

December 31, 2013

***VIA ELECTRONIC FILING***

***AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive SW

P.O. Box 47250

Olympia, WA 98504-7250

Attention: Steven V. King

 Executive Director and Secretary

RE: **UE-13\_\_\_\_\_**

**Petition for Accounting Order**

Dear Mr. King,

In accordance with WAC 480-07-370(b), enclosed for filing are an original and 12 copies of PacifiCorp’s petition for deferral of a reduction in depreciation expense.

It is respectfully requested that all data requests be addressed in the following manner, with copies to the Company’s counsel:

By Email (preferred): datarequest@pacificorp.com

By Regular Mail: Data Request Response Center

 PacifiCorp

 825 NE Multnomah Street, Suite 2000

 Portland, OR 97232

Please direct any informal inquiries to Gary Tawwater, Manager of Regulatory Affairs, at (503) 813-6805.

Sincerely,

William R. Griffith

Vice President, Regulation

Enclosures

**BEFORE THE WASHINGTON**

**UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter ofPACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANYPetition for an Order Approving Deferral of Reduced Depreciation Expense | DOCKET UE-13\_\_\_\_\_ PACIFICORP’S PETITION FOR AN ACCOUNTING ORDER |

# I. INTRODUCTION

 In accordance with WAC 480-07-370(b), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) petitions the Washington Utilities and Transportation Commission (Commission) for an order authorizing the Company to defer a reduction in depreciation expense related to the difference between the depreciation rates approved in Order 01 in Docket UE-130052 and the depreciation rates reflected in the Company’s 2013 general rate case, Docket No. UE-130043. The Company requests that the deferral begin on January 1, 2014, and continue until the revised depreciation expense is included in rates through the Company’s next general rate revision.

# II. BACKGROUND

PacifiCorp is an electric utility and public service company doing business in the state of Washington under RCW 80.04.010 and is subject to the jurisdiction of the Commission with regard to its public utility operations, retail rates, service, and accounting practices. The Company also provides retail electricity service under the name Pacific Power in Oregon and California and under the name Rocky Mountain Power in Utah, Wyoming, and Idaho. PacifiCorp’s principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon, 97232.

PacifiCorp’s name and address:

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| --- | --- |
| PacifiCorp Washington Dockets825 NE Multnomah Street, Suite 2000Portland, OR 97232Washington.Dockets@PacifiCorp.com | Sarah K. WallaceSenior Counsel825 NE Multnomah Street, Suite 1800Portland, OR 97232Phone: (503) 813-5865sarah.wallace@pacificorp.com |

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred) datarequest@pacificorp.com

By regular mail Data Request Response Center

PacifiCorp

825 NE Multnomah, Suite 2000

Portland, OR 97232

Informal inquiries may be directed to Gary Tawwater, Manager of Regulatory Affairs, at (503) 813-6805.

 **III. THE BASIS FOR REQUESTING DEFERRED ACCOUNTING**

## A. Description

 On January 11, 2013, PacifiCorp filed in Docket UE-130052 a petition for an order authorizing a change in depreciation rates applicable to electric property based on its most recent depreciation study. The updated depreciation study was based on December 31, 2013 electric plant balances and reflected an increase in Washington-allocated depreciation expense of approximately $792,000. The Company also filed petitions in Oregon, Idaho, Utah, and Wyoming requesting a revision of its existing depreciation rates in those states. On July 30, 2013, PacifiCorp filed in Docket UE-130052 First Supplemental Testimony and a revised depreciation study reducing Washington-allocated depreciation expense by approximately $340,000 from its original filing to reflect a settlement reached in the Company’s Oregon depreciation docket. On September 20, 2013, the Company filed in Docket UE-130052 Second Supplemental Testimony to reflect additional modifications to the Company’s depreciation rates for system-allocated assets included in the west control area based on settlements in the Company’s depreciations filings in Utah, Wyoming, and Idaho. That filing further reduced Washington-allocated depreciation expense by approximately $669,000. The Commission approved the depreciation rates reflected in the Second Supplemental Testimony in Order 01 in Docket UE-130052.

 The net impact of the depreciation rates approved by the Commission is a *decrease* in Washington-allocated depreciation expense of approximately $217,000 per year.[[1]](#footnote-1) The depreciation rates reflected in the Company’s 2013 general rate case, Docket No. UE-130043, were based on the rates proposed by the Company in the First Supplemental Testimony. PacifiCorp therefore respectfully requests to defer the difference (reduction) in depreciation expense from the levels included in the 2013 general rate case and the final rates approved by the Commission in Order 01 in Docket UE-130052 of approximately $669,000.[[2]](#footnote-2)

## B. Proposed Accounting

 During the deferral period, PacifiCorp proposes to account for reduced depreciation expense by debiting general business revenues (FERC Accounts 440—Residential Sales, 442—Commercial and Industrial Sales, and 444—Public Street and Highway Lighting) and crediting Account 254—Other Regulatory Liabilities.

# IV. CONCLUSION

 The Company proposes to defer for future inclusion in customer rates the $669,000 reduction in depreciation expense. This amount reflects the reduction in depreciation expense for system-allocated assets included in the west control area from the rates approved by the Commission in Order 01 in Docket UE-130052 and the rates reflected in the Company’s 2013 general rate case, Docket No. UE-130043. The Company requests that the deferral begin on January 1, 2014, and continue until the revised depreciation expense is included in rates through the Company’s next general rate revision

 Respectfully submitted this 31st day of December, 2013.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Sarah K. Wallace

Senior Counsel

PacifiCorp d/b/a Pacific Power & Light Company

825 NE Multnomah, Ste 1800

Portland, OR 97232

1. This amount is calculated by taking the Company’s initial filing, which reflected an increase in Washington-allocated depreciation expense of $792,000, less $340,000 for changes included as part of the Company’s First Supplemental Testimony, less $669,000 for changes included as part of the Company’s Second Supplemental Testimony. [↑](#footnote-ref-1)
2. The calculation of the $669,000 is reflected in Exhibit No.\_\_(HEL-6) in Docket UE-130052. Refer to cell AP286 in the Excel version of the exhibit. [↑](#footnote-ref-2)