

February 18, 2014

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: Docket No. UE-001734—Report on Costs Associated with Permanent Disconnection and Removal of Facilities

Dear Mr. King:

Please find enclosed Pacific Power & Light Company's (Pacific Power or Company) report on costs associated with permanent disconnection and removal of facilities for the period of January 1, 2013, through December 31, 2013. The enclosed report details the cost of removing facilities when a customer requests permanent disconnection of service and the Company's service facilities are not likely to be re-used at that location and require removal for safety or operational reasons.

The enclosed report has been filed annually since the conclusion of Docket No. UE-001734. However, based on the discussions with parties as a result of Order 04 in Docket No. UE-130043,¹ the 2013 report presents a more comprehensive summary of the cost associated with the removal requests than previously filed reports.

The majority of the requests to permanently disconnect service are made so that customers can switch electric utility providers. While the Company has service area agreements with surrounding utilities, it has been unable to negotiate an agreement with Columbia Rural Electric Association (Columbia REA). This has resulted in duplicative services within several of the communities the Company has historically served. To ensure the Commission is aware of the full impact permanent disconnection of facilities have on the Company, the Company also submits the following list of safety and operational concerns that have been identified related to duplicative service.

¹ In compliance with Order 04 in Docket No. UE-130043, the Company met with interested parties on September 27, 2013, to identify specific data that should be included in the Company's November 2013 report of permanent disconnection and removal of facilities process. The report was docketed as UE-132182.

Issue	Event
<p>Delayed utility response to emergency situations. Responders need to know which utility to call.</p>	<ul style="list-style-type: none"> • Approximately five years ago, the Company was contacted regarding a substation fire. The Company responded and found it was a Columbia REA substation. The Company contacted Columbia REA to report the fire and have them respond. • Within the last year, the Company also responded to a report of a primary line too close to the ground. Upon arrival, the Company determined the primary line belonged to Columbia REA. The Company contacted Columbia REA to advise them of the issue. • In January 2014, emergency services contacted the Company requesting disconnection due to a house fire. When the Company arrived, it was determined that Columbia REA served the home. Since emergency services needed the service disconnected immediately, the Company disconnected the service rather than have the disconnection delayed until Columbia REA arrived on site.
<p>Connecting service before the other utility disconnects.</p>	<ul style="list-style-type: none"> • The Company requested Columbia REA and the customer's electrician not connect service until the Company has permanently disconnected its facilities. There have been several incidents where the Company arrived to remove its facilities and Columbia REA was already serving the customer. In one particular instance, the Company found its meter was spinning backwards, indicating there was a power feed from the building into the Company's system. The Company believes that hooking the two systems to a common ground caused a power flow between the two power providers.
<p>Installing buried lines directly under the Company's overhead facilities could lead an excavator or Company employees to think that the lines are only overhead.</p>	<ul style="list-style-type: none"> • Both utilities have arrived to requested excavation locates and painted "No CREA" or "No PP+L" directly on top of the other power provider's high voltage cables. • The Company has also seen examples where the utility locate identifies only one electric utility's facilities when two electric utilities are present. • In May 2013, the Company responded to a car hit pole in the middle of night and requested emergency locates to change the pole out. After waiting two hours for Columbia REA to locate electric facilities, the Company proceeded with the pole replacement without locates in order to restore service to customers. Columbia REA showed up later and located buried high voltage lines nearby.

Issue	Event
Multiple electric providers on the same structure.	<ul style="list-style-type: none"> • In 2012, the Company received a request from a customer requesting to permanently disconnect service so that they could switch utility providers. Having one building with multiple services creates an unsafe environment for firefighters or electricians who may be unaware the building has a second source of electricity. The Company will not permanently disconnect a service to a structure with multiple services unless all of the services to the structure are permanently disconnected. • In November 2013, a residence was found taking electrical service from CREA while still hooked up to the Company's energized facilities.
Violation of clearance standards	<ul style="list-style-type: none"> • In July 2013, Columbia REA's contractor planned to bury a new high voltage line 12" from one of the Company's 7,200 volt lines. The Company contacted Columbia REA and requested the line be located at least 6 feet from the Company's facilities, which is Pacific Power's construction standard. Columbia REA was reluctant to move their facilities, but cleared the violation after local authorities and Labor and Industries became involved. • In 2013, Columbia REA was required to lower a distribution line under the Walla Walla-to-Wallula 230kv line because required clearances were not met. The Company is currently working to address another clearance issue involving Columbia REA's distribution line under the Company's Walla Walla-to-Hurricane 230kv line.
Damage to Company Property	<ul style="list-style-type: none"> • In October 2013, the Company received a report that a Columbia REA contractor trenching and installing conduits along the front of the Company's Bowman Substation struck the substation fence, bending a post. The contractor attempted to straighten the post with a chain attached to a backhoe. When that effort failed, a worker was reportedly lowered over the fence with a backhoe into the substation to attempt further repairs to the damaged post.

