

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Investigation of

AVISTA CORPORATION d/b/a AVISTA
UTILITIES, PUGET SOUND ENERGY, and
PACIFICORP d/b/a PACIFIC POWER &
LIGHT COMPANY

Regarding the 2020 Colstrip Coal Supply
Agreement

DOCKET UE-200069

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

V.

PACIFICORP DBA PACIFIC POWER &
LIGHT COMPANY,

Respondent.

DOCKET UE-191024

**PACIFICORP'S RESPONSE IN OPPOSITION TO STAFF'S PETITION TO
INITIATE JOINT INVESTIGATION**

I.	INTRODUCTION.....	1
II.	BACKGROUND.....	2
III.	DISCUSSION	5
	A. Initiating a Joint Investigation into the Prudence of Decisions Regarding Fuel Supply and Fuel Refinement by Three Separate Utilities Before Two of Those Utilities Have Sought Cost Recovery from the Commission Would be Premature and Unprecedented.	5
	B. Conducting a Consolidated Prudency Review of Fuel Supply and Fuel Refinement Decisions by Three Separate Utilities Would Not Promote Judicial Economy.....	9
	C. No Final Decision to Modify the Methodology for Refining the Coal Supply at Colstrip Has Been Made.	11
	D. PacifiCorp Proposes Holding a Workshop in Docket UE-191024 to Discuss the New Coal Supply Agreement and Filing Supplemental Testimony on this Topic Thereafter.	11
IV.	CONCLUSION.....	13

I. INTRODUCTION

1. On January 30, 2020, Washington Utilities and Transportation Commission (Commission) Staff submitted a petition requesting that the Commission initiate a joint investigation involving PacifiCorp dba Pacific Power & Light Company (PacifiCorp or the Company), Puget Sound Energy (PSE), and Avista Corporation dba Avista Utilities (Avista). Staff requests this investigation to address: (1) the prudence of the costs associated with the new coal supply agreement at Colstrip Units 3 and 4; and (2) the allocation of costs and benefits associated with the application of pre-combustion additives to refine coal burned at Units 3 and 4 to qualify for a tax credit.¹
2. It would be both premature and unprecedented for the Commission to conduct a joint prudence review when only PacifiCorp has sought rate recovery for its fuel costs under the new coal supply agreement. At this time, PSE and Avista have made no such filing. PacifiCorp's general rate case is the appropriate forum to address the prudence of Colstrip Unit 4 costs for PacifiCorp. The Commission can address the prudence of costs for Colstrip Units 3 and 4 for PSE and Avista when those issues become ripe for review in their future dockets.
3. Colstrip's operator is currently reviewing whether to supplement the current coal refinement process at Colstrip Units 3 and 4 with a new refinement process, but no final decision has been made by the Colstrip operator or co-owners. An investigation into a potential future agreement on coal refinement may end up being unnecessary, and a current investigation would be premature because there are no final terms to investigate. If such an agreement comes to fruition and the tax credit-related savings become known and

¹ Commission Staff's Petition to Initiate Joint Investigation, at 1 (Jan. 30, 2020).

measurable, PacifiCorp is willing to inform Staff and discuss any concerns.

4. A joint investigation will not promote judicial economy, given that these issues are not joined in a pending proceeding by either PSE or Avista. Each utility's prudence must be evaluated individually based on the specific facts and circumstances surrounding the utilities' respective decisions. PacifiCorp is uniquely situated relative to the other two companies, given it does not include Colstrip Unit 3 costs in Washington rates, it has the smallest ownership share in Colstrip Unit 4, [REDACTED], and it allocates costs utilizing a complex interjurisdictional allocation methodology among six different states.

5. PacifiCorp recommends the Commission rely on its standard discovery procedures and direct the parties to convene a technical workshop to discuss the new coal supply agreement in greater detail. Once the scope of supplemental testimony is clear after this workshop, PacifiCorp is willing to file supplemental testimony on April 1, 2020, concurrently with its supplemental testimony on new decommissioning studies.

II. BACKGROUND

6. PacifiCorp has a 10 percent ownership interest in Colstrip Units 3 and 4.² In accordance with Order 08 in Docket UE-061546, PacifiCorp's rates in Washington do not include any costs associated with Colstrip Unit 3.³ Approximately 74 megawatts (MW) of Colstrip Unit 4's capacity is currently included in PacifiCorp's actual net power costs under the West Control Area Inter-Jurisdictional Allocation Methodology (WCA), 22.6 percent of

² Declaration of Dana Ralston ¶ 2.

