

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PACIFIC POWER & LIGHT
COMPANY

For an Order Approving a Change in
Depreciation Rates Applicable to
Electric Property

DOCKET UE-180778

ORDER 05

GRANTING MOTION FOR
CLARIFICATION; REQUIRING
FILING

BACKGROUND

- 1 On September 13, 2018, Pacific Power & Light Company (Pacific Power or Company) filed with the Washington Utilities and Transportation Commission a petition requesting approval of a proposed change to its depreciation rates applicable to electric property (Petition).
- 2 At the Company's request, the Commission commenced an adjudicative proceeding and convened a prehearing conference on December 20, 2018, to establish a procedural schedule to address the Petition.
- 3 On February 22, 2019, the Commission issued Order 03 and thereby granted the Company's request to suspend the procedural schedule in this docket and set a status conference for September 4, 2019.
- 4 On September 4, 2019, the Commission convened a status conference before Administrative Law Judge Andrew J. O'Connell.
- 5 On September 11, 2019, the Commission issued Order 04, continuing the suspension of the procedural schedule and requiring the Company to file updates to its depreciation study by the earlier date of its general rate case filing or December 31, 2019.
- 6 On September 23, 2019, Pacific Power filed with the Commission a motion for clarification of Order 04 (Motion). The Company requested clarification from the Commission that the updates to its depreciation study required by Order 04 could be met

by filing updates to: the data underlying the depreciation study results and forecast for the coal generation affecting Washington ratepayers (Jim Bridger and Colstrip 4 generation units), its 2019 Integrated Resource Plan (IRP), the effects of Washington's recently passed Clean Energy Transition Act (CETA), and any other material changes to its initial filing. The Company argued that a broader update to the depreciation study would be unnecessary and counter-productive to the expeditious resolution of this matter because it would require much more time to complete than what Order 04 prescribes.

- 7 The Company indicated in its Motion that no party objected to its motion. No party filed a response to the Company's Motion by the October 4, 2019, deadline set by the Commission for any such responses.

DISCUSSION AND DECISION

- 8 We grant the Company's motion for clarification. We understand the confusion that could have resulted from certain elements and explanations in Order 04, and we therefore find it appropriate to clarify Order 04.
- 9 We find that continuing to suspend the procedural schedule is consistent with the public interest and the Commission's administrative needs. The public interest, discussed at length in Order 04, regards the necessary updates to the Company's depreciation study. We emphasized the need to update the depreciation study to account for the Company's 2019 IRP and the passage of CETA. Additionally, we directed the Company to update the underlying data to a more recent period, but that direction was meant to be limited in scope. The Company's requested clarification, which more precisely defines that the necessary updates, in addition to those accounting for the Company's 2019 IRP and CETA, are those material changes to the Company's depreciation study and the Company's coal generation facilities serving Washington customers – Jim Bridger and Colstrip Unit 4, is substantively accurate. Our decision, therefore, to grant that clarification is consistent with the Commission's intent in Order 04.
- 10 The Commission's administrative needs are served by granting the Company's Motion. The Commission's intent in Order 04 was to require the necessary updates to the Company's depreciation study to streamline and expedite resolution of this matter. Requiring all necessary updates at a single time, instead of multiple possible updates from the Company, aids the efficient resolution of this matter. Additionally, the Commission did not envision or intend that the required updates to the depreciation study would, by the inclusion of non-material items and items unrelated to coal generation

facilities serving Washington, hinder completion of those updates by December 31, 2019. The Company's requested clarification, therefore, is consistent with the Commission's administrative needs and our intent in Order 04.

11 Accordingly, we grant the Company's Motion and clarify the updates the Company must make to its Petition as follows. The Company must update its Petition by the earlier of (a) the date of the Company's general rate case filing or (b) December 31, 2019, to include:

- (1) updates to the Company's depreciation filing resulting from its updated IRP;
- (2) updates to the Company's depreciation filing resulting from CETA; and
- (3) updates to the underlying data related to the coal generation units serving Washington customers, Jim Bridger and Colstrip Unit 4, and for any material changes to the Company's depreciation filing.

12 After the Company has made its filing in compliance with this Order, the Commission will issue a notice convening a status conference or a prehearing conference in order to determine the procedural schedule going forward.

FINDINGS AND CONCLUSIONS

- 13 (1) The Commission is an agency of the state of Washington, vested by statute with authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 14 (2) Pacific Power is engaged in the business of providing electric services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 15 (3) Pacific Power filed a motion for clarification of Order 04 on September 23, 2019. The Company indicated in its motion that no party objected to its motion, and no party subsequently filed a response to the motion.
- 16 (4) Pacific Power's motion for clarification is consistent with the Commission's intent in Order 04. The motion for clarification accurately addresses the requirements of the update to the Company's filing intended by Order 04 and is consistent with the public interest and the Commission's administrative needs.

- 17 (5) The Commission should issue an order granting the Company's motion for clarification and requiring the Company to update its Petition as described in paragraph 11, and suspending the procedural schedule in this matter until after the Company makes the required filing.
- 18 (6) The Commission should issue a notice setting a status conference or a prehearing conference to determine a procedural schedule in this proceeding after the Company makes the required filing.

ORDER

THE COMMISSION ORDERS:

- 19 Pacific Power and Light Company's motion for clarification is granted and the procedural schedule in this matter is suspended until after Pacific Power and Light Company updates its Petition, as required in paragraph 11, by the earlier of (a) the date of its general rate case filing or (b) December 31, 2019.

DATED at Olympia, Washington, and effective October 10, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

| *Andrew J. O'Connell*
ANDREW J. O'CONNELL
Administrative Law Judge