If you have any questions or require further information, please contact Jennifer Angell, Customer and Regulatory Liaison, at (503) 331-4414.

Sincerely,

R. Bryce Dalley
 R. Bryce Dalley
 Vice President, Regulation

Enclosure

Customer Reference	Date of Request	Customer Type	Annual kWh Energy Usage	Annual Revenue	Reason for Removal	Date Estimate Provided	Estimated Removal Costs Provided to Customer				Actual Removal Costs							Comments								
							Customer's I&R Costs	Customer's Net Book Value	Customer's Salvage Credit	Credit from Original Line Extension	Customer's Total Removal Costs	Description of Work Required for Removal	Date Customer Paid	Date Removal Completed	Customer's I&R Costs	Outstanding Invoicing	Customer's Net Book Value		Customer's Salvage Credit	Credit from Original Line Extension	Final Customer Removal Costs	Customer Advance Payment	Invoiced refund amount	Date of Final Invoice / Refund	Final Company Removal Costs	Explanation of Company Removal Costs
Customer A	02/14/13	Irrigation	13,624	\$4,548	Going to another service provider	05/7/13	\$1,949	\$3,247	(\$19)	\$0	\$5,177	Remove 115' 1/0 quad secondary, 30' secondary pole, down bay and anchor, 30' 1/0 quad service.	05/24/13	07/09/13	\$1,675	\$0	\$3,247	(\$19)	\$0	(\$177)	(\$274)	\$4,525	Facilities serving customer in road right-of-way crossing into Oregon. Transformer Facilities and 60' 1/0 Quad Secondary.	Did not charge customer for removal of facilities on Road R/W crossing into Oregon.		
Customer B	03/08/13	Irrigation	24,922	\$1,057	Going to another service provider	06/24/13	\$5,412	\$14,158	(\$1,018)	\$0	\$18,552	Remove 430' 3/0 I&R BC primary, 430' I&R AC SR primary neutral, 2-45' poles, 3-25MVA 27/480V transformers, 15' 1/0 quad service, 2 down bays and anchors.	07/22/13	07/27/13	\$3,019	\$0	\$19,406	(\$1,018)	\$0	(\$18,552)	\$2,855	\$1,151	Facilities serving customer in road right-of-way crossing into Oregon. Included Work Items: Phase Buck, X-Arm, 60' 3/0 I&R CU Primary, 60' I&R AC SR Primary Neutral.	Did not charge customer for removal of facilities on Road R/W crossing into Oregon.		
Customer C	01/09/13	Commercial	5,034	\$672	Going to another service provider	01/11/13	\$7,750	\$1,109	(\$607)	\$0	\$9,252	Remove 5' 150VA pole mount transformers, 85' 1/2 quad secondary, 55' 1/2 quad service, meter, 30' secondary pole, 2-40' poles, 625' 1/0 I&R CU primary, 2-40' 1/0 I&R AC SR primary, 1-40' 1/0 I&R AC SR primary, 40' down bay and anchor. Install down bay and three phase dead-end framing.	03/20/13	05/06/13	\$7,257	\$0	\$2,109	(\$607)	\$0	(\$9,252)	\$0	\$7	Actual job costs exceeded estimate by \$7 but Company did not invoice customer the difference.			
Customer D	10/09/12	Commercial	2,076,504	\$128,964	Going to another service provider							Remove 5' primary riser, 380' #2 AL primary underground cable, 1-100KVA transformer, 1-350KVA transformer vault, 5-45' poles, 2-40' poles, 720' 3/0/0/0/1 primary, 720' 100kV neutral, 690' 3/0 I&R CU primary, 690' I&R AC SR primary, 3-100KVA transformers, 3-75KVA transformers, 3-50KVA transformers.	01/10/13	02/06/13	\$3,097	\$0	\$3,296	(\$7,254)	\$0	(\$37,159)	(\$1,860)	\$0	\$0	11/08/13		
Customer E	05/18/12	Irrigation	8,232	\$564	Going to another service provider	12/1/12	\$10,171	\$22,748	(\$3,625)	\$0	\$29,294	Remove 180VA transformer assembly, 295' (2 Spans) secondary service, 35' secondary pole, 60' 7/5' 45' three phase primary pole, 740' (3 Spans) of three phase I&R CU primary, 3-25KVA transformer assembly, 3-25KVA transformer bank, three phase buck arms, 42' 90' / RTX service, 90' 4/0 service and 4 meters. Contract flaggers.	02/21/13	03/08/13	\$6,775	\$0	\$22,748	(\$745)	\$0	(\$23,394)	(\$516)	\$2,273	Facilities serving customer in county road right of way.			
Customer F	06/20/13	Irrigation	500	\$180	Going to another service provider	06/25/13	\$5,333	\$510	(\$121)	\$0	\$5,722	Remove 4.35' pole, 460' 0/0 secondary, install 1 three set 45' secondary pole, 1500V HP5 streetlight and 11 #2 TPX service wire, service attachment bracket at house and 4200 meter.	06/25/13	10/11/13	\$5,722	\$2,655	\$0	(\$5,722)	(\$2,655)	\$2,792	Improper coordination between tree trimming and line crew. Adjusted crew time of job.	\$925 Net Book Value was not billed to customer in price. The Net Book Value is Company Removal Costs.				
Customer G	02/27/13	Commercial	231,912	\$18,755	Going to another service provider	03/08/13		Not Available		\$3,244	Remove span of I&AAC primary and neutral, 180' secondary, 2 poles, 180' 1500V HP5 secondary service, 150' conduit and CT metering, transfer transformer.															
Customer H	05/06/13	Commercial	94,668	\$7,800	Going to another service provider	10/30/2012 2nd Estimate	\$13,225	\$1,201	\$0	\$14,426	Remove span of I&AAC primary and neutral, 180' secondary, 2 poles, 180' 1500V HP5 secondary service, 150' conduit and CT metering, transfer transformer.															

