

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	)	DOCKET UE-_____
	)	
ALLIANCE OF WESTERN ENERGY	)	
CONSUMERS,	)	PETITION FOR ACCOUNTING
	)	ORDER OF THE ALLIANCE OF
Petition for Order Approving Deferral of	)	WESTERN ENERGY CONSUMERS
Increased Fly Ash Revenues.	)	
_____	)	

**I. INTRODUCTION**

1           In accordance with WAC 480-07-370(3), the Alliance of Western Energy Consumers (“AWEC”) petitions the Washington Utilities and Transportation Commission (“Commission”) for an order requiring PacifiCorp (or the “Company”) to defer from the date of this petition the revenue generated by the Company’s increased Jim Bridger fly ash sales. A deferral is required in order for PacifiCorp to properly track and preserve the revenue for later ratemaking treatment to the benefit of customers. In support of this petition, AWEC states as follows:

2           AWEC is an incorporated, non-profit association of large energy consumers in the Western United States, with offices in Portland, Oregon. Many members of AWEC are customers of PacifiCorp. The business address for AWEC is:

Alliance of Western Energy Consumers  
818 SW 3rd Ave., #266  
Portland, OR 97204

In this proceeding, AWEC will be represented by Davison Van Cleve, P.C (“DVC”). All documents relating to this petition should be served on AWEC through its attorneys and DVC’s paralegal at the following addresses:

Tyler C. Pepple  
Davison Van Cleve, P.C.  
1750 SW Harbor Way, Suite 450  
Portland, OR 97201  
tcp@dvclaw.com  
Telephone: (503) 241-7242  
Attorney for AWEC

Corinne O. Milinovich  
Davison Van Cleve, P.C.  
1750 SW Harbor Way, Suite 450  
Portland, OR 97201  
com@dvclaw.com  
Telephone: (503) 241-7242  
Attorney for AWEC

Jesse O. Gorsuch  
Davison Van Cleve, P.C.  
1750 SW Harbor Way, Suite 450  
Portland, OR 97201  
jog@dvclaw.com  
Telephone: (503) 241-7242  
Paralegal for DVC

**II. BACKGROUND**

Fly ash is a byproduct of the combustion of coal and used in construction to develop concrete, bricks, and other building supply products. PacifiCorp sells fly ash primarily from the Jim Bridger coal plant.<sup>1/</sup> A portion of the revenue associated with Jim Bridger is allocated to Washington and included Washington base rates.<sup>2/</sup> Subsequent to the conclusion of PacifiCorp’s 2020 general rate case, Docket No. UE-191024, PacifiCorp entered into a new, more lucrative third-party contract to sell fly ash. As a result, PacifiCorp’s revenues from fly ash

---

<sup>1/</sup> Docket No. UE 390, In the Matter of PacifiCorp, dba Pacific Power, 2022 Transition Adjustment Mechanism, Response to AWEC DR 017 (May 26, 2021), included in Attachment A hereto.

<sup>2/</sup> Docket No. UE 191024, B1- Electric Operations Revenue, at 386.

sales have increased substantially on a system basis, resulting in an increase to the amount allocated to Washington.

### III. THE BASIS FOR REQUESTING DEFERRED ACCOUNTING

#### A. Description

5 This petition requests deferred accounting treatment for Washington-allocated revenue generated from PacifiCorp's increased fly ash sales associated with Jim Bridger so those revenues can eventually be passed back to customers through later ratemaking treatment as deemed appropriate by the Commission. In October 2020, Rocky Mountain Power, a business unit of PacifiCorp with service territory throughout Utah, Wyoming, and Idaho, entered into a new fly ash sales agreement from the Jim Bridger coal plant. Based on this new contract, PacifiCorp has recognized a material increase to revenues generated from fly ash sales in 2021 relative to amounts included in the Company's Washington 2020 base rates in UE-191024.<sup>3/</sup> The amount of fly ash sales revenue included in PacifiCorp's Washington 2020 base rates was \$2,325,000 on a system basis, with \$502,000 allocated to Washington.<sup>4/</sup> With the new contract, fly ash sales are expected to increase to \$13,895,142 on a system basis in 2021, with \$2,998,182 allocated to Washington, an increase of 498%.

6 Revenues from fly ash are traditionally included in base rates. As explained above, the increased fly ash sales revenue allocated to Washington will not be reflected in base rates. Deferral is necessary in order to capture this increase. In accordance with Commission

---

<sup>3/</sup> Oregon Public Utility Commission, Docket No. UE 390, PacifiCorp Response to AWEC DR 038, included herein as Attachment A; Docket No. UE 191024, B1- Electric Operations Revenue, at 386.

<sup>4/</sup> Docket No. UE 191024, B1- Electric Operations Revenue, at 386.

precedent,<sup>5/</sup> there will be a material impact on PacifiCorp's earnings due to the magnitude of the deferred amounts. Deferral of the revenues associated with the increase in PacifiCorp's fly ash sales from Jim Bridger is appropriate.

### **B. Proposed Accounting**

7           During the deferral period, AWEC recommends that PacifiCorp record the deferred amounts in the appropriate FERC account. AWEC recommends that PacifiCorp address any ratemaking treatment of these increased revenues in a future filing or general rate case.

### **C. Estimate of Amounts**

8           In 2021, PacifiCorp's fly ash sales revenue is expected to increase from \$2,325,000 to \$13,895,142 on a system basis. In 2021, allocation to Washington is forecast to increase from \$502,000 to \$2,998,182, or approximately \$2,496,530. Amounts for 2022 may vary from these numbers.

