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April 3, 2019

Via Electronic Filing

Mr. Mark L. Johnson
Executive Director
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
P. O. Box 47250
Olympia, WA 98504-7250

Re: Pacific Power & Light Co. Petition for an Order Approving Deferred Accounting and Accounting Order Related to Non-Contributory Defined Benefit Pension Plans
Docket UE-181042

Dear Mr. Johnson:

Boise White Paper, LLC, (“Boise”) submits the following comments to the Washington Utilities and Transportation Commission (“Commission”) in response to Pacific Power & Light Company’s (“Pacific Power” or “Company”) above-referenced petition. Boise does not object to the Commission granting the Company’s petition.

In its petition, Pacific Power identifies a pension event that occurred in late 2018 that, absent the requested accounting order, would require the Company to recognize a \$21 million pension-related loss in that year. Boise filed a petition to intervene in this docket primarily to better understand the basis for the Company’s petition and its potential impact to customers. Following its petition to intervene, Boise had informal conversations with Commission Staff and the Company regarding the Company’s petition, which provided Boise with the information it needed to form its position in this docket. Boise appreciates Staff’s and Pacific Power’s cooperation in this matter.

As Boise understands, the \$21 million loss in question is more of an issue of timing than cost recovery. In other words, the costs subject to the petition were assumed in customer rates already, but were recoverable over the life of the pension plan, rather than in a single year. Consequently, the deferral request at issue would allow Pacific Power to continue

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recovering the same amount over the same period already assumed in customer rates. Boise, therefore, understands that this petition will have no material short- or long-term impact on customer rates.

Additionally, Boise understands that the Commission's approval of the Company's petition will not impact Boise's, or any other party's, ability to review the Company's overall pension expense for reasonableness in subsequent general rate cases and to propose adjustments to this expense if necessary.

With these understandings, Boise has no objection to the Commission approving Pacific Power's petition.

Sincerely,

DAVISON VAN CLEVE, P.C.

/s/ Tyler C. Pepple

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cc: UE-181042 Service List