## BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Investigation of	DOO
AVISTA CORPORATION d/b/a AVISTA UTILITIES, PUGET SOUND ENERGY, and PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY	CON PET INV
Regarding the 2020 Colstrip Coal Supply Agreement	
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant,	DOC CON PET INV
V.	
PACIFICORP DBA PACIFIC POWER & LIGHT COMPANY,	
Respondent.	

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DOCKET UE-\_\_\_\_

COMMISSION STAFF'S PETITION TO INITIATE JOINT INVESTIGATION

DOCKET UE-191024

COMMISSION STAFF'S PETITION TO INITIATE JOINT INVESTIGATION

# I. INTRODUCTION

Staff of the Washington Utilities and Transportation Commission ("Commission") submits this Petition to Initiate Joint Investigation pursuant to WAC 480-07-305. Commission Staff ("Staff") respectfully requests that the Commission initiate this investigation to facilitate Staff's investigation of the following: (1) the prudency of the increased costs associated with the new coal supply agreement at Colstrip Units 3 and 4; and (2) the allocation of costs and benefits associated with Owners' plan to apply precombustion additives to coal burned at Units 3 and 4 in order to qualify for a Production Tax Credit ("PTC"). Both of these issues are common to Avista, PSE, and Pacific Power

STAFF'S PETITION TO INITIATE JOINT INVESTIGATION - 1

("Colstrip Owners") as signatories to the new coal contract and owners of Colstrip Units 3 and 4.<sup>1</sup>

On December 13, 2019, Staff received a *highly confidential* copy of the new Colstrip Units 3 and 4 coal supply agreement in response to a data request propounded by Staff in PSE's current general rate case. Staff has not received this agreement from any of the other Colstrip owners, even though Pacific Power is seeking recovery of the increased costs associated with the new agreement in its current general rate case.<sup>2</sup> While all three companies are signatories to the new coal supply agreement, Staff cannot discuss its concerns, in this petition, pertaining to this agreement, in any specificity without violating the protective order in PSE's current general rate case. This fact underlines the necessity of having a joint investigation with a single protective order to account for confidential information pertaining to issues common to the Colstrip Owners. However, generally, after reviewing this agreement, Staff has questions common to all three Colstrip Owners.<sup>3</sup> Staff has not formed a position on whether the increased costs within the new agreement are prudent, but at this point only has questions it would like to ask each of the signatories to the agreement—Avista, PSE, and Pacific Power—preferably in a single proceeding (as opposed to three separate proceedings).

Staff is also aware that this new coal supply agreement comes at a time when the Rosebud mine will be expanding its strip mining activities into new areas of the mine.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> See https://billingsgazette.com/news/state-and-regional/colstrip-power-plant-secures--year-coal-mine-contract/article\_58acfdbb-4298-5c67-b265-e1c610aee6a9.html; https://www.sierraclub.org/press-releases/2019/12/colstrip-owners-sign-new-coal-contract.

<sup>&</sup>lt;sup>2</sup>UE-191024, Wilding, Exh. MGW-1CT at 65–66.

<sup>&</sup>lt;sup>3</sup> See infra n. 21; see generally UE-190882, Gomez, Exh. DCG-1CCT at 59–60;

<sup>&</sup>lt;sup>4</sup> See infra n. 22; see generally UE-190882, Exh. DCG-1CCT at 58–59; UE-190882, Exh. DCG-11; see https://www.wrcc.osmre.gov/initiatives/westernEnergy/aboutProject.shtm.

Accordingly, Staff is concerned that Washington ratepayers will be paying to expand the Rosebud mine and the future associated remediation costs of this expansion—at a time when the Washington Legislature, in the Clean Energy Transformation Act ("CETA") enacted last year, has directed this Commission to end Washington's relationship with coal.<sup>5</sup> In filing this petition, it is Staff's objective to ensure that the Commission has sufficient information to make informed decisions on the future of Colstrip at a critical point in the plant's history.

