. What are the estimated project costs to meet the FERC relicensing alternative?**

A. Page 5 of Company witness Kelly’s Exhibit No.\_\_\_\_(ALK-5C) shows the Company’s estimated costs to relicense and operate the Klamath Project for 40 years with a new FERC license. The costs include over $400 million in capital costs and $60 million in operations and maintenance (“O&M”) costs.[[16]](#footnote-16) The majority of capital costs are related to potential protection, mitigation, and enhancement (“PM&E”) measures, which would likely be final conditions of a new relicense. Some of these costs are fairly well defined, while others remain relatively uncertain at this time.

Calculations for relicensing also reflect a 20 percent reduction in energy from the Klamath Project. This reduction in generation is due to the FERC relicensing requirement to provide more water to currently bypassed reaches of the Klamath River which, in turn, makes less water available for generating electricity.

**Q. What are the estimated costs of implementing the KHSA alternative?**

A. As shown on page 24 of Exhibit No.\_\_\_(ALK-1T), the Company’s assessment of the costs of settlement includes $9 million in capital costs and approximately $70 million in total O&M costs through 2019 when the DRE takes possession of the Klamath Project.[[17]](#footnote-17) To fund the dam removal, Oregon and California customers will cover additional implementation costs through a surcharge designed to generate $172 million by the end of 2019.[[18]](#footnote-18) In 2020 the DRE will assume responsibility for all ongoing costs of the Klamath Project and the funds accumulated for that purpose.

**Q. How did the Company compare the potential costs of FERC relicensing versus the costs under the KHSA?**

A. The analysis evaluated the present value revenue requirement (“PVRR”) of the known and anticipated costs of the KHSA scenario compared to the PVRR of the estimated costs of the relicensing scenario. The analysis used a 44-year period beginning in 2010, which parallels an expected FERC license timeframe beginning in 2013.

 In both scenarios, the Company assumed that lost generation would be replaced with renewable non-carbon emitting resources. For the relicensing scenario, there was a 20 percent reduction in generation, whereas the KHSA scenario eliminated 100 percent of Klamath Project generation at the end of 2019.

**Q. What were the results of the Company’s PVRR comparative analysis?**

A. The PVRR of the known and anticipated costs under the KHSA versus the FERC relicensing scenarios is shown in the table below.[[19]](#footnote-19)

|  |
| --- |
| **Present Value Revenue Requirement, 2010**  |
| **FERC Relicensing** | **KHSA** | Difference |
| Total NPV Cost = $ XXX | Total NPV Cost = $ XXX(Includes CA/OR Surcharge of $ XXX) | $ XX |
|  |  |  |
| Normalized Cost = $XXX/MWh | Normalized Cost = $XXX/MWh(Includes CA/OR Surcharge of $XXX/MWh) | $XXX/MWh |
|  | ***WA Normalized Cost = $ XXX/MWh*** | ***$ XXX/MWh*** |

 The estimated costs for the two scenarios are not very different. However, the risks of unknown and potentially higher costs of a FERC license are much greater than for the KHSA scenario. This difference in risk was an important factor in the Oregon and California commission decisions to approve the KHSA.[[20]](#footnote-20)

Notwithstanding this risk difference, Washington ratepayers are protected from any surcharge to collect the $XXXXXXX required to fund the DRE.[[21]](#footnote-21) This results in a significantly lower total net present value for Washington customers as shown in the table above, where the expected normalized cost of power for Washington customers with the KHSA is nearly $XX/MWh, whereas the normalized cost estimate for FERC relicensing is over $XX/MWh.

**Q. How did the Company use this analysis in its negotiation of the KHSA?**

A. During negotiations of the KHSA, the Company was willing to agree to a set of financial commitments that did not exceed the cost estimates in the conservative relicensing scenario estimates.[[22]](#footnote-22)

**Q. Does the KHSA result in overall benefits for the Company’s customers?**

A.Yes. Based on the results shown in the above table, the KHSA results in a PVRR and levelized cost that is slightly less than the cost of relicensing.[[23]](#footnote-23) Moreover, the Company’s assessment of the relicensing costs is based on the best estimates available during another relicensing proceeding several years ago. As such, there is always the risk that costs for these measures will increase as they are fully designed and constructed. The cost of additional unanticipated PM&E measures is another risk that the KHSA alleviates.