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							Customer's I&R Costs	Customer's Net Book Value	Customer's Salvage Credit	Credit from Original Line Extension	Customer's Total Removal Costs	Customer's I&R Costs	Customer's Net Book Value	Customer's Salvage Credit	Credit from Original Line Extension	Final Customer Removal Costs	Final Company Removal Costs	Date of Final Invoice / Refund	Invoice or refund amount	Customer Advance Payment	
Customer I	05/09/13	Residential	30,750	\$2,640	Going to another service provider	06/11/13	\$18,280	\$4,362	(\$141)	\$0	\$22,501										
	05/09/13	Commercial	5,992	\$708	Going to another service provider																
Customer J	11/06/12	Commercial	310,276	\$26,436	Going to another service provider	05/03/13	\$30,414	\$1,949	(\$593)	\$0	\$31,370										
Customer K	07/27/13	Residential	25,788	\$1,680	Going to another service provider	07/27/13				Flat Fee Charged - No Estimate Created	\$400									Customer began receiving service from other utility prior to Company disconnection service. Company has facilities and is backing an excavation contractor to remove underground facilities.	
Customer L	07/20/12	Commercial	325,104	\$26,400	Going to another service provider																
	02/19/13	Commercial	120,960	\$9,864	Going to another service provider																
	02/19/13	Commercial	19,788	\$2,184	Going to another service provider	06/07/13	\$28,941	\$11,700	(\$591)	\$0	\$40,050										
Customer M	10/30/12	Irrigation	17,643	\$17,436	Going to another service provider																
	10/30/12	Commercial	3,228	\$469	Going to another service provider																
	10/30/12	Commercial	22,716	\$2,202	Going to another service provider																
	10/30/12	Irrigation	250	\$944	Going to another service provider																
	10/30/12	Irrigation	840	\$156	Going to another service provider	01/25/13	\$86,091	\$18,877	(\$1,792)	\$0	\$104,176										
Customer N	10/30/12	Commercial	58,028	\$49,656	Going to another service provider																
	10/30/12	Commercial	2,172	\$1,101	Going to another service provider																
	10/30/12	Commercial	39,168	\$3,649	Going to another service provider																
Customer N	10/30/12	Commercial	1,356	\$272	Going to another service provider																
	06/20/13	Irrigation	300	\$340	Going to another service provider	06/25/13	\$5,333	\$510	(\$121)	\$0	\$5,722									Remove 4-35' poles, 450' 84 GDX meter and service. Install 1-45' secondary pole, 150W HP5 streetlight and 110' x2 TPX streetlight with streetlight bracket and C2200 meter.	