### **D. Carrying Charge**

9           AWEC requests that the deferral balance incur a carrying charge at the FERC-approved interest rate.

## **IV. CONCLUSION**

10           WHEREFORE, for the reasons stated herein, AWEC respectfully requests that the Commission issue an order requiring PacifiCorp to defer the Company's revenues associated

---

<sup>5/</sup> Docket Nos. UG-080519 & UG-080530, Order 01, ¶7 (May 2, 2008) ("In prior decisions concerning accounting petitions, the Commission has determined that deferred amounts must be of a magnitude such that recording the costs under the Federal Energy Regulatory Commission's uniform system of accounts has a material impact on company earnings.").

with increased fly ash sales from Jim Bridger for later ratemaking treatment and the benefit of customers.

Dated this 8th day of November, 2021.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

*/s/ Tyler C. Pepple*

Tyler C. Pepple, WSBA #50475

Corinne O. Milinovich, OSB #194200

Davison Van Cleve, P.C.

1750 SW Harbor Way, Suite 450

Portland, OR 97201

Telephone: (503) 241-7242

E-Mail: tcp@dvclaw.com

com@dvclaw.com

*Of Attorneys for The Alliance of Western Energy Consumers*

UE 390 / PacifiCorp  
May 26, 2021  
AWEC Data Request 017

### **AWEC Data Request 017**

Reference PacifiCorp's FERC Form 1, Page 450.1:

- (a) Does PacifiCorp agree that base rates include \$4,256,000 of fly ash sales on a total company basis, with \$1,108,000 allocated to Oregon? If no, please provide the corrected amount of fly ash sales included in base rates.
- (b) Does PacifiCorp agree that, in 2020, it recognized \$6,851,586 of fly ash sales, with approximately \$1,814,408 allocated to Oregon? If no, please provide the corrected amount of fly ash sales revenues recognized in 2020.
- (c) Please detail the volumes and prices of fly ash sales recognized in 2020 by coal plant in 2020.
- (d) Please provide any reports or analyses in PacifiCorp's possession considering or evaluating market conditions for fly ash sales in 2022.

### **Response to AWEC Data Request 017**

PacifiCorp objects to this request as overly broad, duplicative, outside the scope of this proceeding and not reasonably calculated to lead to admissible information. Fly ash sales are not included in the rates determined by this proceeding. Without waiving the foregoing objection, PacifiCorp responds as follows:

- (a) Yes, PacifiCorp included approximately \$4,256,000 of fly ash sales revenue in base rates with approximately \$1,107,539 allocated to Oregon.
- (b) Yes, PacifiCorp recognized \$6,851,586 of fly ash sales revenue in calendar year 2020 with \$1,859,383 allocated to Oregon.
- (c) Jim Bridger: fly ash revenue \$6,308,954; fly ash volume 522,629 tons; average price \$12.07 per ton (\$/ton).

Naughton: fly ash revenue \$78,148; fly ash volume 78,148 tons; average price \$2.38/ton.

Craig (joint-owned, partner-operated plant): fly ash revenues \$117,174 (PacifiCorp's share).

Cholla (partner-operated plant): fly ash revenues \$347,310 (PacifiCorp's share).

Despite PacifiCorp's diligent efforts, certain information protected from disclosure by the attorney-client privilege or other applicable privileges or law may have been included in its responses to these data requests. PacifiCorp did not intend to waive any applicable privileges or rights by the inadvertent disclosure of protected information, and PacifiCorp reserves its right to request the return or destruction of any privileged or protected materials that may have been inadvertently disclosed. Please inform PacifiCorp immediately if you become aware of any inadvertently disclosed information.

UE 390 / PacifiCorp  
May 26, 2021  
AWEC Data Request 017

Fly ash volumes sold are not available for the joint-owned / partner-operated plants.

- (d) PacifiCorp does not possess any reports, nor has it conducted any analyses evaluating market conditions for fly ash sales in 2022.

Despite PacifiCorp's diligent efforts, certain information protected from disclosure by the attorney-client privilege or other applicable privileges or law may have been included in its responses to these data requests. PacifiCorp did not intend to waive any applicable privileges or rights by the inadvertent disclosure of protected information, and PacifiCorp reserves its right to request the return or destruction of any privileged or protected materials that may have been inadvertently disclosed. Please inform PacifiCorp immediately if you become aware of any inadvertently disclosed information.

UE 390 / PacifiCorp  
August 23, 2021  
AWEC Data Request 038

### **AWEC Data Request 038**

Reference PAC/1000, Staples/54:3-56:7: Please identify and provide all fly-ash sales revenue forecasts that PacifiCorp has prepared for 2021 and/or 2022 in any ongoing proceeding that is currently before the regulatory commission of a jurisdiction other than Oregon.

### **Response to AWEC Data Request 038**

PacifiCorp objects to this request as outside the scope of this proceeding and not reasonably calculated to lead to admissible evidence in this proceeding. An element of revenue requirement in a general rate case in another jurisdiction is not relevant to PacifiCorp's Oregon TAM proceeding. Without waiving the foregoing objection, PacifiCorp responds as follows:

Fly-ash sales are included in the ongoing Idaho General Rate Case, docket PAC-E-21-07. Page 57 of Exhibit No. 40 documents the \$15,761,142 forecast for fly-ash sales included in this proceeding. There are no other ongoing PacifiCorp regulatory proceedings in which fly-ash sales forecasts are included.

Despite PacifiCorp's diligent efforts, certain information protected from disclosure by the attorney-client privilege or other applicable privileges or law may have been included in its responses to these data requests. PacifiCorp did not intend to waive any applicable privileges or rights by the inadvertent disclosure of protected information, and PacifiCorp reserves its right to request the return or destruction of any privileged or protected materials that may have been inadvertently disclosed. Please inform PacifiCorp immediately if you become aware of any inadvertently disclosed information.