PACIFIC POWER DATA REQUEST NO. 008 TO BOISE:

Please refer to Exhibit No. BGM-1T, p. 32, ll. 10-14 and set forth with specificity which overhead costs Boise contends will be less “when a Washington customer departs.” Additionally, please describe in detail how the cost differences are calculated.

RESPONSE TO PACIFIC POWER DATA REQUEST NO. 008:

Boise objects on the basis that the data requested would be unduly burdensome and that the request is overly broad. Further, Boise objects on the basis that the Company seeks information obtainable from another source that is more convenient and less burdensome—namely, Pacific Power itself. Subject to and without waiving these objections, Boise answers as follows.

The referenced testimony specifically states “Washington’s allocation of overhead costs, such as the call center and common transmission costs, will also appropriately decline when a customer departs. The reduction in these costs is appropriate under cost causation principles since Washington will cause less overhead costs to occur when a Washington customer departs.” In the referenced quote, Mr. Mullins was referring to the fact that Washington’s share of any cost allocated using load-based allocation factors will decline when a customer departs to another utility.

The Company did not calculate the impact of declining allocation factors in the stranded cost fee, although it could easily do so by decrementing the Washington jurisdictional loads and coincident peak loads in the Jurisdictional Allocation Model, which is commonly supplied as a workpaper in rate case filings.

Please note that Mr. Mullins’ reference to overhead costs is meant to include more costs than just those costs which are allocated on a System Overhead factor, which itself is not necessarily a load based allocation factor.

Date: May 10, 2017
Respondent: Bradley G. Mullins
Witness: Bradley G. Mullins