

EXHIBIT NO. _____ (AML-5)
DOCKET NOS. UE-200115
COLSTRIP UNIT 4 SALE
WITNESS: AMANDA MARIE LEVIN

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant, v.

PUGET SOUND ENERGY,

Respondent.

DOCKET NO. UE-200115

**FIFTH EXHIBIT TO THE
PREFILED RESPONSE TESTIMONY OF
AMANDA LEVIN
ON BEHALF OF
THE NATURAL RESOURCES DEFENSE COUNCIL**

October 2, 2020

Title State utility staff announce settlement on Pacific Power electric rates

Published 7/21/2020

Details Media Contact: (360) 664-1116 or media@utc.wa.gov (mailto:media@utc.wa.gov)
Docket Number: UE-191024

Editor's note: This news release reflects the position of energy staff of the Washington Utilities and Transportation Commission (UTC) and NOT the views of the three-member commission. It discusses an agreement that the commissioners have not yet reviewed. Any positions taken or comments offered by the commission staff regarding this proceeding should be attributed clearly to staff members and NOT to the UTC.

State utility staff announce settlement on Pacific Power electric rates

Olympia, Wash. - This week, staff of the Utilities and Transportation Commission (UTC) announced two agreements to settle a request from PacifiCorp, d/b/a Pacific Power & Light Company, to increase electric rates in Washington.

The three-member commission, which is not bound by the agreement, will make a final decision on the utility's revenue-increase request this fall.

The settlement calls for new rates to begin Jan. 1, 2021. A virtual public hearing is scheduled Aug. 5 for customers to comment on the agreements.

Consolidated agreement

Under the terms of the first settlement agreement, Pacific Power's annual electric revenues would decrease by \$4.15 million, or 1.18%, beginning Jan. 1, 2021, which includes crediting to customers certain tax reform benefits. This is a significant decrease compared to the company's proposal. The company originally requested a \$3.1 million revenue increase, offset by the return of \$7.1 million in tax benefits, which would have resulted in a total decrease of \$4 million. In scheduled supplemental testimony, however, Pacific Power updated its revenue-increase request to \$29.8 million.

Under the agreement, a residential electric customer's bill will decrease about 0.53% in 2021, then remain steady through 2023. An average residential customer using 1,200 kilowatt-hours could see a decrease of \$0.55, for a monthly bill of \$103.81.

Additionally, the settlement proposes that production tax credits — federal financial incentives for operating renewable energy facilities — from capital additions are refundable to the customer through rates, adjusted on an annual basis.

Pacific Power also agreed to form an advisory group for their Low-Income Bill Assistance program (LIBA), which provides a rate discount to low-income households. Major goals of the advisory group are to find ways to keep customers connected and expand assistance to more customers.

Pacific Power will also create a Disconnection Reduction Plan and monitor customer disconnects to find ways to help customers avoid losing their service.

In addition to the UTC staff and the company, the settlement agreement includes the Public Counsel Unit of the Attorney General's Office, the Packaging Corporation of America (PCA), The Energy Project, and Walmart, Inc.

Depreciation agreement

The second agreement specifically addresses changes to depreciation rates for facilities and investments originally filed in a separate docket, UE-180778. The changes result in a reduction of more than \$1.4 million to Washington depreciation rates and include guidelines for depreciating new solar or battery storage assets.

Parties to the depreciation agreement include the company and UTC staff, the Public Counsel Unit of the Attorney General Office, and PCA. The Sierra Club, a party to the original depreciation docket, is not signing on to the agreement, but does not oppose it.

Public comments

Pacific Power customers can attend the meeting on Aug. 5 at 6 p.m. online, or by telephone. Those wishing to comment on the proposed settlement to state regulators at the meeting should sign up ahead of time by contacting the UTC at 360-664-1234.

Customers who are unable to attend the public meeting but wish to comment on the proposed rate increase can send correspondence to P.O. Box 47250 Olympia, Wash. 98504, comment@utc.wa.gov (mailto:comment@utc.wa.gov), or call toll-free 1-888-333-9882.

The commission has received six public comments to date on Pacific Power's rate increase proposal, all opposed.

Pacific Power is a division of Portland, Ore.-based PacifiCorp which is owned by Berkshire Hathaway Energy of Des Moines, Iowa. The company provides electric service to about 130,000 customers in six Eastern Washington counties: Kittitas, Columbia, Garfield, Benton, Walla Walla, and Yakima. Cities in the company's service territory include College Place, Dayton, Grandview, Naches, Pomeroy,

Prescott, Selah, Sunnyside, Toppenish, Union Gap, Waitsburg, Walla Walla, Wapato, Yakima, and Zillah.

The UTC is the state agency that regulates private, investor-owned electric and natural gas utilities in Washington. It is the commission's responsibility to ensure regulated companies provide safe and reliable service to customers at reasonable rates, while allowing them the opportunity to earn a fair profit.

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Editor's note: A copy of the proposed settlement can be found on the UTC's website: www.utc.wa.gov/191024 (<http://www.utc.wa.gov/191024>).

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