³ *Wash. Utils. and Transp. Comm'n v. PacifiCorp d/b/a Pacific Power & Light Co.*, Dockets UE-061546, et al., Order 08, App'x A ("Commission Determination of Revenue Requirement") (June 21, 2007) (removing costs associated with Colstrip Unit 3 from rates).

which—or approximately 17 MW—is allocated to serve Washington.⁴

7. The previous coal supply agreement for Colstrip Units 3 and 4 expired on December 31, 2019.⁵ Under that cost-plus contract, PacifiCorp and the other co-owners assumed a certain amount of oversight responsibility for management decisions at the mine, with quarterly meetings, approval for mine budgets, and annual mine audits.⁶ The cost-plus contract involved the consumption of approximately 600,000 to 625,000 tons of coal per year.⁷

8. On December 5, 2019, PacifiCorp and four other co-owner utilities (collectively, the Buyers) signed a new coal supply agreement with Westmoreland Rosebud Mining, LLC (the Seller).⁸ The new agreement, which took effect on January 1, 2020, involves an [REDACTED] price for [REDACTED] over a [REDACTED] time period than the previous contract.⁹ Specifically, and [REDACTED]
[REDACTED]
[REDACTED].¹⁰ The Company negotiated [REDACTED]
[REDACTED].¹¹

In addition, under the new agreement PacifiCorp committed to a [REDACTED] annual

⁴ Declaration of Dana Ralston ¶ 3. The Washington Inter-Jurisdictional Allocation Methodology (WIJAM) is used as the basis for cost allocation in the currently pending general rate case in Docket UE-191024. The allocation of coal-related costs between the WIJAM and the WCA does not result in a change to the capacity from Colstrip Unit 4 for net power costs. *See* Docket UE-191024, Wilding, Exh. No. MGW-1CT, at 11 (Dec. 13, 2019).

⁵ Declaration of Dana Ralston ¶ 4.

⁶ Declaration of Dana Ralston ¶ 4.

⁷ Declaration of Dana Ralston ¶ 4.

⁸ Declaration of Dana Ralston ¶ 5.

⁹ Declaration of Dana Ralston ¶ 5.

¹⁰ Declaration of Dana Ralston ¶ 6. If Pacific Power does not elect to extend the coal supply agreement through the end of [REDACTED], the Company will be required to [REDACTED]. This is [REDACTED] than what the other Buyers would be required to pay if any of those companies elects not to acquire their minimum tonnage in the [REDACTED] year of the contract. *Id.*

¹¹ Declaration of Dana Ralston ¶ 6.

quantity of [REDACTED] tons per year, at a base price of \$ [REDACTED] per ton, with an option to increase the tonnage quantity for a discounted tier price of \$ [REDACTED] per ton [REDACTED]

[REDACTED].¹² This agreement involves a mine mouth supply and was more cost-effective than the next best alternative fuel supply.¹³

9. Under the new coal supply agreement, the [REDACTED] [REDACTED].¹⁴ With an [REDACTED], the Company and its customers [REDACTED], as well as from [REDACTED].¹⁵ [REDACTED]

[REDACTED].¹⁶ Therefore, Staff's concerns regarding future remediation costs for PacifiCorp's customers associated with any potential expansion into new areas of the Rosebud mine are unfounded.¹⁷

10. On December 13, 2019, PacifiCorp filed its pending general rate case in Docket UE-191024. The Company included the fuel costs associated with the new coal supply agreement in its revenue requirement, thereby seeking a prudence determination for its decision to procure a continued fuel source for Colstrip Unit 4.¹⁸

11. Neither PSE nor Avista has sought cost recovery yet for their respective changes in fuel costs resulting from the new coal supply agreement. In fact, the Commission recently declined Staff's attempt to expand PSE's pending rate case to address this topic shortly before the hearing.¹⁹

¹² See Declaration of Dana Ralston ¶ 7.

¹³ Declaration of Dana Ralston ¶ 8.

¹⁴ Declaration of Dana Ralston ¶ 9.

¹⁵ Declaration of Dana Ralston ¶ 9.

¹⁶ Declaration of Dana Ralston ¶ 9.

¹⁷ Commission Staff's Petition to Initiate Joint Investigation, at 2-3, 6-7.

¹⁸ Docket UE-191024, Exh. No. MGW-1CT, at 65-66.

¹⁹ *Wash. Utils. and Transp. Comm'n v. Puget Sound Energy*, Dockets UE-190529, et al., Order 05 ¶¶ 8-10 (Dec. 10, 2019).