Customer Reference	Date of Request	Customer Type	Annual kWh Energy Usage	Annual Revenue	Reason for Removal	Estimated Removal Costs Provided to Customer				Date Estimate Provided	Customer's I&R Costs	Customer's Net Book Value	Customer's Salvage Credit	Credit from Original Line Extension	Customer's Total Removal Costs	Actual Removal Costs								Comments										
						Customer's I&R Costs	Customer's Net Book Value	Customer's Salvage Credit	Credit from Original Line Extension							Final Customer Removal Costs	Customer's Advance Payment	Invoice or refund amount	Date of Final Invoice / Refund	Final Company Removal Costs	Explanation of Company Removal Costs													
Customer O	03/25/13	Irrigation	13,042	\$0,198	Remove facilities to enable developer to build subdivision powered by another service provider	06/7/13	Not Available			06/7/13					\$11,814	Remove 3x3MVA transformers, 20' 4" quad overhead service, 720' three phase primary and neutral, 2x40' poles, 2x100VA transformers, 2x100VA overhead service and 2 meters.										Request cancelled 11/7/2013								
Customer P	05/11/13	Residential	23,664	\$1,988	Remove facilities to enable developer to build subdivision powered by another service provider	06/7/13	Not Available			06/7/13					\$0,336	Remove 255' three-phase primary and neutral, 45' pole, 40' transformer, 120' 100V, 2' down guys and meter.											Request cancelled 11/6/2013							
Customer Q	05/21/13	Industrial	22,915,206	\$1,465,390	Going to another service provider																													
	05/07/13	Residential	30,888	\$2,580	Going to another service provider																													
Customer R	05/07/13	Irrigation	39,437	\$35,394	Going to another service provider	06/24/13	Not Available			06/24/13					\$5,187	Remove 3 poles, 100V, 15MVA, 3x3MVA transformers, 3 services and 3 meters.																		
Customer S	06/04/12	Industrial	4,198,152	\$287,976	Going to another service provider																													
	10/11/13	Commercial	406,668	\$33,600	Going to another service provider																													
Customer T	10/11/13	Residential	10,104	\$790	Going to another service provider																													
	10/11/13	Residential	21,018	\$1,764	Going to another service provider																													
	11/05/13	Commercial	589,428	\$62,988	Going to another service provider																													
Customer U	11/05/13	Commercial	13,662	\$1,332	Going to another service provider																													
	11/05/13	Commercial	33,996	\$4,554	Going to another service provider																													
	02/11/13	Commercial	192	\$144	Going to another service provider																													
	02/11/13	Commercial	768	\$201	Going to another service provider																													
	02/11/13	Irrigation	3,276	\$297	Going to another service provider																													
	02/11/13	Commercial	8,916	\$3,090	Going to another service provider																													
	02/11/13	Industrial	312,252	\$30,342	Going to another service provider																													
	02/11/13	Industrial	312,252	\$30,354	Going to another service provider																													
	02/11/13	Commercial	27,336	\$2,466	Going to another service provider																													
	02/11/13	Commercial	71,226	\$7,110	Going to another service provider																													
Customer V	02/11/13	Irrigation	7,425	\$882	Going to another service provider																													
	02/11/13	Commercial	10,988	\$1,298	Going to another service provider																													
	02/11/13	Industrial	63,401	\$60,204	Going to another service provider																													
	02/11/13	Commercial	1,822,308	\$2,208	Going to another service provider																													
	02/11/13	Commercial	93,672	\$7,416	Going to another service provider																													
	02/11/13	Commercial	19,056	\$1,920	Going to another service provider																													
	02/11/13	Commercial	60	\$236	Going to another service provider																													
	02/11/13	Commercial	8,676	\$1,248	Going to another service provider																													
Customer W	05/21/13	Residential	12,600	\$1,080	Remove service so house can be torn down to build new library served by another service provider																													