

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	DOCKET UE-161204
	)	
Complainant,	)	
	)	
v.	)	
	)	
PACIFIC POWER & LIGHT COMPANY,	)	
	)	
Respondent.	)	
	)	
_____	)	

**EXHIBIT NO. MPG-9**

**PP'S RESPONSE TO CREA DATA REQUEST 008,  
PUBLIC COUNSEL RESPONSE TO CREA DR 001,  
AND  
PUBLIC COUNSEL RESPONSE TO CREA DR 004**

**May 17, 2017**

UE-161204 / Pacific Power & Light Company  
March 13, 2017  
CREA Data Request 008

**CREA Data Request 008**

Please identify all criteria the Company intends to use to establish Fair Market Value under the Net Removal Tariff.

**Response to CREA Data Request 008**

The Company's proposed Rule 1 defines Fair Market Value as follows:

The price at which Facilities would sell on the open market between a willing buyer and a willing seller as determined by the Company or a Company requested third party appraisal.

When the Company determines Fair Market Value it uses a method designated "Replacement Cost Depreciated." Replacement cost recognizes that the purchaser's alternative to acquiring the existing facilities from Pacific Power is to construct new facilities. The value is reduced by accumulated depreciation in recognition of the fact that the facilities are used.

Replacement cost represents the cost to rebuild the facilities today and is estimated using the Company's standard construction estimating tool.

Accumulated depreciation is calculated by applying the Company's approved depreciation rates, from the year the facilities were installed.

PREPARER: Mark Paul

SPONSOR: TBD

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**Docket UE-161204**

**Wash. Utils. & Transp. Comm'n v. Pacific Power & Light Co**

**RESPONSE OF PUBLIC COUNSEL TO COLUMBIA REA  
DATA REQUEST NOS. 001 THROUGH 007**

Request No: 001  
Directed to: Public Counsel  
Date Received: April 28, 2017  
Date Produced: May 9, 2017  
Prepared by: Melissa Whitten  
Witness: Kathleen A. Kelly

**COLUMBIA REA DATA REQUEST NO. 001 TO PUBLIC COUNSEL:**

Reference KAK-1T at 44:19-45:1. Please explain why it would not be appropriate for contributions to Pacific Power's energy efficiency programs to decline if a customer switches to another service provider.

**RESPONSE:**

The Company may make changes in its energy efficiency investment over time as a result of changes in its customer base or composition. In many jurisdictions, it is common for utilities to plan energy efficiency programs on a multi-year budget cycle. Immediate modification typically is not incorporated into the recovery mechanism, leaving remaining customers to be required to recover the investment on behalf of the departing customers.

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**Docket UE-161204**

**Wash. Utils. & Transp. Comm'n v. Pacific Power & Light Co**

**RESPONSE OF PUBLIC COUNSEL TO COLUMBIA REA  
DATA REQUEST NOS 001 THROUGH 007**

Request No: 004  
Directed to: Public Counsel  
Date Received: April 28, 2017  
Date Produced: May 9, 2017  
Prepared by: Melissa Whitten  
Witness: Kathleen A. Kelly

**COLUMBIA REA DATA REQUEST NO. 004 TO PUBLIC COUNSEL:**

Reference KAK-1T at 56:10-12. Please clarify whether Ms. Kelly is stating that Columbia REA's energy efficiency programs in particular "receive limited oversight." If so, please provide all documentation and evidence Ms. Kelly relied on to support this statement.

**RESPONSE:**

Ms. Kelly is stating that Columbia REA's energy efficiency programs in particular are not subject to the same level of oversight as an investor owned utility's program. The latter's energy efficiency programs are overseen by the Commission and often other stakeholder groups such as Public Counsel, which provides for significant transparency and detail through the state regulatory process. The oversight provided for Columbia REA's energy efficiency program is limited at least to the extent that it is not subject to Commission review.