



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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November 13, 2020

NOTICE EXTENDING CLOSURE OF RECORD

NOTICE EXTENDING RESPONSE TO BENCH REQUEST NO. 8

NOTICE OF BENCH REQUESTS

(Due by Tuesday, November 17, 2020, at 5 p.m.)

RE: *Wash. Utils. & Transp. Comm'n v. PacifiCorp, d/b/a Pacific Power & Light Co.,*
UE-191024, UE-190750, UE-190929, UE-190981, UE-180778 (Consolidated)

TO ALL PARTIES:

On October 29, 2020, the Commission issued Order 08/06/11 in response to an unopposed petition by PacifiCorp, reopening the record in these consolidated proceedings until November 13, 2020, allowing the parties to modify the Settlement Stipulation, requiring the parties to file by November 6, 2020, joint testimony supporting the modification to the Settlement Stipulation, holding the record in these consolidated proceedings open until November 13, 2020, and directing the Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) to file by November 20, 2020, an exhibit containing any public comments received prior to the record's closure (Bench Request No. 8).

On November 6, 2020, the parties jointly filed with the Commission joint testimony and exhibits supporting the modification to the Settlement.

The Commission gives notice, herein, of Bench Requests No. 10 and No. 11. The Commission finds good cause to extend the deadline for the record closure of these proceedings to allow the parties to respond and to allow the Commission to consider whether any further inquiry is necessary. It is thus also reasonable to extend the deadline for Public Counsel to respond to Bench Request No. 8, which requires Public Counsel to file an exhibit with the Commission including any public comments received prior to the record's closure.

Accordingly, we determine that the closure of the record should be extended, and that the time afforded to Public Counsel to compile any public comments received prior to the record's closure should also be extended. The Commission will set a closure date for the

record in these consolidated proceedings and a deadline for Public Counsel to file its response to Bench Request No. 8 in a later formal notice.

THE COMMISSION GIVES NOTICE That the record in these consolidated proceedings will remain open until closed by the Commission through formal notice.

THE COMMISSION GIVES NOTICE That Public Counsel's response to Bench Request No. 8 will be due after the Commission formally closes the record in these consolidated proceedings.

BENCH REQUESTS TO ALL PARTIES:

All parties should collaborate to provide joint responses, to be submitted by PacifiCorp, to the following requests regarding the cost of capital proposed by the Settlement Stipulation and the power costs modification to the Settlement Stipulation. Any party not in agreement with either of the joint responses should file a separate response.

BENCH REQUEST NO. 10:

Several elements of the Settlement Stipulation's agreement on cost of capital appear to be inconsistent or incorrect.¹ The Commission's understanding is that the parties agree to maintain the capital structure authorized in Docket UE-152253, wherein the Commission also determined that all cost of capital elements from Docket UE-140762, *et. al.*, should be maintained, and agree only to update the cost of long-term debt from 5.19 percent to 4.92 percent.²

- (a) Please confirm that the cost of capital information contained in Table 1, below, correctly identifies all cost of capital elements that the parties intended to include in the Settlement Stipulation and correctly accounts for any inconsistencies or errors.

¹ The parties "agree to maintain the current authorized capital structure and cost of equity" authorized by the Commission in Docket UE-152253, which "supports a rate of return of 7.17 percent." Settlement Stipulation (UE-191024 *et. al.*) at 5-6, ¶ 13. The parties also "agree to update the cost of long-term debt to 4.92 percent," and assert that PacifiCorp's current authorized capital structure includes 50.88 percent Long-Term Debt. *Id.*; *id.* at 6, n. 8.

² *Wash. Utils. & Transp. Comm'n v. Pacific Power & Light Co.*, Docket UE-152253, Final Order 12, 51, 54-56, ¶¶ 143, 156, 163 (Sep. 1, 2016); *Wash. Utils. & Transp. Comm'n v. Pacific Power & Light Co.*, Docket UE-140762, *et. al.*, Final Order 08, 77-78, ¶ 183 (Mar. 25, 2015).

Table 1.

	Capital Structure	Cost	Overall Rate of Return
Long-Term Debt	50.69%	4.92%	7.16%
Short-Term Debt	0.19%	1.73%	
Preferred Stock	0.02%	6.75%	
Equity	49.10%	9.50%	

(b) Only if the cost of capital information contained in Table 1 does not accurately identify the parties' intended agreement, please provide: a new table organized like Table 1 identifying all elements agreed by the parties, an excel spreadsheet with formulas intact showing the cost of capital calculations, and a brief narrative explaining and resolving the apparent inconsistencies between Paragraph 13 of the Settlement Stipulation (UE-191024 *et. al.*) and PacifiCorp's authorized cost of capital from Final Order 12 of Docket UE-152253 and Final Order 08 of Docket UE-140762, *et. al.*

BENCH REQUEST NO. 11:

Responses to sections (a) and (b) of this bench request should be based on the following assumptions:

- The actual power costs for the year 2021 will be \$119,524,079 precisely as predicted by PacifiCorp's October 15, 2020, update to net power costs (NPC).³
- The Commission approves the Settlement Stipulation's NPC baseline of approximately \$102 million.

(a) Provide a breakdown of the amount of actual power costs that will be absorbed by the Company in 2021 and the amounts that will be deferred in 2021 to the PCAM deferral account and to whom those deferred amounts will be owed, showing all amounts resulting from the application of dead bands and sharing bands.

(b) Provide a separate breakdown of how the Deferred NPC Baseline Adjustment would be included in (a), excluded from (a), or otherwise accounted for.

Please respond to these Bench Requests no later than **5 p.m. on Tuesday, November 17, 2020**, by electronic filing with the Commission's Records Center. Please provide courtesy copies by email to Administrative Law Judge Andrew O'Connell at

³ Exh. JT-3CT at 8:13-20.

andrew.j.oconnell@utc.wa.gov. If you have any questions concerning these requests, please contact Judge O'Connell via email.

/s/ *Andrew J. O'Connell*

ANDREW J. O'CONNELL
Administrative Law Judge

cc: All Parties