

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP D/B/A PACIFIC POWER
& LIGHT COMPANY,

Respondent.

DOCKET UE-191024, UE-190750, UE-
190929, UE-190981, UE-180778
(Consolidated)

PETITION FOR REHEARING AND
MOTION TO AMEND SETTLEMENT
STIPULATION

I. INTRODUCTION

1 Consistent with Wash. Admin. Code 480-07-375, 480-07-830, and 480-07-870,
PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp) petitions for rehearing and
requests leave to amend the stipulation that was previously filed on July 20, 2020, and reopen
the record in this proceeding to file supplemental joint testimony.

II. PROCEDURAL BACKGROUND

2 On December 13, 2019, PacifiCorp filed a general rate case with the Washington
Utilities and Transportation Commission (Commission) requesting an increase in revenues of
approximately \$3.1 million from Washington operations, offset by the approximately \$7.1
million proposed amortization of certain tax reform benefits, resulting in an overall price
reduction of approximately 1.1 percent, or \$4.0 million.

3 On March 13, 2020, the Commission issued an order that among other rulings,
directed PacifiCorp to file supplemental testimony on April 1, 2020.¹ PacifiCorp filed

¹ Order 05 at ¶11 (Mar. 13, 2020).

supplemental testimony on April 1, 2020. This supplemental testimony identified an increase in revenues of approximately \$29.8 million from Washington operations, offset by approximately \$18.8 million proposed amortization of certain tax reform benefits, resulting in an overall price increase of approximately 3.2 percent, or \$11.0 million.

4 On July 20, 2020, PacifiCorp filed an all-issue settlement (Stipulation) resolving the issues in this proceeding with Commission Staff (Staff), Public Counsel, Packaging Corporation of America, The Energy Project, and Walmart (collectively the Parties). Under the Stipulation, PacifiCorp is authorized to implement rate changes designed to decrease its annual revenues from Washington customers by \$0.21 million (or -0.06 percent). As part of this Stipulation, the Parties agreed to update net power costs (NPC) on October 15, 2020.² PacifiCorp filed this update on October 15, 2020, which reflected a \$17.5 million increase³ to baseline NPC over what was reflected in the Stipulation. The increase in NPC is a result of increases in natural gas and electric market prices since the parties entered into the Stipulation.

5 To maintain the intent of the Stipulation to both update NPC and decrease rates for customers, PacifiCorp conferred with parties to the Stipulation, which resulted in this petition for rehearing and motion to amend the stipulation.

III. PACIFICORP'S PETITION

6 Based on the discussion with the Parties, PacifiCorp now petitions for hearing and reopening the record, and requests leave of the Commission to amend the Stipulation to

² Stipulation at ¶20-21.

³ PacifiCorp's October 15th cover letter incorrectly stated this amount as \$19.8 million. The correct amount is \$17.5 million. While the cover letter contains this error, the remaining documents filed in the NPC update remain accurate.

ensure the benefits of the stipulation and the proposed customer rates will not change as a result of the increase in NPC.

A. Amending the Settlement in the General Rate Case

7 The Stipulation originally contemplated that an increase in baseline NPC “as a result of the October Update will be offset by the balance in the deferral account for the PCAM.”⁴ As of December 31, 2019, the PCAM deferral account balance is \$9.5 million.⁵ Since the NPC update is greater than the current balance of the PCAM, in order to make up for the shortfall between the NPC baseline from the October Update and the estimated baseline established in the Settlement, the Parties propose to reflect this difference in the PCAM deferral account.

8 Reflecting the incremental NPC increase due to the October update in the PCAM deferral account will preserve both the proposed rates agreed to in the Stipulation and the agreed-to rate decrease for customers. To accomplish this, PacifiCorp requests Commission approval to revise paragraph 21 of the stipulation in the following manner:

“If necessary and to the extent possible, deviations in the positive direction (increase in rates) from the NPC baseline estimated in this settlement as a result of the October Update will ~~be offset by the balance~~ be reflected in the deferral account for the PCAM.”

This minor modification will enable the Parties to preserve the rate decrease reflected in the settlement for customers on January 1, 2021.

⁴ Stipulation at ¶20.

⁵ *In the Matter of PacifiCorp, d/b/a Pac. Power & Light Co., 2019 Power Cost Adjustment Mechanism*, Docket UE-200507, Order 01 at ¶13 (Aug. 27, 2020).

B. Motion to Reopen the Record

9 To provide the Commission a thorough explanation of these revisions, PacifiCorp requests that the Commission reopen the record and allow for the filing of supplemental joint testimony addressing this issue. The Commission may reopen the record to “allow receipt of evidence that is essential to a decision and that was unavailable and not reasonably discoverable with due diligence at the time of the hearing or for any other good and sufficient cause.”⁶ In this case the NPC update was an agreed-upon procedure in the Stipulation. The information that was included in the NPC update which prompted this motion, are the revised forward natural gas and power market prices which were unavailable at the time of the hearing. Additionally, reopening the record to provide supplemental joint testimony on this amendment to the Stipulation is supported by good and sufficient cause because it allows the Parties to provide evidence that the amendment will preserve for customers the benefits and rate stability provided by the Stipulation. The Parties recommend that the Commission set the filing deadline for this supplemental joint testimony at November 6, 2020.

C. Petition for Rehearing

10 Based on consultations with the administrative law judge in this proceeding, PacifiCorp is including a request for rehearing as well. Since this change to the Stipulation is agreed upon by the Parties and will be fully supported by joint testimony, the Parties request that the Commission consider this change on the filed record. Under the Commission’s regulations, a Petition for Rehearing must “set forth sufficient grounds for rehearing” and include “substantial evidence or an offer of proof in support of the requested relief.”⁷

⁶ WAC 480-07-830 (3).

⁷ WAC 480-07-870 (1).

11 As explained above, sufficient grounds exist for rehearing, because this amendment to this Stipulation is necessary to ensure that customers receive the overall rate decrease that was contemplated by the Stipulation. Under the existing Stipulation, incorporation of the updated NPC will result in a \$7.8 million increase in the settled revenue requirement. This change is a result of changed circumstances (increases in forward natural gas and power prices), and a change of this magnitude was not contemplated in the original Stipulation. As a result, the Parties have worked to preserve the rates under the original Stipulation. Therefore, sufficient grounds exist to allow the Parties to make this minor modification to the Stipulation.

12 Substantial evidence has been provided via the Company's October 15, 2020 update that was not available at the time of hearing, and additional evidence supporting amendment of the Stipulation will be provided through supplemental joint testimony. The joint testimony will provide a narrative explanation of the changes in the October 15th NPC update, along with revised details and calculations for the PCAM balance and the impacts on the settlement along with any necessary or associated exhibits. Therefore, substantial evidence has been filed and additional evidence supporting the requested relief will be provided in this process.

IV. CONCLUSION

13 This motion and petition is the result of discussions between PacifiCorp and the Parties to the Stipulation, and is supported by all the Parties: Staff, Public Counsel, Packaging Corporation of America, Walmart, and The Energy Project. The Parties can represent that supplemental joint testimony can be filed by November 6, 2020, and request the Commission grant this motion.

Respectfully submitted this 28th day of October, 2020.

/s/

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