



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

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December 11, 2015

Re: *Washington Utilities and Transportation Commission v. Pacific Power & Light Company*, Docket UE-144160

TO ALL PARTIES:

On November 12, 2015, the Washington Utilities and Transportation Commission (Commission) entered Order 04 in Docket UE-144160, Final Order Rejecting Tariff Sheets; Resolving Contested Issues; Authorizing and Requiring Compliance Filing (Order 04). Order 04, among other things, rejected tariff proposals by Pacific Power & Light Company (Pacific Power or Company), required the Company to file a revised Schedule 37 that includes a separate payment for capacity based on one-fourth of the cost of a SCCT, and authorized the Commission Secretary to approve by letter, with copies to all parties, revised tariff sheets that comply with the requirements of Order 04.

On November 25, 2015, Pacific Power filed the following revised tariff sheet: Fourth Revision of Sheet No. 37.2—Schedule 37—Avoided Cost Purchases for Cogeneration and Small Power Production.

The Commission has examined the filing, and it appears to comply with the terms of Order 04. The proposed rates, however, appear to be predicated on an analysis similar to the one conducted in the 2015 Integrated Resource Plan under Sensitivity Case 10. The Commission has previously expressed reservations with this approach, and therefore notes here that acceptance of Pacific Power's compliance filing in this docket does not imply acceptance of the underlying assumptions or conclusions presented in Sensitivity Case 10.

The Commission accepts the Company's compliance filing, but directs Pacific Power to file replacement pages with an effective date of no sooner than the day after the date of this letter.

Sincerely,

STEVEN V. KING

Executive Director and Secretary