

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER & LIGHT CO.,

Respondent.

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DOCKET UE-230482

**CROSS-EXAMINATION OF WESLEY YEOMANS  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

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**EXHIBIT WY-\_\_Xr**

UTC Staff Response to Public Counsel Data Request No. 10

~~May 28, 2024~~

**Revised May 29, 2024**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
STAFF RESPONSES TO DATA REQUESTS

DATE PREPARED: April 15, 2024	WITNESS: Wesley Yeomans
DOCKET: UE-230482	RESPONDER: Wesley Yeomans
REQUESTER: Public Counsel	TELEPHONE:

**DATA REQUEST NO. 10:**

**RE: Re: Direct Testimony of Wesley Yeomans, Exh. WY-1CT at 14:1-5**

Please provide in Excel format all calculations done in support of the conclusion that PacifiCorp's hedging program was prudent in operation. Please provide a narrative description of the calculations provided.

**RESPONSE**

A prudent power and natural gas hedging program utilizes a risk-responsive approach for balancing the costs of hedging products with potential costs to customers as the result of extreme market volatility. The important characteristics of a risk-responsive hedging program includes processes to update all relevant forecast data to serve as input to the energy and credit risk models, execute the energy and credit risk models, produce energy credit exposure reports as measured against defined energy and credit risk limits, and install requirements to purchase hedging products to manage the energy portfolio to defined risk limits. My analysis performed a review of PacifiCorp's formal risk policies and energy management procedures to ensure the important characteristics of a risk-responsive program are "memorialized" in their policies and procedures. My analysis included a review of some daily spreadsheets to ensure processes existed to update forecast asset and portfolio information, update market conditions, update load demands, update transmission capability, and calculate risk exposures with associated reporting and requirement. My analysis also included a review to ensure hedging transactions were executed.