BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant,

v.

PACIFICORP dba PACIFIC POWER & LIGHT COMPANY Respondent.

Docket UE-210402

PACIFICORP

CROSS-EXAMINATION EXHIBIT FOR BRADLEY G. MULLINS

Excerpt of Rebuttal and Cross Answering Testimony of Bradley G. Mullins
Docket No. UE-390
2022 PacifiCorp Oregon Transition Adjustment Mechanism

January 7, 2022
BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON

UE 390

In the Matter of

PacifiCorp d/b/a Pacific Power

2022 Transition Adjustment Mechanism

REBUTTAL AND CROSS-ANSWERING TESTIMONY OF

BRADLEY G. MULLINS

ON BEHALF OF

ALLIANCE OF WESTERN ENERGY CONSUMERS

(REDACTED)

July 30, 2021
Q. HOW DID PACIFICORP RESPOND?
A. PacifiCorp did not dispute that the BCC material and supplies expenses had been grossly overstated. PacifiCorp also acknowledged that it has historically overstated the cost per ton of coal from the BCC. Notwithstanding, PacifiCorp accuses me of “cherry-picking.”

PacifiCorp also has concerns with my calculations, including the use of a single royalty rate and the inclusion of reclamation volumes in my adjustment calculation.

Q. WAS YOUR ANALYSIS “CHERRY PICKING”?
A. As a threshold matter, it is unclear to me what meaning PacifiCorp intended by using the term “cherry-picking” when referring to my testimony. PacifiCorp seems to be objecting to the idea that an adjustment to a single cost item should be allowed. If that were the case, however, then no party could ever propose an adjustment to the utility’s rates. Indeed, PacifiCorp’s proposal to change the market caps method is just as much “cherry-picking” as my adjustment to BCC materials and supplies. The development of an accurate power cost forecast demands that each element of that forecast be independently predicted with as much precision as possible.

Q. DID YOU IGNORE RELEVANT EVIDENCE THAT CONTRADICTS YOUR PROPOSAL?
A. No. To the extent that PacifiCorp is arguing that I ignored offsetting factors, I also disagree with that characterization. PacifiCorp acknowledges it has materially overstated its budget for BCC in past proceedings. PacifiCorp acknowledges that “During 2018 through 2020, Jim Bridger plant coal received costs from BCC expressed on a cost per one million British thermal units (MMBtu) basis are less than rates estimated in the referenced TAM filings.”

In conducting my review, I also noted this large discrepancy between the forecast costs

---

18/ PAC/600, Ralston/31:20-32:1 (internal citations omitted).

UE 390 – Rebuttal and Cross-Answering Testimony of Bradley G. Mullins