

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKET UG-240185
PACIFICORP, d/b/a PACIFIC POWER & LIGHT COMPANY,	ORDER 01
Petitioner,	DENYING PETITION FOR ACCOUNTING ORDER
For An Order Approving Deferral of Approved Rate Increase Beyond Rate Effective Date.	

**BACKGROUND**

- 1 On March 19, 2024, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition (Petition) in Docket UE-240185 seeking an accounting order under Washington Administrative Code (WAC) 480-07-370 authorizing PacifiCorp to utilize deferred accounting treatment of the costs associated with delaying PacifiCorp’s approved rate increase beyond the rate effective date to allow for compliance activities (Deferred Amount).
- 2 On March 19, 2024, the Commission issued Order 08/06 in Docket UE-230172 approving a multiparty settlement to resolve the Company’s 2023 general rate case. The Order required PacifiCorp to make a compliance filing by April 3, 2024.
- 3 On March 26, 2024, PacifiCorp filed revised tariff sheets for Tariff WN U-76 with the effective date of April 3, 2024. After a compliance filing with revised tariff sheets containing revised rates is completed, Washington regulations allow parties five business days to review the filing.<sup>1</sup>
- 4 The Company proposes deferred accounting treatment for the amount of the rate increase starting from the rate effective date of March 19, 2024, to the date the rate increase took effect, April 3, 2024.
- 5 The Company requests this deferral remain in place until this amount can be appropriately reflected in the Company’s base rates. The Company justifies this request

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<sup>1</sup> WAC 480-07-880(4).

by asserting that PacifiCorp does not have control over when the Commission determines it is appropriate to issue an order. Therefore, PacifiCorp is seeking approval to record and defer costs in Regulatory Assets.

6 Commission Staff (Staff) reviewed the filing and note the threshold for granting an accounting petition is extraordinary circumstances. PacifiCorp appears to contend that the Commission’s rejection of its insufficient filing was an extraordinary circumstance beyond its control, which has created material costs.

7 Staff recommends that the Commission deny the Petition. Staff posits that the approximately \$530,000 is not material given the size of the filing at issue. Staff further suggests that PacificCorp did in fact have control over whether its filings met the Commission’s requirements. Staff supports this position by reference to Order 01 in Docket UE-230172, which directly explains the causality between PacifiCorp’s material non-compliance with the Commission’s reasonable filing requirements and the date in which rates became effective.<sup>2</sup>

## DISCUSSION

8 We agree with Staff’s recommendation and therefore the Petition is denied. As a threshold matter, we note that we need not make a finding of whether the amount of money at issue is material,<sup>3</sup> as the cause of the costs were inarguably within PacifiCorp’s control.

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<sup>2</sup> See, *WUTC v. PacifiCorp d/b/a Pacific Power & Light Co.*, Docket UE-230172, Order 01 ¶¶ 10-14 (May 2, 2023).

<sup>3</sup> We note that the Petition, at ¶ 6, broadly asserts that “[a]ny delay to the rate effective date” would be material. *But see, In re PacifiCorp d/b/a Pacific Power & Light Co.*, Docket UE-020417 (Sept. 27, 2002) (“we expect the Company’s evidence to address the questions of whether, and to what extent PacifiCorp’s power costs during the relevant period are extraordinary relative to the power costs asserted to be embedded in its rates for recovery, and the impact of such costs on the Company’s financial condition.”). Further, the Petition does not attempt to explain how the circumstances qualify as extraordinary at both the time of requested relief, as well as during the time period in which recovery is sought. *See also, WUTC v. PacifiCorp d/b/a Pacific Power & Light Co.*, Dockets UE-14072, UE-140617, UE-131384, and UE-140094 (*consolidated*), Order 08 (“These costs are in no sense ‘extraordinary,’ a criterion that should apply to a cost referral accounting mechanism at the time requested and at the time any recovery is sought.”).

