

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of

PACIFIC POWER & LIGHT COMPANY

2022 Power Cost Adjustment Mechanism
Annual Report.

DOCKET UE-230482

STIPULATION CONCERNING THE
CROSS-EXAMINATION
TESTIMONY OF WESLEY
YEOMANS

I. INTRODUCTION AND STIPULATION

1 Commission Staff (Staff) of the Washington Utilities and Transportation Commission and the Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) have reached an agreement that obviates the need for Public Counsel to cross examine Staff witness Wesley Yeomans. The agreement involves Staff stipulating to certain matters.

2 Staff stipulates as follows:

- a. Staff stipulates to the entry of the responses to data requests PC 1-10 as exhibits.
- b. Mr. Yeomans' opinion at WY-1CT 9:10-15, regarding the design of PacifiCorp's hedging program was based on his 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.
- c. Specifically for Washington, Mr. Yeomans reviewed no testimony or documents from PacifiCorp with "frequently updated asset and portfolio information along with updated market conditions" or "forward risk assessments and associated report."
- d. Mr. Yeomans testified that PacifiCorp "actually did hedge Washington to some extent." WY-8T, 3:18-20. Mr. Yeomans did not, however, independently calculate the extent to which PacifiCorp hedged Washington nor review testimony from PacifiCorp that quantified the extent to which PacifiCorp hedged Washington through gas swap hedges or physical power hedges in 2022.
- e. Mr. Yeomans testified that a "system-wide hedging program considers that some of the excess physical supply in the east can be dispatched and delivered to the west as described by PacifiCorp witness Mitchell....reducing the need for west power purchases and reducing some of the need for more expensive PacifiCorp west gas-

fired generation.” WY-8T, 3:21-4:11. Mr. Yeomans cannot say for certain to what degree PacifiCorp transmission and dispatch systems have the capability for dispatching and delivering power from east to west. WY 8T 9:1-3. Mr. Yeomans did not calculate how much physical power was transmitted to Washington from the east side of PacifiCorp’s system during 2022. Mr. Yeomans did not review any testimony from PacifiCorp that quantified the amount of physical power supplied to Washington from the east side of PacifiCorp’s system during 2022.

- f. Mr. Yeomans testified that “the consequence of separately hedging power for Washington would likely result in a more expensive long-term hedging cost for Washington customers because this approach would not consider the least cost nature of dispatching and transferring east power to the Washington area.” WY-8T at 8:6-9. Mr. Yeomans did not quantify what that increased cost would be. Mr. Yeomans did not review any testimony from PacifiCorp comparing the power costs of hedging Washington separately to the power costs under the current PCAM.
- g. Mr. Yeomans did not develop a contemplated scenario where PacifiCorp hedged additionally for Washington in addition to the system as a whole.
- h. Mr. Yeomans did not review or testify about WIJAM or opine on whether additional gas or power hedges could be allocated to Washington.
- i. Mr. Yeomans agrees that while Mr. Mitchell testified that there were benefits from system-wide dispatch, Mr. Mitchell did not quantify those benefits in his testimony.
- j. Mr. Yeomans has no reason to disagree with Mr. Earle’s testimony that had Washington customers paid the same net power costs as other PacifiCorp jurisdictions in 2021 and 2022, Washington’s net power costs would have been \$110 million less, because power costs are outside the scope of Mr. Yeomans’ testimony.

3 Staff will offer Mr. Yeomans for questions from the bench.

DATED this 3rd day of June 2024.

Respectfully submitted,

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