12. Independent of the new coal supply agreement, Talen Energy, the plant operator, is currently exploring the potential to implement a new methodology for refining the coal supply at Colstrip Units 3 and 4, in negotiations with Tinuum Group (Tinuum).²⁰ PacifiCorp has not been provided terms and conditions regarding the structure of this deal. PacifiCorp's understanding is that this transaction would not occur without the approval of all the co-owners.²¹

III. DISCUSSION

A. Initiating a Joint Investigation into the Prudence of Decisions Regarding Fuel Supply and Fuel Refinement by Three Separate Utilities Before Two of Those Utilities Have Sought Cost Recovery from the Commission Would be Premature and Unprecedented.

13. Of the three utilities in Staff's request for an investigation, only PacifiCorp has requested recovery in rates for costs associated with the new coal supply agreement for Colstrip Unit 4.²² Neither Avista nor PSE has included the recently executed coal supply agreement in a general rate case, annual PCAM, or other filing. None of the utilities has petitioned the Commission to adjust net power costs to reflect changes in the methodology for refining the coal supply at Colstrip, given that no final decision has even been reached on this topic as of the time of this filing.²³

14. These circumstances are significantly different, therefore, from the circumstances surrounding the Commission's order in Docket UE-190882 initiating a joint investigation into the events leading up to the outage at Colstrip in 2018. In that case, all three utilities already had active dockets pending before the Commission in which the companies had

²⁰ Declaration of Dana Ralston ¶ 11.

²¹ Declaration of Dana Ralston ¶ 12.

²² Docket UE-191024, Exh. No. MGW-1CT, at 65-66.

²³ See Declaration of Dana Ralston ¶ 12.

requested recovery of the replacement power costs associated with the outage, making each company's prudence in managing Colstrip prior to the outage a live issue.

15. It is a traditional ratemaking principle in Washington that the Commission reviews the prudence of a utility's investments "only when the company requests cost recovery through rates."²⁴ Thus, for example, in Docket UE-151592, the Commission declined a request by a group of environmental petitioners to initiate an adjudicative proceeding to predetermine the prudence of PSE's ongoing and new capital investments at Colstrip, in circumstances where PSE had not yet sought recovery of those costs from the Commission.²⁵ In that case, both PSE and Staff effectively argued that ratemaking issues were not ripe and would be adjudicated before the Commission in "due course[.]"²⁶ The Commission agreed, explaining that it evaluates prudence "in an adjudicative proceeding *if and when the Company seeks to recover in rates* the costs of its investment[.]" either through preapproval proceedings or through seeking cost recovery in rates once an investment has been made.²⁷ The Commission concluded the petitioners were seeking "relief that is not currently available, but that may be available in the future."²⁸ The Commission pointed in particular to PSE's anticipated general rate case that had not yet been filed, as well as an investigation

²⁴ *In the Matter of the Commission Inquiry into Customer Choice for Advanced Meter Installation*, Docket U-180117, Policy and Interpretative Statement on Customer Choice for Advanced Meter Installation, ¶ 13 (Apr. 10, 2018). See also *id.* at ¶ 7 ("[R]egulated public service companies in Washington bear the burden of proving their investment decisions were prudent *at the time they request cost recovery* of capital expenditures for the project in rate proceedings.") (emphasis added); *Petition of Puget Sound Power & Light Co. for an Order Regarding the Accounting Treatment of Residential Exchange Benefits*, Dockets UE-920433, et al., Twentieth Supplemental Order on Reconsideration and Clarification, at 20 (Dec. 16, 1994) ("The Commission will look further at the costs when, and if, a request for recovery is made.").

²⁵ *In the Matter of the Petition of Sierra Club, Climate Solutions, and Wash. Env't'l Council For an Adjudicatory Proceeding Relating to the Prudency of Continued Investments in Colstrip Plant Units 1 and 2*, Docket UE-151592, Order 01 ¶¶ 1, 25 (Oct. 13, 2015).

²⁶ Docket UE-151592, Order 01 ¶¶ 5, 6.

²⁷ Docket UE-151592, Order 01 ¶ 11 (emphasis added).