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In addition to questions regarding the new coal supply contract, Staff is aware of a plan to apply pre-combustion additives to coal burned at Colstrip Units 3 and 4.<sup>6</sup> As a result of applying these additives, the Colstrip Owners should receive their share of a PTC of \$7.173 per ton burned.<sup>7</sup> In Staff's initial estimation, this will result in approximately \$50 to \$70 million in annual PTCs shared among the owners.<sup>8</sup> None of the Colstrip Owners have ever admitted to the plan to apply these pre-combustion additives in other dockets before the Commission. Staff became aware of this plan only through its own independent investigative efforts.<sup>9</sup> One pertinent piece of evidence was the posting of a job advertisement for a position to assist in the application of these pre-combustion additives at Units 3 and 4.<sup>10</sup> Staff has questions regarding this plan and the associated PTC that are common to each

<sup>&</sup>lt;sup>5</sup> UE-190882, Exh. DCG-1CCT at 59–60. RCW 19.405.010 states:

With our wealth of carbon-free hydropower, Washington has some of the cleanest electricity in the United States. But electricity remains a large source of emissions in our state. We are at a critical juncture for transforming our electricity system. *It is the policy of the state to eliminate coal-fired electricity*, transition the state's electricity supply to one hundred percent carbon-neutral by 2030. . . . (emphasis added).

<sup>&</sup>lt;sup>6</sup> UE-190882, Exh. DCG-1CCT at 59.

<sup>&</sup>lt;sup>7</sup> UE-190882, Exh. DCG-1CCT at 59.

<sup>&</sup>lt;sup>8</sup> UE-190882, Exh. DCG-1CCT at 59 n.183.

<sup>&</sup>lt;sup>9</sup> UE-190882, Exh. DCG-1CCT at 59.

<sup>&</sup>lt;sup>10</sup> UE-190882, Exh. DCG-1CCT at 59.

of the Colstrip Owners—Avista, PSE, and Pacific Power—and would prefer to ask these questions in a single proceeding (as opposed to three separate proceedings).<sup>11</sup>

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Given Staff's prior difficulties in obtaining information pertaining to Colstrip,<sup>12</sup> Staff believes a joint investigation is the most efficient way for the Commission to receive the information necessary for it to make a fully informed decision on the prudence of the costs associated with the coal contract and on the treatment of PTC benefits. Staff believes a joint investigation would promote judicial economy and would also resolve confidentiality concerns pertaining to information that is *company confidential*—confidential information (common to each company as a co-owner of Colstrip) that relates to the scope of Staff's proposed investigation in this petition. Staff believes the issues in this investigation are important in light of CETA and the large monetary impact they could have on electricity customers of each of these investor-owned utilities. As will be explained below, Staff believes that initiation of this joint investigation "is the only [] practical avenue to obtain the necessary information for the Commission to carry out its regulatory obligations."<sup>13</sup>

In the alternative, if the Commission denies Staff's petition for a joint investigation, Staff requests that the Commission order Pacific Power to file supplemental testimony on the new coal supply agreement and the PTC described above within its current general rate case.<sup>14</sup>

<sup>&</sup>lt;sup>11</sup> See generally, UE-190882, Exh. DCG-1CCT at 60.

<sup>&</sup>lt;sup>12</sup> See generally, UE-190458, Declaration of David C. Gomez, (explaining the difficulty Staff encountered in obtaining information pertaining to the 2018 Colstrip Outage).

<sup>&</sup>lt;sup>13</sup> In the Matter of the Investigation of Avista Corporation d/b/a Avista Utilities, Puget Sound Energy, and Pacific Power & Light Company regarding Prudency of Outage and Replacement Power Costs, Docket 190882, Order 01, ¶ 16 (Oct. 24, 2019).

<sup>&</sup>lt;sup>14</sup> Staff's primary request for relief is the initiation of a joint investigation in a new docket. Because of Staff's alternative request for relief, however, and because this petition refers to issues in Pacific Power's pending general rate case, Staff has filed this pleading in the docket for the Pacific Power general rate case. If Staff's primary relief is granted and a joint investigation is initiated, it is not Staff's intent to consolidate the joint investigation proceeding with the Pacific Power general rate case.

#### II. RELIEF REQUESTED

Staff respectfully requests that the Commission grant petition to initiate a joint investigation pertaining to: (1) the prudency of the new Colstrip Unit 3 and 4 coal supply agreement; and (2) the Colstrip Owner's plan to apply pre-combustion additives to coal in order to qualify for a PTC. In the alternative, if the Commission denies Staff's petition to initiate a joint investigation, Staff requests that the Commission order Pacific Power to file supplemental testimony on the new coal supply agreement and the PTC described above in its current general rate case in Docket UE-191024.

