

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER & LIGHT COMPANY

Petition for an Order Approving Deferral of the
Washington-Allocated Revenue Requirement
Associated with the Merwin Fish Collector.

Docket UE-14_____

PACIFIC POWER & LIGHT
COMPANY'S PETITION FOR
ACCOUNTING ORDER

I. INTRODUCTION

1. In accordance with WAC 480-07-370(b), Pacific Power & Light Company (Pacific Power or Company), a division of PacifiCorp, petitions the Washington Utilities and Transportation Commission (Commission) for an order authorizing the Company to defer, from the date of this petition until included in base rates, the Washington-allocated revenue requirement associated with the Company's investment in the Merwin Fish Collector. This petition is filed as Attachment G to the Company's proposed separate tariff rider for the Merwin Fish Collector, and the Company seeks approval of this petition for an accounting order only if the Commission rejects the Company's separate tariff rider.

II. BACKGROUND

2. Pacific Power is an electric utility and public service company doing business in the state of Washington under RCW 80.04.010, and its public utility operations, retail rates, service, and accounting practices are subject to the Commission's jurisdiction. The Company also provides retail electricity service under the name Pacific Power in Oregon and California and under the name Rocky Mountain Power in Idaho, Utah, and Wyoming. The Company's principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon, 97232.

3. Pacific Power's name and address:

Pacific Power Washington Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
washingtondockets@PacifiCorp.com

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In addition, Pacific Power respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Bryce Dalley, Vice President, Regulation, at (503) 813-6389 or Bryce.Dalley@PacifiCorp.com.

III. THE BASIS FOR REQUESTING DEFERRED ACCOUNTING

A. Description

4. This petition seeks authorization to defer for later ratemaking treatment costs associated with the Company's investment in the Merwin Fish Collector. The Merwin Fish Collector was completed and fully operational on March 28, 2014, and is necessary to comply with the Federal Energy Regulatory Commission (FERC) licenses for the Lewis River hydroelectric project.

5. The Merwin Fish Collector is a fish passage system designed to collect, trap, and haul juvenile and adult anadromous fish around the three Lewis River dams. Because of this investment, customers continue to benefit from emission-free, low-cost hydropower generation at the Lewis River hydroelectric project, which was reflected in the Company's net power cost modeling in its 2013 general rate case, Docket No. UE-

130043. The final design of the Merwin Fish Collector was reviewed by the Washington Department of Fish and Wildlife and required by the National Marine Fisheries Services and the U.S. Fish and Wildlife Service.

6. The Company's total capital investment in the Merwin Fish Collector is approximately \$58.4 million (total-company). The Washington-allocated annual revenue requirement is approximately \$1.7 million.

7. The Company requested recovery of its investment in the Merwin Fish Collector during its 2013 general rate case.¹ In that proceeding, the Company demonstrated the prudence of its investment, which no party disputed. Commission Staff and Public Counsel, however, did dispute the timing of the Company's request for recovery.² In its final order, the Commission concluded that the Company's investment in the Merwin Fish Collector should not be included in rates at that time because "its costs [were] not known and measurable."³ The Commission also stated that the project was not "used and useful today" because it was not yet "fully functional."⁴

8. The Merwin Fish Collector is now fully functional and therefore used and useful, and the investment costs are known and measurable. The Company therefore submitted the separate tariff rider accompanying this deferral petition to recover its mandatory environmental investments in a timely manner. But if the Commission rejects the Company's proposal for a separate tariff rider, the Company respectfully requests that the Commission accept this alternative petition for an accounting order authorizing the

¹ *Washington Utils. & Transp. Comm'n v. Pacific Power & Light Co.*, Docket No. UE-130043, Order 05 ¶ 186.

² *See id.* ¶ 189.

³ *Id.* ¶ 203.

⁴ *Id.* ¶ 204.

Company to defer the revenue requirement for the Merwin Fish Collector from the date of the petition until included in base rates.

B. Proposed Accounting

9. Beginning on the date of this application, Pacific Power proposes to account for the Washington-allocated revenue requirement associated with the Merwin Fish Collector by crediting Washington retail revenue accounts (Accounts 440 to 444) and debiting FERC Account 182.3. Pacific Power requests that it be allowed to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital (7.36 percent) most recently approved by the Commission in Docket No. UE-130043.

C. Estimate of Amounts

10. As explained above, the estimated Washington-allocated revenue requirement for the Merwin Fish Collector is approximately \$1.7 million annually, or approximately \$142,000 per month.

IV. CONCLUSION

11. Pacific Power respectfully requests that the Commission authorize the Company to defer, beginning on the date of this filing and continuing until the costs are included in base rates (presumably in the Company's next general rate case filing), the revenue requirement associated with the Company's investment in the Merwin Fish Collector.

Respectfully submitted this 14th day of April, 2014.

By: _____
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