²⁸ Docket UE-151592, Order 01 ¶ 25.

already underway in which some of the issues that petitioners had raised were being considered.²⁹

16. In a more recent example in PSE's pending general rate case, Docket UE-190529, the Commission rejected as premature a request by Staff to file supplemental testimony on PSE's increased fuel costs resulting from the coal supply agreement for Colstrip Units 3 and 4.³⁰ As Staff acknowledges,³¹ PSE is not currently seeking to recover the fuel cost increase associated with the new coal supply agreement in the company's pending general rate case.³² PSE initiated that proceeding in June 2019 when negotiations on the terms of the agreement were still underway.³³ While PSE had initially proposed including fuel cost changes resulting from the new coal supply agreement for Colstrip in its power cost update to be filed with its rebuttal testimony, Staff opposed providing any power cost update at all.³⁴ After substantial deliberation at the prehearing conference, the parties agreed to a limited power cost update on January 15, 2020, whereby PSE would only update five specific parameters.³⁵

²⁹ Docket UE-151592, Order 01 ¶ 13.

³⁰ Docket UE-190529, Order 05 ¶¶ 8-10.

³¹ Commission Staff's Petition to Initiate Joint Investigation, at 6 n.18.

³² As PSE explained in its rebuttal testimony in Docket UE-190529,

PSE did not incorporate the cost of a new coal contract for Colstrip Units 3 & 4 into its request in this proceeding because, at the time of the direct filing on June 20, 2019, the terms and conditions of the new coal supply agreement were subject to negotiations, and the costs of the coal supply agreement were not known and measurable. Additionally, the prehearing conference order in this proceeding limited PSE power cost updates in this case to certain enumerated cost categories. The pricing associated with the new coal supply agreement did not fall within any of the categories of power costs that the prehearing conference order permitted PSE to update. Accordingly, PSE has honored the terms of the prehearing order by not including costs associated with the new coal supply agreement in this proceeding.

Roberts, Exh. RJR-14T at 19-20 (Jan. 15, 2020) (paragraph structure altered; internal citation omitted).

³³ See Docket UE-190529, Mills, Exh. DEM-1T, at 17 (June 20, 2019) (discussing the traditional modified historical test year approach used in Washington); Docket UE-190529, Molander, Exh. LIM-1T, at 1 (June 20, 2019) (identifying a test year period of January through December 2018).

³⁴ Docket UE-190529, Puget Sound Energy's Response to Commission Staff's Motion for Leave to File Supplemental Testimony, at 3-4 (Dec. 3, 2019) ("PSE Response"); Docket UE-190529, Alliance of Western Energy Consumers' Response to Staff's Motion for Leave to File Supplemental Testimony, at 1-2, 3-4 (Dec. 4, 2019) ("AWEC Response").

³⁵ Docket UE-190529, PSE Response, at 4 & n.5; Docket UE-190529, AWEC Response, at 2, 3; *see also* Docket UE-190529, Order 05 ¶ 3. Those five parameters are: "(1) forward market data, (2) short-term fixed-

These parameters did *not* include the coal supply agreement.³⁶ Thus, PSE effectively agreed not to seek cost recovery for the new coal supply agreement in its pending general rate case. In December 2019, however, Staff apparently changed its mind and sought to supplement its testimony with information on coal costs gleaned from a confidential review of the recently signed coal supply agreement.³⁷ The Commission declined to upset the agreement reached by the parties on the limited scope of the power cost update, especially at such a late stage in the docket, and explained that the prudence of PSE’s decision to sign the new coal supply agreement can be reviewed in a future proceeding.³⁸

17. Much like the issues raised by the environmental petitioners in Docket UE-151592, the issues raised by Staff in its petition here do not warrant initiating a separate investigation. One of these issues is already being addressed in a pending proceeding, while the others are not yet ripe but will be addressed “in due course[.]”³⁹ Specifically, with respect to PacifiCorp’s prudence in signing the new coal supply agreement, the Company has affirmatively sought cost recovery for the associated fuel costs in its general rate case.⁴⁰ A general rate case is the traditional and appropriate forum to resolve questions regarding the prudence of the new terms on which the Company is supplying fuel to Colstrip Unit 4. At this time, neither PSE nor Avista has requested to include costs associated with the new coal

price power contracts that are an AURORA input, (3) fixed-price gas for power contracts, (4) index-based power and gas for power contracts, and (5) costs that are themselves dependent on the updated AURORA output.” *Id.*

³⁶ Docket UE-190529, PSE Response, at 4; *see* Docket UE-190529, AWEC Response, at 3.