## III. FACTAL BACKGROUND

The previous coal supply agreement at Colstrip Units 3 and 4 expired at the end of

## A. New Coal Supply Agreement at Colstrip Units 3 and 4

2019. In Docket UE-190529, PSE's pending general rate case, Staff discovered that the Colstrip Owners entered into a Term Sheet pertaining to the yet-to-be-executed new coal supply agreement. This Term Sheet was dated July 2, 2019. The portion of the Term Sheet not marked as highly confidential stated the following:

*This Term Sheet sets forth the essential terms and conditions that will be incorporated into a new Coal Supply Agreement* ("Agreement") between Avista Corporation ("Avista"), NorthWestern Corporation ("NorthWestern"), PacifiCorp ("PacifiCorp"), Portland General Electric Company ("PGE"), Talen Montana, LLC ("Talen"), and Puget Sound Energy, Inc. ("Puget") (collectively, "Buyers"), on the one hand, and Westmoreland Rosebud Mining, LLC ("Seller"), on the other. Buyers and Seller shall negotiate in good faith to conclude and execute the Agreement, based on the following:<sup>15</sup>

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<sup>&</sup>lt;sup>15</sup> UE-190529 & UG-190530, PSE's response to UTC Staff Data Request No. 223, Highly Confidential Attachment A.

Staff received this Term Sheet in a data request response on November 20, 2019, two days before the filing deadline for Staff's testimony in Docket UE-190529.<sup>16</sup> Accordingly, on November 27, 2019, Staff filed a motion for leave to propound further discovery and provide the Commission testimony on the increased costs associated with the terms in this Term Sheet. On December 10, 2019, the Commission denied Staff's motion for leave to file supplemental testimony.<sup>17</sup>

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On December 13, 2019, PSE provided Staff with a copy of the new coal supply agreement as a highly confidential attachment to a data request response.<sup>18</sup> Staff has not received the new agreement from the other Colstrip Owners. This is troubling with respect to Pacific Power because Pacific Power is seeking recovery of the increased costs associated with the new coal supply agreement in its pending general rate case.<sup>19</sup>

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For the purposes of this petition, Staff cannot go into any specificity pertaining to the new coal supply agreement for Units 3 and Unit 4 without violating the protective order in PSE's general rate case. However, generally, Staff has several common questions it would like to ask each of the Colstrip Owners (PSE, Avista, and Pacific Power)—all of whom are signatories to this contract. <sup>20</sup> Many of these questions are very important, given the fact that

<sup>&</sup>lt;sup>16</sup> Staff had previously asked PSE to provide the terms sheet pertaining to the new coal contract in UTC Staff Data Request 75, in Docket UE-190529:

<sup>&</sup>lt;u>SUBPART C</u>: On what date did PSE sign and execute a new contract with WECO and/or some other coal supplier for Colstrip Units 3 and 4 fuel? What is the effective date of the contract? Provide a copy of the new contract, **term sheet** and any attachments and/or amendments in force as of the date the new coal contract becomes effective. (Emphasis added).

 <sup>&</sup>lt;sup>17</sup> UE-190529 & UG-190530, Order 02 (Denying Staff's Motion for Leave to File Supplemental Testimony).
<sup>18</sup> UE-190529, PSE's first supplemental response to UTC Staff Data Request 75, Highly Confidential Attachment A. The new coal supply agreement, dated December 5, 2019, was also later filed in PSE's pending general rate case at Roberts, Exh. RJR-15HC. PSE is not currently seeking recovery of any of the increased costs associated with the new coal supply agreement. *See* Roberts, Exh. RJR-14T at 17:3–5.

 <sup>&</sup>lt;sup>19</sup> UE-191024, Exh. MGW-1CT at 65–66.
<sup>20</sup> See e.g., UE-190882, Exh. DCG-1CCT at 59–60:

For example, the new coal contract has been signed and executed and Pacific Power has included the effects of the new coal contract price in its pro forma power costs in its 2020 GRC filed last month.

the Rosebud mine is expanding its strip mining activities into new areas of the mine and incurring future remediation costs—at the same time our Legislature has directed this Commission to end Washington's relationship to coal.<sup>21</sup> Staff believes an investigation into this issue is essential to ensure that these regulated investor owned utilities are taking prudent action in light of CETA's mandate.