- 9 On March 17, 2023, PacifiCorp originally filed with the Commission revisions to its currently effective Tariff WN U-76 with a rate effective date of March 1, 2024, in Docket UE-230172.
- 10 On March 31, 2023, a status conference was convened to discuss the Company's filing timeline (Filing Status Conference). Counsel for Staff explained that Staff discovered a lot of problems with the Company's initial filing. Among the problems raised were broken links in documents, issues with document naming conventions, folder stacking, and inconsistencies with Commission rules. Staff provided the Company with a list of outstanding issues on March 30, 2023.
- 11 PacifiCorp filed its first revised cover letter requesting an amended protective order on April 10, 2023.
- 12 On April 13, 2023, Staff notified the presiding officer that Staff had identified both recurring and additional issues with the Company's revised filing.
- 13 On April 19, 2023, PacifiCorp refiled the entire March 17, 2023, filing to correct the problems that Staff discovered in the previously submitted March 17 filing. The Company submitted a second revised filing with a proposed effective date of May 19, 2023. In its second revised cover letter, the Company states that it "continues to respectfully request a rate effective date of March 1, 2024."
- 14 On April 28, 2023, Staff notified the presiding officer that Staff accepts the Company's filing as a complete filing.
- 15 Due to the delay of PacifiCorp's compliance tariff filing, applying the original filing date would hamper or impair the Commission's ability to timely review, analyze, or act on the merits of the case. Accordingly, the Commission denies the Company's request for a March 1, 2024, effective date. It is the Company's responsibility to ensure its filing is correct so that the Commission's strict statutory timeline for considering its case is allowed. Therefore, the Commission decided that the statutory suspension date would remain March 19, 2024, as reflected in the Company's revised tariff filing on April 19, 2023.
- 16 To the extent that PacifiCorp argues that a deferral should be permitted because the final order was not issued until the end of the statutory suspension date, we disagree. As PacifiCorp notes, the Commission may suspend any change in rates for a period not to

exceed ten months, and when combined with the statutory notice period, the period for suspension effectively becomes eleven months.<sup>4</sup> RCW 80.04.130 does not address or contemplate compliance filings. Because of this, we find the compliance filings as separate and apart from RCW 80.04.130. WAC 480-07-880 is meant to ensure the final order issued within the time period specified by RCW 80.04.130 is correctly and lawfully implemented. Even though a final order might be issued several days prior to the statutory suspension date, it does not guarantee that compliance filings for revised tariffs will be approved prior to the statutory suspension date.

- 17 In fact, the compliance filings themselves may be subject to further review and changes, in order to ensure they accurately reflect the directives of the Commission's final order. While related in many circumstances, the processes for issuing a final order and approval of a compliance filing for new rates are separate. Moreover, RCW 80.04.130 does not dictate that a final order be issued in time for the Company to submit a compliance filing for review, pursuant to WAC 480-07-880, so the new rate can be implemented by the suspension date. Accordingly, we find that an accounting deferral is not warranted in this circumstance because the Commission used the full time allotted to it in RCW 80.04.130.

### FINDINGS AND CONCLUSIONS

- 18 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric and gas companies.
- 19 (2) PacifiCorp is a public service company regulated by the Commission providing service as a gas company.
- 20 (3) The Commission has jurisdiction over the subject matter of this proceeding and over PacifiCorp.
- 21 (4) WAC 480-07-370(3) allows companies to file petitions including that for which PacifiCorp seeks approval.
- 22 (5) Staff has reviewed the Petition in Docket UE-240185.

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<sup>4</sup> RCW 80.04.130, 80.28.060(1).

- 23       (6)       Staff recommends the Commission deny PacifiCorp's Petition.
- 24       (7)       This matter came before the Commission at its regularly scheduled meeting on October 10, 2024.
- 25       (8)       After reviewing PacifiCorp's Petition filed in Docket UE-240185 on March 19, 2024, and giving due consideration to all relevant matters, the Commission finds that the Petition filed should be denied.

**ORDER**

**THE COMMISSION ORDERS:**

- 26       (1)       PacifiCorp d/b/a Pacific Power & Light Company's Petition for an Accounting Order Authorizing Deferred Accounting Treatment is denied.
- 27       (2)       This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it.
- 28       (3)       The Commission retains jurisdiction over the subject matter and PacifiCorp d/b/a Pacific Power & Light Company to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective October 10, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner