

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of

PACIFIC POWER & LIGHT COMPANY,

2016 Power Cost Adjustment Mechanism
Report.

DOCKET UE-170717

RESPONSE OF COMMISSION STAFF
TO PACIFIC POWER'S PETITION
FOR APPROVAL OF THE 2016 PCAM
REPORT

I. INTRODUCTION

1 Staff of the Washington Utilities and Transportation Commission (Commission) has reviewed Pacific Power & Light Company's ("Pacific Power's" or "Company's") Petition for Approval of the 2016 PCAM Report and does not recommend that the Commission approve the filing. Instead, Commission Staff (Staff) recommends that the Commission commence an adjudicative proceeding to determine the appropriate 2016 deferrals under the Company's Power Cost Adjustment Mechanism (PCAM).

II. DISCUSSION

2 In Order 09, in Docket UE-140762, the Commission adopted a settlement establishing a PCAM for Pacific Power.¹ The settlement obligated Pacific Power to file an annual report on or before June 1 of each year for the Commission to confirm and approve the deferred PCAM balances for the previous calendar year. The settlement established a review period of 90 days, to allow Staff and other interested parties to review the deferred PCAM balances.² If the parties participating in the review needed to extend the review period, they could accomplish that by agreement or by Commission order. Ultimately, pursuant to the settlement, the Commission

¹ *Wash. Utils. & Transp. Comm'n v. Pacific Power & Light Co.*, Docket UE-140762, Order 09, ¶ 70 (May 2, 2015) ("PCAM Order").

² PCAM Order at ¶ 35.

would confirm and approve the deferral balances in an open meeting or conduct appropriate process if they were challenged.³

3 On September 8, 2017, Staff notified the Commission that the reviewing parties (Staff, the Public Counsel Unit of the “Attorney General’s Office, and Boise White Paper, L.L.C.) as well as the Company had agreed to extend the time for review of the PCAM report until October 2, 2017. Staff conducted informal discovery during this time.

4 Based on Staff’s review of the Pacific Power’s 2016 PCAM report and on the Company’s responses to Staff’s informal discovery, Staff has identified concerns that preclude Staff from recommending that the Commission approve the report. In particular, Staff has questions about the recovery and abandonment expenses related to the Joy Longwall in the Bridger Coal Company mine, which Mr. Wilding discusses in his testimony.⁴ Staff requires further, in-depth discovery in order to form an opinion on the appropriate 2016 deferral balances under Pacific Power’s PCAM. Staff believes that an adjudicative proceeding, with formal discovery and a protective order, would constitute appropriate process for resolving this issue.

DATED October 2, 2017.

Respectfully submitted,

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³ PCAM Order at ¶ 20.

⁴ See Exh. MGW-1T at 13:13 - 16:13.