## **B.** Colstrip Owners Plan to Apply Pre-Combustion Additives to Earn a PTC

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Staff is aware that efforts are underway towards the implementation of the "Tinuum Refined Coal System" ("Tinuum") at Colstrip Units 3 and 4.<sup>22</sup> This system would allow the coal at Units 3 and 4 to be treated with a pre-combustion additive before the coal is burned—which would allow the Colstrip Owners to receive their share of a \$7.173 per ton PTC.<sup>23</sup> As Staff witness Mr. David C. Gomez has stated in his testimony in Docket UE-190882:

How will the Commission want to evaluate the prudency of the new coal contract? Individually, or in a similar proceeding as the one employed in this case? These are decisions that the Commission will have to make now and cannot wait until sometime in the future. How will the Commission evaluate and establish Washington's fair share of the cost of environmental remediation and is it reasonable for ratepayers to *pay for the mine's expansion* at a time when we are seeking to unwind our involvement with coal power? If Washington's ratepayers are being asked to shoulder the increased costs of a new coal contract, should they also be able to receive their fair share of refined coal PTC's to offset undepreciated plant amounts or help fund environmental remediation (risk follows reward)? <sup>21</sup> UE-190882, Exh. DCG-1CCT at 59–60. RCW 19.405.010 states:

It is the policy of the state to eliminate coal-fired electricity, transition the state's electricity supply to one hundred percent carbon-neutral by 2030. . . . (emphasis added).

See https://www.wrcc.osmre.gov/initiatives/westernEnergy/aboutProject.shtm:

In accordance with the National Environmental Policy Act of 1969 (NEPA), the Office of Surface Mining Reclamation and Enforcement (OSMRE) in conjunction with the Montana Department of Environmental Quality (MT DEQ) (pursuant to the Montana Environmental Policy Act (MEPA)), will document the analysis and disclose the environmental impacts of the proposed action to permit the operation and reclamation of the proposed Area F expansion of the Rosebud Coal Mine.

<sup>•</sup> The Rosebud Mine Area F expansion project is located 12 miles west of Colstrip, Montana, in Rosebud and Treasure counties. *The Area F project would expand the Rosebud Mine*, which currently is a 25,576-acre surface coal mine producing low-sulfur subbituminous coal. The surface of the permit area is entirely privately owned, and the subsurface minerals are either privately or federally held. WECo, a subsidiary of Westmoreland Coal Company, operates the Rosebud Mine. (emphasis added).

<sup>&</sup>lt;sup>22</sup> UE-190882, Exh. DCG-1CCT at 59.

<sup>&</sup>lt;sup>23</sup> UE-190882, Exh. DCG-1CCT at 59.

With Tinuum installed at Colstrip, the Operator can pre-treat (prior to combustion) Westmoreland coal, and/or less expensive Powder River coal, with Tinuum's proprietary chemicals and earn a \$7.173 per ton Federal Production Tax Credit (PTC). Given Tinuum's job posting on its web site for an operator at Colstrip, the Operator appears ready to begin treating Colstrip's coal with Tinuum's emission additives, if it has not already started doing so.

How will the Commission evaluate and establish Washington's fair share of the cost of environmental remediation and is it reasonable for ratepayers to *pay for the mine's expansion* at a time when we are seeking to unwind our involvement with coal power? If Washington's ratepayers are being asked to shoulder the increased costs of a new coal contract, should they also be able to receive their fair share of refined coal PTC's to offset undepreciated plant amounts or help fund environmental remediation (risk follows reward)?<sup>24</sup>

Staff has not been made aware of this plan by any of the Colstrip Owners. Staff became

aware of this plan and the PTC through its own informal investigative efforts. For instance,

Exhibit DCG-13 in Docket UE-190882 is a job posting, which states the following:

The candidate will be responsible for the day-to-day operations and maintenance of the Tinuum facility located at the Talen Energy Colstrip Power Station, located in Colstrip, Montana. . . .

From Staff's rough estimation, the PTC should result in anywhere from \$50 to70 million

annually to be apportioned among the owners of Colstrip.<sup>25</sup> Staff has several questions

common all three Colstrip Owner pertaining to the implementation and costs of this plan and

also pertaining to who will be receiving the benefit of the \$7.173 per ton PTC.<sup>26</sup>

# **IV. ARGUMENT**

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In Order 01 in Docket UE-190822, the Commission denied Staff's motion to

consolidate Avista, PSE, and Pacific Power's annual power cost reviews into a single

docket. However, the Commission exercised its discretion to initiate a joint investigation

. . . .

<sup>&</sup>lt;sup>24</sup> UE-190882, Exh. DCG-1CCT at 59–60.

<sup>&</sup>lt;sup>25</sup> UE-190882, Exh. DCG-1CCT at 59 n.183.