³⁷ *See* Docket UE-190529, Order 05 ¶ 4; *see* Docket UE-190529, AWEC Response, at 3-4 (“Staff’s position advocated in its Motion is contrary to the position Staff firmly presented at the pre-hearing conference in this matter. . . . Staff’s about-face at this stage of the proceeding, seeking effectively to expand the scope of the Power Cost Update, is prejudicial to the parties, including AWEC, who have proceeded with the understanding of the agreed-upon scope of the Power Cost Update and have conducted their review of the Company’s initial filing based only on the costs included in that filing.”) (paragraph structure altered).

³⁸ Docket UE-190529, Order 05 ¶¶ 9-10.

³⁹ Docket UE-151592, Order 01 ¶ 13.

⁴⁰ Docket UE 191024, Exh. No. MGW-1CT, at 65-66.

supply agreement in rates, so a prudence determination is not ripe for review for those two companies.

18. With respect to the negotiations currently underway to supplement the methodology for refining the coal supply for Colstrip, PacifiCorp has not been provided terms and conditions regarding the structure of this deal. PacifiCorp's understanding is that this transaction would not occur without the approval of all the co-owners.⁴¹ If any deal is reached, PacifiCorp is willing to inform Staff and discuss any concerns. Since the prospect remains speculative, however, the issue is not appropriate for investigation at this time.

B. Conducting a Consolidated Prudency Review of Fuel Supply and Fuel Refinement Decisions by Three Separate Utilities Would Not Promote Judicial Economy.

19. Contrary to Staff's assertions, initiating a joint investigation involving all three utilities is unlikely to streamline the prudency review process.⁴² It would still be necessary for the Commission to perform a separate inquiry into the specific facts associated with each company's approach for prudently managing its interest in the Colstrip facilities, including the procurement of a renewed coal supply for that facility and selecting a new methodology for refining that coal, and determine the ratemaking consequences in separate dockets. This is because the Commission's prudence inquiry concentrates on the *utility's* decision-making and requires the utility to demonstrate that its actions were reasonably prudent under the circumstances.⁴³ This inquiry is necessarily specific to each company's individual facts and circumstances, and PacifiCorp differs from the other two utilities in a number of respects.

⁴¹ Declaration of Dana Ralston at ¶12.

⁴² See, e.g., Commission Staff's Petition to Initiate Joint Investigation, at 10.

⁴³ See *Wash. Utils. and Transp. Comm'n v. Pacific Power & Light Co., a Division of PacifiCorp*, Docket UE-152253, Order 12 ¶ 94 (Sept. 1, 2016).

20. First, unlike the other two companies, PacifiCorp's costs associated with its 10 percent ownership interest in Colstrip Unit 3 are not included in Washington rates.⁴⁴ Therefore, only the prudence of supplying or refining fuel at Colstrip Unit 4 is relevant to evaluating prudence with respect to PacifiCorp. And even focusing on Unit 4 in isolation, PacifiCorp owns the smallest share among the three companies in Staff's petition.⁴⁵ Therefore, in the context of both the new coal supply agreement and any agreement to incorporate a new refinement methodology, the relevant question is (or will be) whether PacifiCorp acted prudently in its capacity as a non-operating, minority owner of Colstrip Unit 4 in signing such agreements.

21. Additionally, as described above, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁴⁶ This key contractual difference limits the judicial efficiencies of reviewing the Company's prudence in a consolidated proceeding.

22. PacifiCorp also differs significantly from the other companies with respect to cost recovery for its investments in Colstrip Unit 4. PacifiCorp has proposed in its general rate case to accelerate depreciation of Colstrip Unit 4 to 2023, providing a path to remove Colstrip Unit 4 from Washington rates by December 31, 2023. PacifiCorp's interjurisdictional cost allocation methodology allows for the possibility of Washington's currently allocated share of Colstrip Unit 4 being reallocated to other states upon their approval. PacifiCorp's unique interjurisdictional cost allocation methodology, therefore,

⁴⁴ See Docket UE-061546, Order 08, App'x A.

⁴⁵ See Declaration of Dana Ralston ¶ 2.

⁴⁶ Declaration of Dana Ralston ¶ 6.

means that PacifiCorp may continue to own and operate Colstrip beyond when Colstrip is included in Washington rates. In contrast, PSE operates only in the state of Washington, and while Avista operates in two states (Washington and Idaho), its interstate allocation methodology is less complicated. This is another reason counseling in favor of addressing PacifiCorp's request for coal cost recovery separately in the Company's pending general rate case.

