

UE-230482 / PacifiCorp
May 24, 2024
AWEC Data Request 079

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CONFIDENTIAL REQUEST - Reference Exh. DRS-1CT at 31:8-11: PacifiCorp states “AWEC’s own Confidential Figure 4 shows [REDACTED] and that this fact “should make viewers skeptical of the output”:

- a. Please state what PacifiCorp believes was the total system gas hedge ratio for 2022 and identify the gas requirements that were used in performing the calculation.
- b. Does PacifiCorp agree that in Mr. Mullins other two counterfactual studies, which used the requirements from the responses to AWEC Data Requests 14 and 27, the total-system hedge ratio was approximately 72% and 73% respectively? (Note, that these values may be obtained from the Excel version of Exh. BGM-3C by toggling the value in Tab “Conf Table 6,” Cell “D13”, and taking the output from Tab “TC Counterfactual Hedging,” Cell “AO83”). If not, please explain.

Confidential Response to AWEC Data Request 079

- (a) The witness for the Alliance of Western Energy Consumers (AWEC), Bradley G. Mullins, seems to have misinterpreted the referenced section of the rebuttal testimony of Company witness, Douglas R. Staples. The hedge ratio itself is not what should make a reader skeptical of the output (in fact, the Company used 12 different monthly positions, but calculated an average hedge ratio relatively close to AWEC’s calculation). However, AWEC’s further claim that they had reduced net power costs (NPC) by adhering to a [REDACTED] which requires a net removal of hedges should make viewers skeptical of AWEC’s results. PacifiCorp calculated an [REDACTED] (approximately) based on the same positions given to AWEC in the Company’s response to AWEC Data Request 071.
- (b) Yes. The Company agrees that both of the referenced percentages are produced when toggling the input cell. However, the Company also notes again for the record that those hedge ratios are both reliant on information unavailable to the Company when it is hedging, and (in the case of any gas burned for energy imbalance market (EIM)) includes volumes that should not be hedged since doing so would be speculative.

Confidential information is provided subject to the protective order that was issued in this proceeding.

PREPARER: Douglas R. Staples

SPONSOR: Douglas R. Staples