

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

ALLIANCE OF WESTERN ENERGY
CONSUMERS,

Petition for an Order Approving Deferral of
Increased Fly Ash Revenues.

DOCKET UE-210852

PACIFICORP'S RESPONSE TO THE
PETITION OF THE ALLIANCE OF
WESTERN ENERGY CONSUMERS

I. INTRODUCTION

1 In accordance with WAC 480-07-370(4), PacifiCorp dba Pacific Power & Light Company (PacifiCorp or the Company) responds to the Petition filed by the Alliance of Western Energy Consumers (AWEC) to require the Company defer revenue generation by fly-ash sales at the Jim Bridger Plant. PacifiCorp requests the Washington Utilities and Transportation Commission (Commission) reject this petition as not appropriately matching costs and revenues.

II. RESPONDENT INFORMATION

2 PacifiCorp 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. PacifiCorp 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

PacifiCorp's name and address:

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

Ajay Kumar
Senior Attorney
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Phone: (503) 813-5161
Ajay.kumar@pacificorp.com

Informal inquiries may be directed to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

III. PACIFICORP'S RESPONSE

A. Background

4

Fly-ash is the finely divided residue that results from the combustion of pulverized coal by coal-fired electric and steam generating plants and is used in a variety of construction applications. PacifiCorp's coal-fired plants produce fly-ash, which is then sold through various contracts for use in those engineering applications. Fly-ash sales are reflected in PacifiCorp's base rates through FERC account 456. Approximately \$502,000, on a Washington-allocated basis, in fly-ash sales was included in PacifiCorp's last general rate case for fly-ash revenues at the Jim Bridger facility. AWEC has previously raised this issue in front of the Public Utility Commission of Oregon in an attempt to include forecast revenues from fly-ash sales in net power costs.¹ AWEC has now unilaterally filed a deferral petition without consulting the Company in Washington.

¹ *In the Matter of PacifiCorp d/b/a Pacific Power, 2022 Transition Adjustment*, Docket No. UE 390, Order No. 21-379 at 36 (Nov. 1, 2021).

B. AWEC’s Petition does not match costs and revenues.

5 AWEC has stated that deferral is necessary to capture the increase in fly-ash sales
revenue.² However, AWEC is not appropriately matching the costs and benefits. In fact,
AWEC is cherry-picking a single adjustment when there are likely many countervailing
costs that should be examined as well. As described in PacifiCorp’s testimony in 2021
Oregon Transition Adjustment Mechanism proceeding:

Just like many other elements in base rates, fly-ash production (but not
necessarily fly-ash sales) may fluctuate based on how often our plants
generate. However, there are other elements like chemical costs that
fluctuate based on generation that still remain in base rates. Identifying a
single variable to pull out of base rates to include in the TAM, when it has
not traditionally been included in the past solely because it will reduce
NPC is not appropriate.³

6 While PacifiCorp was referring to why it was inappropriate to include fly-ash
sales in net power costs, the same reasoning applies to why it is now inappropriate to
include those revenues in a deferral. AWEC is simply isolating a revenue element in
base rates that is of benefit to its clients, and attempting to recover that revenue element
through this accounting petition.

7 Additionally, PacifiCorp’s costs and revenues fluctuate between rate cases, and
fly-ash sales have historically been included in base rates. If a deferral were filed every
time there was a fluctuation from the amounts included in a rate case, there would be an
endless stream of deferral filings before the Commission. Deferrals should be reserved
for new or unusual circumstances.

² AWEC Petition at ¶6.

³ *In the Matter of PacifiCorp d/b/a Pacific Power, 2022 Transition Adjustment*, Docket No. UE 390, PAC/1000, Staples/55 (Aug. 13, 2021).

IV. CONCLUSION

8 PacifiCorp respectfully requests that the Commission deny AWEC's petition for the reasons stated herein.

Respectfully submitted this 29th day of November, 2021.

By: _____/s/_____
Ajay Kumar
Senior Attorney, OSB# 183903
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Phone: (503) 813-5161
ajay.kumar@pacificorp.com

Attorney for PacifiCorp