

VIA WUTC WEB PORTAL

May 4, 2021

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Joint Response of Avista, PSE, and PacifiCorp to the Notice of Opportunity to Respond to Request to Initiate Investigation
Docket UE-210241**

Dear Mr. Johnson,

Avista Corporation, dba Avista Utilities (Avista), Puget Sound Energy (PSE), and PacifiCorp dba Pacific Power & Light (PacifiCorp) (together, Avista, PSE, and PacifiCorp are referred to as the “Joint Utilities” in this response) submit the following comments in accordance with the Notice of Opportunity to Respond to Request to Initiate Investigation (Notice) issued by the Washington Utilities and Transportation Commission (Commission) in Docket UE-210241 on April 13, 2021.

In the Notice, the Commission states that certain non-governmental organizations (NGOs) submitted a letter, dated February 3, 2021, requesting that the Commission “initiate a proceeding to investigate Colstrip’s ongoing expenses”. The Commission “seeks feedback and comments from the affected utilities and other interested persons on this matter.”

The Joint Utilities appreciate the Commission’s concern that a complex investigation of expenses for Colstrip Units 3 and 4 is not appropriate at this time. As the Commission notes, the Joint Utilities are currently pursuing arbitration regarding those units. NorthWestern Energy, a co-owner of Colstrip Units 3 and 4 triggered the arbitration by providing a notice of an intent to arbitrate pursuant to Section 18 of the Colstrip Units 3 and 4 Ownership and Operation Agreement.¹ Specifically, NorthWestern Energy intends for the arbitration to “obtain a definitive

¹ The term “Colstrip Units 3 and 4 Ownership and Operation Agreement” refers to that certain Ownership and Operation Agreement, dated May 6, 1981, as amended by Amendment No. 1 dated October 11, 1991, Amendment No. 2 dated July 13, 1998, Amendment No. 3 entered into in 2004, and Amendment No. 4 entered into in 2008, by and among The Montana Power Company, Puget Sound Power and Light Company (now PSE), The Washington Water Power Company (now Avista), Portland General Electric Company, Pacific Power and Light Company, and Basin Electric Power Company. This agreements provides for the terms and conditions of the construction, ownership, operation, and maintenance of Colstrip Units 3 and 4.

answer to the questions of what vote is required to close Units 3 and 4 and what is the obligation of each co-owner to fund operations of the plant”

Initiating a complex investigation into matters that are subject to the arbitration provisions of the Colstrip Units 3 and 4 Ownership Agreement will unnecessarily hinder the Joint Utilities’ ability to fully raise and respond to issues in arbitration. Moreover, resolution of the issues to be addressed in the arbitration may render moot some of the items that the NGOs seek to have the Commission investigate or provide guidance with respect to the respective obligations of the Joint Utilities under the Colstrip Units 3 and 4 Ownership Agreement.

Finally, the investigation requested by the NGOs is unnecessary. The Commission will have a continued opportunity to examine the Joint Utilities’ resource planning processes, in general, and the expenses at Colstrip Units 3 and 4 in particular, through resource planning and ratemaking proceedings, respectively.

The Joint Utilities’ ownership interests in Colstrip Units 3 and 4 represent a uniquely complex situation, with significant scrutiny by multiple jurisdictions. The Joint Utilities understand the NGOs and other Washington stakeholders’ continued interest in the future of Colstrip Units 3 and 4, and request their patience as the Joint Utilities continue to work through these complex issues. The Joint Utilities remain committed to serving customers and working with the Commission and stakeholders in Washington.

In sum, initiating the investigation requested by the NGOs would complicate the current arbitration process regarding issues involving Colstrip Units 3 and 4 and may create additional barriers to resolving the future of those units. For these reasons, the Joint Utilities respectfully request that the Commission deny the NGOs’ request to initiate a proceeding to investigate ongoing expenses for Colstrip Units 3 and 4.

Please direct any questions to Avista regarding these comments to Patrick Ehrbar at 509-495-8620 or patrick.ehrbar@avistacorp.com.

Please direct any questions to PacifiCorp regarding these comments to Ariel Son at 503-813-5410 or ariel.son@pacificorp.com.

Please direct any questions to PSE regarding these comments to Jon Piliaris at 425-456-2142 or jon.piliaris@pse.com.

[Signatures on Following Page]

Sincerely,

Avista Corporation

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