<sup>&</sup>lt;sup>26</sup> See UE-190882, Exh. DCG-1CCT at 59–60.

(that included Avista, PSE, and Pacific Power) pertaining to the increased power costs

associated with the 2018 Colstrip Outage. The Commission in its order stated:

....[W]e find that initiating an investigation is the *only other practical avenue to* obtain the information necessary for the Commission to carry outs its regulatory obligations.<sup>27</sup>

Further, in Staff testimony of in Docket UE-190882, when asked about future joint

investigations involving Colstrip, Mr. David C. Gomez stated the following:

- Q. Does Staff have any recommendations regarding future Colstrip filings involving issues common to all three Owners?
- A. Yes. The consolidated investigation approach for issues common to all three Colstrip Owners seems to be the most efficient and effective way to develop a complete record for the Commission to render its decisions....
- In light of Order 01 in Docket UE-190882, Staff requests that the Commission 14 initiate a joint investigation into: (1) the prudency of the new coal supply agreement at Colstrip Units 3 and 4; and (2) the Colstrip Owners' plan to apply pre-combustion chemicals to coal in order to qualify for a Production Tax Credit.

The Commission should grant this request because: (1) A joint investigation would promote judicial economy by having one proceeding as opposed to three; and (2) A joint investigation would resolve confidentiality concerns and ensure that the Commission has sufficient information to render informed and consistent decisions on these important issues. In the alternative, if the Commission denies this petition it should order Pacific Power to file supplemental testimony in its current general rate case on the prudency of the new coal supply agreement at Colstrip Units 3 and 4 and the apportionment of costs and benefits

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<sup>&</sup>lt;sup>27</sup> Supra n.13; Docket 190882, Order 01, ¶ 16 (Oct. 24, 2019) (emphasis added).

associated with the PTC and the pre-combustion additives being implemented at Units 3 and 4.

# A. A Joint Investigation would Promote Judicial Economy by Having one Proceeding as Opposed to Three

All three electric investor-owned utilities have an ownership interest in Colstrip Units 3 and 4. In particular, PSE owns a 25% interest in Colstrip Units 3 and 4; Avista owns a 15% interest in Colstrip Units 3 and 4, and Pacific Power owns a 10% interest in Colstrip Unit 4.<sup>28</sup> Accordingly, the scope of this proposed investigation is equally relevant as to each company. This is because each company (as co-owners of Colstrip Units 3 and 4) are signatories to the new coal supply agreement. Further as co-owners of Colstrip Units 3 and 4, each company should also be receiving its respective share of the pre-combustion additive PTC.

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Instead of propounding discovery in three separate dockets to obtain the same information, it would promote judicial economy to have a single joint investigation that includes all three Colstrip Owners. This would also avoid the necessity of the Commission writing three separate orders on these issues (and possibly adjudicating these issues with three separate procedural and discovery schedules) in three separate dockets as to each of the three Colstrip Owners. These issues will be presented to the Commission for review at some point as to each Colstrip Owner, and Staff believes it promotes judicial economy to investigate these issues in a single docket that would include all three companies. Similar to the UE-190882 docket, the determination made by the Commission in this separate

<sup>&</sup>lt;sup>28</sup> Pacific Power is a 10 percent owner in both Colstrip Units 3 and 4. However, in accordance with Order 08 in Docket UE-061546, only the company's ownership of Unit 4 is included in the company's base rates and computation of actual net power costs. *See* UE-190458, Exhibit No. MWG-1T, p. 12 (Direct Testimony of Michael G. Wilding).

investigation could be binding on Pacific Power's current general rate case (where it is seeking recovery of the increased costs associated with the new coal supply agreement and where it did not mention the pre-combustion additive PTC) and future dockets involving Avista, PSE, and Pacific Power.<sup>29</sup>

# **B.** A Joint Investigation would Resolve Confidentiality Concerns and Ensure the Commission Has Sufficient Information

In Order 01 in Docket UE-190882, the Commission established a two-tiered protective order to deal with confidentiality issues in that docket. Of particular relevance was the creation of the "Company-Confidential Information" Designation. This involved information that was related to the decision making leading up to the 2018 Colstrip Outage, which was indeed confidential, but not confidential among the companies—as *co-owners of Colstrip*. Therefore, the establishment of this tier of confidentiality allowed the parties to view confidential information that related to the decision making leading up to the 2018 Colstrip Outage. This resulted in the development of a full record and the ability for the parties to use all relevant information in the docket related to the outage—regardless of which company it came from. This avoided the situation where one company provided useful information pertaining to the decision making leading up to the outage, but the parties could not use that information as to the other two companies, because that first company marked that information as confidential.

