

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFIC POWER & LIGHT COMPANY,

Respondent.

DOCKET UE-191024

In the Matter of the Petition of

Pacific Power & Light Company

For an Order Approving Deferred Accounting
Related to Repowering the Leaning Juniper
Wind Facility

DOCKET UE-190750

In the Matter of

Pacific Power & Light Company

Petition for an Order Approving Deferral
Of Costs Related to Purchases of Renewable
Energy Credits

DOCKET UE-190929

In the Matter of the Petition of

Pacific Power & Light Company

For an Order Approving Deferred Accounting
Related to Repowering the Leaning Juniper
Wind Facility

DOCKET UE-190981

COMMISSION STAFF'S MOTION
TO CONSOLIDATE
PROCEEDINGS

I. INTRODUCTION

1 In the last half of 2019, PacifiCorp d/b/a Pacific Power & Light Company (“Pacific Power” or “Company”) filed three petitions with the Washington Utilities and Transportation Commission (Commission) seeking to defer costs related to upgrades at several of its wind facilities. At the end of 2019, Pacific Power filed a general rate case (GRC) seeking to include in rates costs and benefits attributable to the facilities subject to its accounting petitions. Given the overlap between the accounting petitions and the GRC, Staff asks the Commission to consolidate the accounting petitions with the GRC.

2 Staff has consulted with representatives from Pacific Power, the Public Counsel Unit of the Attorney General’s Office, Packaging Corporation of America, The Energy Project, and WalMart. None of these entities objected to consolidation.

II. RELIEF REQUESTED

3 Staff respectfully requests that the Commission consolidate the accounting petitions filed by Pacific Power in Dockets UE-190750, UE-190929, and UE-190981 with the general rate case it filed in Docket UE-191024.

III. STATEMENT OF FACTS

4 In September 2019, Pacific Power filed an accounting petition to defer certain costs associated with upgrades to its Leaning Juniper wind facility. Specifically, Pacific Power sought permission to “account for the Washington-allocated revenue requirement associated with the repowering of Leaning Juniper by crediting Washington retail revenue (FERC Accounts 440 to 444) and debiting FERC Account 182.3.”¹ Pacific Power also requested

¹ *In re Petition of Pacific Power & Light Co. For an Order Approving Deferred Accounting Related to Repowering the Leaning Juniper Wind Facility*, Docket UE-190750, Pacific Power’s Petition for Accounting Order, 3, ¶ 5 (filed Sept. 6, 2019).

that any unamortized deferral balances arising from its petition “accrue interest at a rate equal to [Pacific Power’s] authorized weighted average cost of capital.”² In its petition, Pacific Power estimates that its capital investment in Leaning Juniper will amount to \$107.1 million.³

5 Later, in November 2019, Pacific Power filed a second deferral petition. In it, Pacific Power sought permission to “defer for future ratemaking treatment costs associated with the purchase of unbundled RECs [Renewable Energy Credits] necessary for the company to meet its RPS compliance obligations in 2020.”⁴ Pacific Power estimated approval of its petition would result in the deferral of approximately \$300,000 in costs and it requested that the unamortized deferred balance accrue interest at the Company’s weighted average cost of capital.⁵

6 Later still in November 2019, Pacific Power filed a third deferral petition, this one also related to upgrades to its wind facilities. Specifically, Pacific Power sought permission to “account for the Washington-allocated revenue requirement associated with the repowering of Marengo I & II and Goodnoe Hills wind facilities by crediting Washington retail revenue (FERC Accounts 440 to 444) and debiting FERC Account 182.3.”⁶ Again, Pacific Power requested that the unamortized deferral balances accrue interest at its approved weighted average cost of capital.⁷ In this petition, Pacific Power estimates its total

² *Id.*

³ *Id.* at 3, ¶ 6.

⁴ *In re Pacific Power & Light Co. Petition For an Order Approving Deferral of Costs Related to Purchases of Renewable Energy Credits*, Docket UE-190929, Pacific Power’s Petition for Accounting Order, 2, ¶ 4 (filed Nov. 8, 2019).

⁵ *Id.* at 4, ¶¶ 6-7.

⁶ *In re Petition of Pacific Power & Light Co. For an Order Approving Deferred Accounting Related to Repowering the Marengo I & II, and Goodnoe Hills Wind Facilities*, Docket UE-190981, Pacific Power’s Petition for Accounting Order, 3, ¶ 5 (filed Nov. 22, 2019).

⁷ *Id.*

capital investment related to the upgrades to the relevant wind facilities to amount to \$320.7 million.⁸

7 Finally, in December 2019, Pacific Power filed a general rate case. A significant amount of the testimony filed by Pacific Power in the rate case concerned the subjects of the company's deferral petitions.

8 Two of Pacific Power's witnesses discuss the wind projects for which Pacific Power seeks deferral accounting.⁹ Company witness Link testifies as to the economics of upgrading the Leaning Juniper, Marengo I & II, and Goodnoe Hills facilities.¹⁰ Company witness Hemstreet also identifies those facilities as ones Pacific Power is upgrading and discusses the tax implications for doing so.¹¹

9 A third Pacific Power witness testifies about the deferral petition related to Pacific Power's REC purchases. Company witness Lockey testifies as to the amount of REC purchases and the reasons why Pacific Power made them.¹²

IV. STATEMENT OF ISSUES

10 Should the Commission consolidate the accounting petitions filed by Pacific Power in Dockets UE-190750, UE-190929, and UE-190981 with the GRC it filed in Docket UE-191024?

V. EVIDENCE RELIED UPON

11 Staff relies on the record in Dockets UE-190750, UE-190929, UE-190981, and UE-191024.

⁸ *Id.* at 3, ¶ 6.

⁹ *E.g.*, Link, Exh. RTL-1CT(R) at 3:13 - 5:5; 6:1-9; Hemstreet, Exh. TJM-1CT(R) at 3:19-23; 10:11 - 16:4.

¹⁰ Link, Exh. RTL-1CT(R) at 3:13 - 5:5; 6:1-9.

¹¹ Hemstreet, Exh. TJM-1CT(R) at 3:19-23; 10:11 - 16:4.

¹² Lockey, Exh. EL-1T at 35:1-19.

VI. ARGUMENT

12 Under the Commission’s procedural rules, parties may move to consolidate proceedings.¹³ The Commission may grant such a motion if “the facts or principles of law are related” between the proceedings.¹⁴ The Commission will not, however, exercise its discretion to consolidate proceedings where doing so does not serve “judicial economy and administrative efficiency,”¹⁵ or where consolidation would “unduly delay the resolution of one or all of the proceedings.”¹⁶

13 The Commission should exercise its discretion and consolidate Dockets UE-190750, -190929, and UE-191024 because the dockets have extensive factual overlap. Two of Pacific Power’s GRC witnesses discuss the wind facilities that are the subjects of its accounting petitions and explain Pacific Power’s justifications for including the costs of those facilities in rates. Another of its witnesses discusses Pacific Power’s REC purchases and its request to defer those costs. As Pacific Power notes in its deferral petitions, it is seeking the deferrals to preserve costs and benefits attributable to the wind facilities and the REC purchases for future “ratemaking treatment.” Given the testimony of Pacific Power’s GRC witnesses, this is the appropriate ratemaking proceeding and the Commission should consolidate the deferral petitions with the GRC.

14 The relevant dockets may also have legal overlap. The non-Company GRC parties may oppose the deferral on the same grounds they oppose including the deferred balances in rates.

¹³ WAC 480-07-320. The Commission may also consolidate proceedings on its own motion. *Id.*

¹⁴ *Id.*

¹⁵ *In re Determining the Proper Classification of Lowper, Inc. d/b/a Lowper Corp., a/k/a Lowper Water Co. & Iliad Inc d/b/a Lowper Water Sys.*, Dockets UW-091006 & UW-110213 (Consolidated), Order 02/Order 01, 2, ¶ 5 (Mar. 24, 2011).

¹⁶ *Wash. Utils. & Transp. Comm’n v. Puget Sound Energy*, Dockets UE-111048 & UG-111049 (Consolidated) & UG-110723, Order 04, 4, ¶ 8 (Sept. 7, 2011).

15 Further, consolidation would promote judicial economy and administrative efficiency. Again, Pacific Power filed the deferral petitions in order to attempt to recover the wind facility and REC costs in a GRC. Again, this is the natural GRC in which to seek such recovery given the testimony sponsored by the Company. The Commission should consolidate the proceedings and decide the issue in that consolidated proceeding, as it has done in the past where an accounting petition is linked to a rate case.¹⁷

16 Finally, consolidation would not “unduly” delay the resolution of any of the relevant dockets. While consolidation would place the decision on the accounting petitions on the GRC timeline, that does not negatively impact Pacific Power’s ability to defer costs.¹⁸

VII. CONCLUSION

17 Staff requests that the Commission grant its motion and consolidate Dockets UE-190750, UE-190929, UE-190981, and UE-191024.

DATED this 29th day of January 2020.

Respectfully submitted,

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¹⁷ *E.g., Wash. Utils. & Transp. Comm’n v. Nw. Nat. Gas Co.*, Dockets UG-080519 & UG-080530 (Consolidated), Order 01, 3. ¶ 9 (May 2, 2008).

¹⁸ *In re Petition of PacifiCorp d/b/a Pacific Power & Light Co.*, Docket UE-020417, 3rd Supplemental Order, 7-8, ¶¶ 25-26 (Sept. 27, 2002).