**Q. Are the costs the Company assumed in the relicensing scenario conservative?**

A.Yes. Without a settlement among the parties, it is clear that the Company would continue to face significant opposition to relicensing. I agree with the Company’s assessment that the stakeholders would have attempted to drive the costs of relicensing as high as possible in an effort to make that scenario as uneconomic as possible.[[24]](#footnote-24) In a prior relicensing case on the North Umpqua River in Oregon, process costs alone were over $55 million and spanned 10 years despite less political resistance, technical complexity, and fewer parties than the Klamath Project.[[25]](#footnote-25)

**Q. Did Company management or the Board of Directors participate in the decision to enter the KHSA?**

A. Yes. Executive management members Andrea Kelly, Senior Vice President and Dean Brockbank, Vice President and General Counsel participated in all aspects of the negotiations of the KHSA.[[26]](#footnote-26) Moreover, Gregory E. Abel, Chairman and CEO, executed the KHSA on behalf of the Company.[[27]](#footnote-27)

**4. Conclusion on Prudence**

**Q. What is your conclusion regarding the prudence of the KHSA?**

A. It is my conclusion that the KHSA provided the best opportunity to shield Washington customers from identifiable and significant costs and risks of the FERC relicensing alternative, as well as the risks of Klamath Project dam removals through the use of a cost cap and transfer of the assets to the Dam Removal Entity at the end of 2019. Furthermore, the KHSA economically benefits Washington customers because it does not require customer contributions to implement dam removal and restoration actions which occur beyond 2019.

Given the unique factual context of the Company’s decision and the contemporaneous review and analysis that the Company documented fully, I conclude that it was reasonable and therefore prudent for the Company management to have entered the KHSA.

**B. Depreciation of the Klamath Project**

**Q. What is the Company request regarding a depreciation schedule for the Klamath Project assets?**

A. The Company is requesting in Docket UE-130052 and in this docket that the Klamath system of dams and associated capital assets be depreciated at a rate that fully depreciates the Klamath Project by the end of 2019 on a straight-line basis. This accelerated depreciation rate matches the KHSA implementation timeframe and is reflected in Company Adjustment 6.3 in this rate case.

**Q. What do you recommend regarding the Company’s request for accelerated depreciation of the Klamath Project?**

A. Depreciating the entire Klamath Project to zero by the end of 2019 will match the point in time when the generating assets will be transferred to another party (the DRE) and therefore will no longer be used to serve electric customers. To be consistent with normal accounting practices, the remaining asset values of the Klamath Project should be depreciated to match the KHSA schedule.

Therefore, Staff recommends approval of the accelerated depreciation schedule for the Klamath Project as proposed by the Company with one condition: in any future general rate case, the Company must adjust the depreciation schedule for Klamath Project assets and the amortization of relicensing and settlement process costs, if the anticipated or realized useful lives of the assets change from that shown in the KHSA. This condition accommodates any possible future changes to the KHSA that effects decommissioning and dam removal.

**C. Full Year Amortization for Klamath Project Process Costs**

**Q. What do you recommend regarding the Company’s request to allow a full year of amortization of the relicensing and settlement process costs associated with the Klamath Project?**

A. These costs were included for only one month (December 2010) when calculating the average of monthly averages balance for the test period in the Company’s last general rate case in Docket UE-111190. Staff concurs with the Company’s request that the amortization of process and licensing costs included in the prior rate case’s test period, be extended to the full year of amortization in this docket.

**D. Klamath Project Recommendations**

**Q. Please summarize your recommendations and conclusions regarding the Klamath Project.**

A. Consistent with the Company’s request in this case, I recommend that the Commission issue an order that authorizes:

* Continued use of the amortization costs of the relicensing and settlement process for the full rate base period as proposed in the Company’s direct case.
* An accelerated depreciation schedule that will depreciate all costs associated with the Klamath facilities on a straight line basis, so the net book value reaches zero by December 31, 2019. Such authorization, however, is conditioned on a requirement for the Company to adjust the depreciation schedule of the Klamath Project assets and amortization of relicensing and settlement process costs in any future general rate case, if the anticipated or realized useful lives of the Klamath Project assets change from that shown in the KHSA.

