

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP, d/b/a PACIFIC POWER &
LIGHT COMPANY,

Respondent.

In the Matter of the Petition of PacifiCorp,
d/b/a Pacific Power & Light Company for an
Order Approving Deferral of Costs Related
to Declining Hydro Generation

DOCKET UE-050684

DOCKET UE-050412

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP, d/b/a PACIFIC POWER &
LIGHT COMPANY,

Respondent.

DOCKET UE-060669

**RESPONSE ON BEHALF OF
COMMISSION STAFF TO
PACIFICORP'S MOTION TO
CONSOLIDATE**

Background

1

On April 27, 2006, PacifiCorp filed a 2.99 percent tariff surcharge ("2.99 Percent Rate Increase Filing"), designated as Docket UE-060669. On the same day, the Company

filed a Motion for Consolidation (Motion), asking the Commission to consolidate that tariff filing with Dockets UE-050684 and UE-050412, which have already been consolidated.

2 Docket UE-050684 is a PacifiCorp general rate case. Docket UE-050412 is a PacifiCorp deferred hydro cost recovery petition, respectively. The Commission issued a final order in those dockets on April 17, 2006, denying rate relief.¹ PacifiCorp's petition for reconsideration of that order is pending.²

Rules

3 The Commission's rule on consolidation of proceedings is WAC 480-07-320, which states:

The commission, in its discretion, may consolidate two or more proceedings in which the facts or principles of law are related. Parties may request consolidation or may request the severance of consolidated matters by motion to the commission. The commission may act on its own motion to consolidate matters for hearing, or to sever consolidated matters.

Basis for the Motion

4 PacifiCorp justifies consolidation by relating its 2.99 Percent Rate Increase Filing in Docket UE-060669 to Dockets UE-050684 and UE-050412.

5 For example, the Company says consolidation promotes administrative efficiency because "key issues related to the need for the requested rate increase in the 2.99 Percent Rate Increase Filing have been fully litigated, and have either been resolved or are ripe for resolution, in consolidated Docket Nos. UE-050684 and UE-050412."³

¹ Order 04 in Dockets UE-050684 and UE-050412 (April 17, 2006), entitled "Order Rejecting Tariffs as Filed; Rejecting Stipulation of Net Power Costs; Rejecting in Part, and Accepting in Part, Stipulation on Temperature Normalization Adjustment; Determining Cost of Capital."

² On April 27, 2006, PacifiCorp filed its Petition for Reconsideration in Dockets UE-050684 and UE-050412, the same day it filed the 2.99 Percent Rate Increase Filing. Responses to that petition are due June 16, 2006.

³ Motion at 2, ¶ 2.

6 PacifiCorp also asserts that consolidation is justified by “just and reasonable
ratemaking.” According to the Company, the proposed 2.99 Percent Rate Increase Filing in
Docket UE-060669 “affords one means of providing PacifiCorp with a portion of the rate
relief it has justified in consolidated Docket Nos. UE-050684 and UE-050412.”⁴

Response by Commission Staff

7 The Commission should grant PacifiCorp's Motion for Consolidation. The
Company's 2.99 Percent Rate Increase Filing is directly related to the relief the Company is
seeking on reconsideration in Dockets UE-050684 and UE-050412. These related issues of
fact among the dockets satisfy a Commission standard for consolidation in WAC 480-07-
320.

8 Consolidation also provides benefits to the Commission and to ratepayers. The
primary benefit to the Commission is administrative efficiency. The Commission can
decide each docket in the same order, and on the same record.

9 The primary benefit to ratepayers is that consolidation will help assure that the
2.99% Rate Increase Filing will be resolved in the context of the Commission's resolution of
the Company's reconsideration petition. In other words, the filing would not be treated as a
“stand alone” tariff filing requiring further hearings before the Commission, as it might have
been treated if the Commission did not consolidate, and denied reconsideration, for example.

10 The Staff does not perceive any legal impediment to consolidation.⁵ The tariff is not
invalid on its face; it seeks relief the Commission is empowered to grant.⁶ If unforeseen

⁴ *Id.* Of course, the Commission should not assume the Company has justified any rate relief in Dockets UE-050684 and UE-050412. The Commission will decide that issue later, when it decides reconsideration.

⁵ During the suspension period of the rate case, Docket UE-050684, PacifiCorp was prohibited from filing any tariff that changed or altered the tariffs it filed in the rate case, without receiving permission from the Commission. *Docket UE-050684, Order 01, Complaint and Order Suspending Tariff Revisions at 5, ¶ 15, ordering paragraph 3.* However, the suspension period in Docket UE-050684 elapsed before the Company filed its 2.99 Percent Rate Increase Filing, so that prohibition in Order 01 does not apply.

problems arise, the Commission can sever the consolidated matters. *WAC 480-07-320, last sentence.*

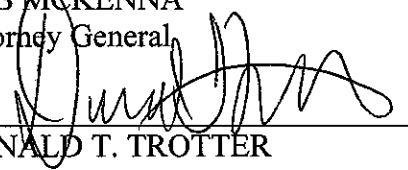
Conclusions

11 For the reasons stated above, the Commission should grant PacifiCorp's Motion for Consolidation.⁷

DATED this 16th day of June, 2006.

Respectfully Submitted,

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⁶ Staff believes the Company's 2.99 Percent Rate Increase Filing may ultimately be unnecessary, because even if the Commission decides to grant rate relief on reconsideration, a compliance tariff filing would be required, rendering the 2.99 Percent Increase Filing moot. In addition, even if the Commission decided on reconsideration to grant a tariff increase of precisely 2.99%, the tariff to implement that result would more appropriately be a change to existing tariff sheets, not a rate surcharge applicable to all tariffs (which is the form of the 2.99 Percent Rate Increase Filing). However, these issues go to the merits of the filing, not whether the filing should or should not be consolidated with the other dockets.

⁷ Consolidation does not automatically suspend the tariff filing. June 23, 2006, is the date for Staff, Public Counsel and Intervenors to file comments on whether or not the Commission should suspend the 2.99 Percent Rate Increase Filing.