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Accordingly, Staff believes that without a joint investigation, the Commission will have *less information* in rendering its decision on these issues as to each Colstrip Owner. For instance, in separate proceedings, if Pacific Power provides a piece of information in its

<sup>&</sup>lt;sup>29</sup> See UE-190882, Order 01, ¶ 27 ("The determinations we make in Docket UE-190882 regarding the prudency issues related to the 2018 Colstrip outage will be binding in Dockets UE-190222, UE-190324, and UE-190458").

current general rate case (and marks it as confidential), and Avista in a later proceeding fails to provide this piece of information, the parties could not use this piece of information in the Avista proceeding without violating the protective order in Pacific Power's general rate case. Also, vice versa, if Pacific Power fails to provide a piece of information in its current general rate case, and Avista provides this information in a later proceeding without the Commission would have rendered its order in the Pacific Power proceeding without the benefit of the information provided by Avista. This can lead to inconsistent Staff recommendations and Commission orders as to common questions that relate to each Colstrip Owner. Staff believes this can be avoided if the Commission initiates a joint investigation with a two-tiered protective order—similar to that which was established by the Commission in UE-190882.

# C. In the Alternative, the Commission should Require Pacific Power to File Supplemental Testimony

Staff believes a joint investigation for issues common to all three Colstrip Owners is the most efficient and effective way to develop a complete record for the Commission to render its decisions.<sup>30</sup> It is worth noting that, in UE-190882, Staff initially filed its motion for consolidation and severance of proceedings because it could not obtain the information it needed in separate proceedings.<sup>31</sup> Only after the Commission initiated a joint investigation was Staff able to obtain the information necessary to provide the Commission a

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<sup>&</sup>lt;sup>30</sup> UE-190882, Exh. DCG-1CCT at 60-61.

<sup>&</sup>lt;sup>31</sup> See UE-190458, Motion for Severance and Consolidation of Proceedings Pursuant to WAC 480-07-320, ("[T]hrough informal discovery, Staff has been unable to obtain the necessary information to determine the underlying causes for the outage . . . ."); See also UE-190458, Declaration of David C. Gomez (explaining the difficulty Staff encountered in obtaining information pertaining to the 2018 Colstrip Outage).

recommendation in that docket.<sup>32</sup> The joint investigation also created the protective order that resolved the confidentiality issues discussed above.

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However, if the Commission denies Staff's request for a joint investigation, it should order Pacific Power to file supplemental testimony in its pending general rate case on the new coal supply agreement at Colstrip Units 3 and 4. Pacific Power is currently seeking recovery of the increased costs associated with the new coal supply agreement—yet it did not provide a copy of the new agreement with its initial filing.<sup>33</sup> Pacific Power also elected to leave out any testimony of its plan to apply pre-combustion additives in order to qualify for the PTC mentioned above. Without Pacific Power filing supplemental testimony, Staff will be forced to develop a record on these issues by propounding numerous data requests. This would be a burdensome and inefficient task for Staff, given that Pacific Power possesses all of the information pertaining to these two issues and could more easily provide supplemental testimony on these issues. If the Commission denies Staff's petition for a joint investigation, it believes Pacific Power should be ordered to file supplemental testimony in its current general rate case to ensure the Commission has sufficient information to render informed decisions on these two important issues within its current general rate case.

## V. CONCLUSION

In light of Order 01 issued in Docket UE-190882, Staff respectfully requests that the Commission grant its petition to initiate a joint investigation pertaining to: (1) the prudency of the new Colstrip Units 3 and 4 coal supply agreement; and (2) the allocation among Colstrip Owners and ratepayers of the costs and benefits associated with the Colstrip Owners' plan to apply pre-combustion additives to coal in order to qualify for a Production

<sup>&</sup>lt;sup>32</sup> UE-190882, Exh. DCG-1CCT at 23-24.

<sup>&</sup>lt;sup>33</sup> UE-191024, Exh. MGW-1CT at 65-66.

Tax Credit. In the alternative, if the Commission denies Staff's petition to initiate a joint investigation, Staff requests that the Commission order Pacific Power to file supplemental testimony in its current general rate case regarding the new coal supply agreement and the PTC described above.

Dated this 30<sup>th</sup> day of January 2020.

Respectfully submitted,

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