Finally, I conclude that the Company’s decision to enter the KHSA was prudent given the costs and risks of the FERC relicensing alternative, which were fully analyzed and documented.

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

A. Yes, it does.

1. Likewise, Staff witness Juliana Williams conducts a prudence review of major plant additions to other existing hydroelectric projects owned by PacifiCorp. [↑](#footnote-ref-1)
2. *WUTC v. Puget Sound Energy, Inc.*, Docket UE-031725, Order 12 at ¶19 (April 7, 2004), [↑](#footnote-ref-2)
3. *WUTC v. The Wash. Water Power Co.,* Cause U-83-26, Fifth Supplemental Order at 15-16 (January 19, 1984). [↑](#footnote-ref-3)
4. Kelly, Exhibit No. \_\_\_ (ALK-1T) at 4-5. [↑](#footnote-ref-4)
5. Company Response to Staff Data Request 211, CA PUC Order 11-05-002at 4 (May 5, 2011). [↑](#footnote-ref-5)
6. Kelly, Exhibit No. \_\_\_ (ALK-1T) at 21:18-20. [↑](#footnote-ref-6)
7. Company Response to Staff Data Request 211, CA PUC Decision 11-05-002 at 3 (May 5, 2011). [↑](#footnote-ref-7)
8. Company Response to Staff Data Request 211, CA PUC Decision 11-05-002 (May 5, 2011) and OR PUC Order 10-364 (September 16, 2010). [↑](#footnote-ref-8)
9. Company Response to Staff Data Request 211, CA PUC Decision 11-05-002 at 3 (May 5, 2011). [↑](#footnote-ref-9)
10. Kelly, Exhibit No. \_\_ (ALK-1T) at 20:23-21:4. [↑](#footnote-ref-10)
11. Kelly, Exhibit No.\_\_\_(ALK-4) at 43. [↑](#footnote-ref-11)
12. Company Response to Staff Data Request 211, CA PUC, Order Decision 11-05-002 at 37 (May 5, 2011). [↑](#footnote-ref-12)
13. *Id*. at 12. [↑](#footnote-ref-13)
14. Company Response to Staff Data Request 211, OR PUC Order No. 10-364, at 12 (May 6, 2011). Note: the decision text mistakenly uses the year 2010 as the point of transfer to of the project to the DRE, the correct year of transfer is at the end of 2019. [↑](#footnote-ref-14)
15. Company Response to Staff Data Request 211, OR PUC Order No. 10-364 at 12, May 6, 2011. [↑](#footnote-ref-15)
16. Kelly, Exhibit No.\_\_\_(ALK-1T) at 22:21-23. [↑](#footnote-ref-16)
17. Details are shown in Kelly, Exhibit No.\_\_\_ (ALK-5C) at 6. [↑](#footnote-ref-17)
18. Kelly, Exhibit No.\_\_\_(ALK-1T) at 25. [↑](#footnote-ref-18)
19. Kelly, Exhibit No.\_\_\_(ALK-5C) at 4. [↑](#footnote-ref-19)
20. Company Response to Staff Data Request 211, OR PUC Order No. 10-364 at 12 (May 6, 2011) and CA PUC, Order Decision 11-05-002 at 12 (May 5, 2011). [↑](#footnote-ref-20)
21. Kelly, Exhibit No. \_\_ (ALK-1T) at 21:16-20. [↑](#footnote-ref-21)
22. Kelly, Exhibit No. \_\_ (ALK-1T) at 26:11-16. [↑](#footnote-ref-22)
23. Kelly, Exhibit No.\_\_\_(ALK-5). [↑](#footnote-ref-23)
24. Kelly, Exhibit No. \_\_\_(ALK-1T) at 28:3-6 [↑](#footnote-ref-24)
25. Kelly, Exhibit No. \_\_ (ALK-1T) at 19:6-21. [↑](#footnote-ref-25)
26. Company Response to Staff Data Request 157. [↑](#footnote-ref-26)
27. Kelly, Exhibit No. \_\_ (ALK-4) at 74. [↑](#footnote-ref-27)