C. No Final Decision to Modify the Methodology for Refining the Coal Supply at Colstrip Has Been Made.

23. At the time of this filing, Talen remains in negotiations with Tinuum with respect to implementing the new coal refinement system referenced by Staff in its petition, and PacifiCorp has not provided its approval regarding such a transaction at Colstrip.⁴⁷ Staff implies that the Company withheld information in its initial filing in Docket UE-191024 by omitting testimony on this topic.⁴⁸ Terms and conditions have not been provided to PacifiCorp at the time of this filing, and they certainly were not finalized on the date PacifiCorp filed its request for a rate increase in Docket UE-191024.⁴⁹ Therefore, there are no known rate impacts associated with implementing a new coal refinement system.

D. PacifiCorp Proposes Holding a Workshop in Docket UE-191024 to Discuss the New Coal Supply Agreement and Filing Supplemental Testimony on this Topic Thereafter.

24. In its petition, Staff implies some impropriety in PacifiCorp's decision not to include a copy of the coal supply agreement in its pending general rate case.⁵⁰ It would have been unprecedented, however, for the Company to include a copy of the agreement with its direct

⁴⁷ See Declaration of Dana Ralston ¶ 12.

⁴⁸ Commission Staff's Petition to Initiate Joint Investigation at 11, 14.

⁴⁹ Declaration of Dana Ralston ¶ 12.

⁵⁰ Commission Staff's Petition to Initiate Joint Investigation, at 2, 13.

testimony. The commercial information contained in a coal supply agreement is extremely sensitive, and at the time of filing, the Company did not yet have a protective order in place to ensure adequate protections for such sensitive confidential information. To the best of PacifiCorp's knowledge, the Company has never included a copy of a coal supply agreement in its direct testimony in general rate cases.⁵¹ In conjunction with this response, PacifiCorp has moved for entry of an amended protective order with highly confidential provisions. With an amended protective order in place, Staff can submit data requests to PacifiCorp regarding this agreement.⁵² This is the standard and established process by which the Company shares commercially sensitive contracts like the coal supply agreement and other information in its general rate cases.

25. Staff has recommended the Commission direct the Company to file supplemental testimony in Docket UE-191024 on the new coal supply agreement if the Commission declines to order a joint investigation.⁵³ The Company respectfully submits that it is most efficient for PacifiCorp to work with Staff before the filing of testimony so that the supplemental testimony addresses Staff's concerns. Therefore, the Company recommends that the parties convene a workshop in Docket UE-191024 to discuss the new coal supply agreement.⁵⁴ After a workshop, PacifiCorp could file testimony to address Staff's concerns and place the information provided in that workshop into the record. As described in the prehearing conference order, PacifiCorp will be filing supplemental testimony on decommissioning studies on April 1, 2020.⁵⁵ PacifiCorp proposes to hold a workshop before

⁵¹ Declaration of Dana Ralston ¶ 10.

⁵² To date, Staff has submitted no data requests related to the Colstrip coal supply agreement in Docket UE-191024.

⁵³ Commission Staff's Petition to Initiate Joint Investigation, at 12-13.

⁵⁴ See WAC 480-07-400 – 480-07-425.

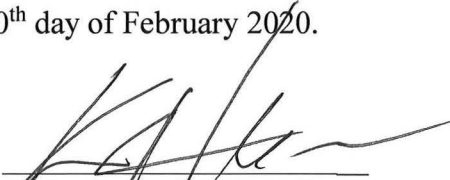
⁵⁵ Docket UE-191024, Order 03 (Feb. 3, 2020).

that date and file supplemental testimony on the Colstrip coal supply agreement also on April 1, 2020.

IV. CONCLUSION

26. PacifiCorp respectfully requests that the Commission deny Staff's petition to initiate a joint investigation regarding the actual and potential agreements affecting the fuel supply at Colstrip Units 3 and 4. PacifiCorp's pending general rate case is the appropriate forum to evaluate the prudence of the Company's decision to continue supplying fuel for Colstrip Unit 4 under new terms that substantially reduce customer risk associated with the coal supply.

Respectfully submitted this 20th day of February 2020.



Katherine A. McDowell
McDowell Rackner Gibson PC
419 SW 11th Ave., Suite 400
Portland, OR 97205
Telephone: (503) 595-3924
Email: katherine@mrg-law.com

Ajay Kumar
Carla Scarsella
Matthew McVee
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Phone: (503) 813-5161 (Kumar)
(503) 813-6338 (Scarsella)
(503) 813-5585 (McVee)
Email: ajay.kumar@pacificorp.com
carla.scarsella@pacificorp.com
matthew.mcvee@pacificorp.com

Attorneys for PacifiCorp