

UE-152253 / Pacific Power & Light Company

January 15, 2016

PC Data Request 7

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Re: Depreciation acceleration.

Please provide the Company's current best estimate of the date each of the Jim Bridger units will be retired from service. If different from 2025 for any of the units, then please explain, in detail, why the depreciable life of the unit is being changed to 2025 in the Company's filing.

Response to PC Data Request 7

For planning purposes, the Company's Integrated Resource Plan assumes that its facilities will be retired from service in alignment with the depreciable lives approved by the majority of PacifiCorp's states. For the Jim Bridger units, all states except Oregon currently assume an end of depreciable life of 2037. (Note: Oregon has approved shorter remaining depreciable lives for the Company's coal-fueled generation resources than the Company's other states.)

As discussed in the direct testimony of Mr. R. Bryce Dalley, the electric industry is undergoing a significant transformation, including the treatment of coal-fueled generation and carbon emissions. Currently in Oregon, the Jim Bridger depreciation schedule reflects depreciable life ending in 2025. This depreciable life is consistent with the lives of the units previously used in Washington and other states before the Company's 2007 Depreciation Study, which extended the lives of coal-fueled generation resources in all states except Oregon. The Washington Utilities and Transportation Commission approved the extension of lives for coal-fueled generation resources in Docket UE-071795.

As part of the current filing, the Company is requesting to realign depreciable schedules for west control area coal-fueled generation resources included in Washington rates with the lives used in Oregon, the largest jurisdiction in the west control area. This proposal is to provide additional flexibility in resource planning to address state and federal environmental policies and mandates, including the United States Environmental Protection Agency's Clean Power Plan, in alignment with reasonably anticipated implementation timelines.

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