

**Exhibit No. \_\_\_\_ (TES-6T)**  
**Docket UE-100749**  
**Witness: Thomas E. Schooley**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PACIFICORP D/B/A PACIFIC POWER  
& LIGHT COMPANY,**

**Respondent.**

**DOCKET UE-100749**

**SUPPLEMENTAL CROSS-ANSWERING TESTIMONY OF**

**Thomas E. Schooley**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Revenue Requirements, Net Power Costs*

**December 10, 2010**

1 **Q. Are you the same Thomas E. Schooley who submitted direct testimony on**  
2 **October 5, 2010, cross-answering testimony on November 5, 2010, and**  
3 **supplemental testimony on December 6, 2010, all on behalf of Commission Staff**  
4 **in this docket?**

5 A. Yes.

6

7 **Q. What is the scope of your supplemental cross-answering testimony?**

8 A. I respond to Public Counsel and ICNU witness Mr. Meyer's supplemental testimony  
9 clarifying the Residential Revenues adjustment. This adjustment by Public Counsel  
10 and ICNU purports to "normalize" test year residential class revenues by adding  
11 \$2.24 million to test year revenues. I also respond to ICNU witness Mr.  
12 Falkenburg's presentation on net power costs.

13

14 **Q. How do Public Counsel and ICNU clarify their Residential Revenues**  
15 **adjustment?**

16 A. In revised responsive testimony, Exhibit No. \_\_\_\_ (GRM-1CT) revised December 6,  
17 2010, page 18, Public Counsel's and ICNU's witness Mr. Meyer clarifies that their  
18 \$2.24 million adjustment is the net of an increase in revenues less an associated  
19 increase in power costs.

1 **Q. What was your original understanding of Public Counsel's and ICNU's**  
2 **Residential Revenues adjustment?**

3 A. I understood that Public Counsel and ICNU had added additional kWh sales and  
4 associated revenues, but had failed to impute the additional power costs that would  
5 make such sales and revenues possible. Exhibit No. \_\_\_\_ (TES-4T), page 6, lines 4-6.

6

7 **Q. How has Mr. Meyer's supplemental testimony affected your understanding of**  
8 **the Residential Revenues adjustment?**

9 A. Based on the clarification in Mr. Meyer's supplemental testimony, I now understand  
10 Mr. Meyer took into account additional power costs in his calculation of the  
11 Residential Revenues adjustment. However, his clarification does not affect the  
12 other reasons I cited in my earlier cross-answering testimony, including that Public  
13 Counsel and ICNU should have taken into account the impacts of the additional  
14 revenue on inter-jurisdictional allocation factors and the production factor, and that  
15 the additional kWh Public Counsel and ICNU seek to add to the test period should be  
16 based on temperature normalized usage, not actual usage.

17

18 **Q. What is Staff's answer to Mr. Falkenberg's supplemental testimony and**  
19 **exhibits?**

20 A. In Exhibit No. \_\_\_\_ (RJF-9), Mr. Falkenberg separates each of his net power cost  
21 adjustments into various cost components. As originally filed, Staff's exhibits on net  
22 power costs do not show the same level of detail. Based on the off-record discussion  
23 between the parties and the Commission's policy advisors in the hearing room

1 during the second prehearing conference, Staff understood that Staff's original  
2 presentation of net power costs was sufficient. However, if the Commission is  
3 looking for additional detail of the sort provided by Mr. Falkenberg, Staff will supply  
4 that information through Staff witness Mr. Buckley's Revised Exhibit No. \_\_\_\_  
5 (APB-2).

6  
7 **Q. Please explain Revised Exhibit No. \_\_\_\_ (APB-2).**

8 A. Page 1 is identical to page 1 of the exhibit as originally filed. It shows the overall  
9 expense level impact of each of Mr. Buckley's power cost adjustments.

10 Pages 2 and 3 are new. Columns (a) through (h) show the separate  
11 components of each of Mr. Buckley's adjustments. The line names and line numbers  
12 correspond to the line names and numbers on Staff witness Mr. Foisy's Exhibit No.  
13 \_\_\_\_ (MDF-2), revised 12/6/10, page 27 of 85, in the column for "Adj. 5.2, Pro forma  
14 Net Power Cost".

15 The information in columns (a) through (h) allows the Commission to make a  
16 direct comparison between Staff, ICNU and Company net power cost adjustments.

17 Columns (i) through (k) show the sum of Mr. Buckley's adjustments and  
18 demonstrate the total of the net power cost components in Revised Exhibit No. \_\_\_\_  
19 (APB-2) equals Staff's Adjustment 5.2, Net Power Costs – Pro Forma, in Exhibit  
20 No. \_\_\_\_ (MDF-2), revised 12/6/10.

21  
22 **Q. Does this conclude your supplemental cross-answering testimony?**

23 A. Yes.