

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKETS UE-140762, UE-140617,
TRANSPORTATION COMMISSION,)	UE-131384, and UE-140094
)	(consolidated)
Complainant,)	
)	
v.)	ORDER 07
)	
PACIFIC POWER & LIGHT)	
COMPANY,)	DENYING BOISE WHITE PAPER
)	L.L.C'S MOTION TO STRIKE
Respondent.)	TESTIMONY
.....)	

MEMORANDUM

1 On November 20, 2014, Boise White Paper, L.L.C. (Boise White Paper) filed its Motion to strike certain rebuttal testimony filed by Pacific Power witness Cindy A. Crane. The motion asks the Washington Utilities and Transportation Commission (Commission) “to strike all portions of the Confidential Rebuttal Testimony of Cindy A. Crane reflecting updated fuel prices and volumes associated with the coal supplied by the Black Butte mine (‘Black Butte’) and the Bridger Coal Company (‘BCC’) to fuel the Jim Bridger coal-fired generating plant (‘Bridger’).” Boise White Paper asserts that:

PacifiCorp¹ has intentionally prejudiced other parties by withholding coal expense revisions until the filing of rebuttal testimony, thereby, preventing other parties a reasonable opportunity to fairly analyze and respond to known, significant NPC adjustments. . . .

Revised prices and volumes associated with Black Butte and BCC have been known to the Company for several months, as evinced by the testimony of Ms. Crane. The Company’s decision to withhold such information until a month prior to the hearing date, during the final round of scheduled testimony, appears to demonstrate an intent to disadvantage other parties in their ability to respond.

¹ We take Boise White Paper’s references to PacifiCorp to be references to Pacific Power & Light Company (Pacific Power), which is the operating company in Washington and the corporate entity before us seeking changes in its rates.

According to Boise White Paper, the coal price increases in question “resulted from events occurring in the two months following PacifiCorp’s GRC filing” and PacifiCorp should have filed revised testimony at that time, four to five months prior to the date for rebuttal. Boise White Paper contrasts these allegations about Bridger coal supply costs to the update in Ms. Crane’s rebuttal testimony increasing Colstrip coal supply prices, to which Boise White Paper has no objection, at least insofar as timing is concerned. Boise White Paper states that the “Colstrip increases were based on a mine operating plan updated only one month” prior to the date for rebuttal testimony.

- 2 Pacific Power filed its response opposing Boise White Paper’s motion on November 25, 2014. The Company disputes Boise White Paper’s allegations that it intentionally postponed its update to Bridger coal supply costs in an effort to prejudice other parties. Citing Ms. Crane’s declaration, filed with its response, Pacific Power states that “the results of the Bridger coal supply RFP that produced a new coal supply agreement from Black Butte Mine, and the related Union Pacific transportation agreement, were finalized in early November 2014.” That is, “the Bridger coal cost update was not final until after the Colstrip coal cost update.” Thus, Pacific Power reasons, if the timing of the Colstrip update that is part of the Company’s rebuttal testimony is not objectionable, then the timing of the Bridger coal update also should not be objectionable, and cannot be said to be prejudicial.
- 3 Boise White Paper filed a motion for leave to file a reply to Pacific Power’s response, accompanied by its reply. The Commission grants the motion and the reply is considered here along with the original motion to strike and the Company’s response. We are struck by two points in the reply. First, Boise White Paper does not satisfactorily respond to the Company’s explanation that the Bridger coal supply cost data were not reliably known and measurable until November 2014, after the Colstrip data became available and shortly before the rebuttal testimony was due. Calling this explanation “woefully hollow” and juxtaposing the Company’s effort to provide the Commission with reliable power cost data against the allegedly “materially imprecise or inaccurately reported” cost information concerning Pacific Power’s proposed pro forma capital additions is not a response to Ms. Crane’s sworn declaration. Hyperbole and unproven allegations concerning prefiled evidence on unrelated issues simply are not persuasive of anything. Thus, we cannot reconcile Boise White Papers vociferous arguments of prejudice arising from the rebuttal filing of one update of coal supply costs with its apparent lack of concern over the rebuttal filing of the other update of coal supply costs.

- 4 Second, Boise White Paper focuses significant attention on the magnitude of the increase in coal supply costs at Bridger and the substantial impact this has on the Company's net power costs in this proceeding. These are not reasons to exclude relevant data from the record on which the Commission will determine, on a forward looking basis, what level of net power costs should be included for recovery via Pacific Power's rates. Indeed, the Commission should not ignore evidence that a significant increase in the Company's power costs during the rate year will result from increased fuel supply costs, if these costs are shown to have become reliably known and measurable during the pendency of the Company's current general rate case. The Commission has routinely during the past decade allowed, and even required, power cost updates related to changes in fuel supply costs late in general rate proceedings, even at the compliance stage.
- 5 We acknowledge that the parties face challenges in responding to new information that first becomes available shortly before the date for hearing. These challenges, however, can be accommodated by affording the parties opportunities for discovery and the preparation of supplemental testimony. It appears from Pacific Power's response and Boise White Paper's reply that the discovery effort already is underway with Boise White Paper having already "issued numerous data requests" to which the Company has responded. If Boise White Paper or any other party wishes to file additional testimony, or give oral testimony, concerning net power costs, they may seek leave to do so. The Commission will be receptive to accommodating any such request, and will establish appropriate additional process on a reasonable schedule.

ORDER

- 6 THE COMMISSION ORDERS that Boise White Paper L.L.C's Motion to Strike Certain Testimony Filed by PacifiCorp is DENIED.

DATED at Olympia, Washington, and effective December 5, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS
Senior Review Judge