

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PACIFIC POWER & LIGHT COMPANY

For an Order Approving Deferred Accounting
Related to Repowering the Marengo I & II,
and Goodnoe Hills wind facilities.

DOCKET UE-19____

PACIFIC POWER’S PETITION FOR
ACCOUNTING ORDER

I. INTRODUCTION

1 In accordance with RCW 80.80.060(6) and WAC 480-07-370(3), Pacific Power & Light Company (Pacific Power), a division of PacifiCorp, petitions the Washington Utilities and Transportation Commission (Commission) for an order authorizing the company to defer the costs and benefits associated with repowering the Marengo I & II, and Goodnoe Hills wind facilities. Pacific Power seeks deferral of these costs and benefits to track and preserve them for later ratemaking treatment.

II. BACKGROUND

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

3 Pacific Power’s name and address:

Washington Dockets
Pacific Power
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
washingtondockets@pacificcorp.com

Ajay Kumar
Pacific Power
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
ajay.kumar@pacificcorp.com

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

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

By regular mail Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

III. THE BASIS FOR REQUESTING DEFERRED ACCOUNTING

A. Description

4 This petition seeks authorization to defer for later ratemaking treatment costs and benefits associated with the repowering of Pacific Power’s Marengo I & II, and Goodnoe Hills wind facilities located in Dayton and Goldendale, Washington. Pacific Power is upgrading or “repowering” company-owned, installed wind facilities with longer blades and new technology to generate more energy in a wider range of wind conditions. These costs are incurred in connection with a long-term financial commitment associated with Pacific Power’s ownership of the Marengo I & II, and Goodnoe Hills wind facilities. The upgrades are expected to increase output of the wind facilities by approximately 26 percent on average, extend the operating life of the facilities, and allow the facilities to requalify for Production Tax Credit (PTC) benefits for an additional 10 years.

Requalifying for PTC benefits will reduce customer costs. To receive the full PTC

benefits for customers, the repowered facilities must be commercially operational by the end of 2020. Pacific Power requests that the costs incurred to repower these facilities and associated benefits be deferred for later ratemaking treatment.

B. Proposed Accounting

5 During the deferral period, Pacific Power proposes to account for the Washington-allocated revenue requirement associated with the repowering of Marengo I & II, and Goodnoe Hills wind facilities by crediting Washington retail revenue (FERC Accounts 440 to 444) and debiting FERC Account 182.3—Other Regulatory Assets. The company requests that it be allowed to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital most recently approved by the Commission in Docket UE-152253.

C. Estimate of Amounts

6 Pacific Power’s estimated capital investment to repower the Marengo I & II, and Goodnoe Hills wind facilities facility is \$320.7 million (total company). The Washington-allocated annual revenue requirement is approximately \$2.2 million, including Washington’s share of renewed PTC benefits.

IV. CONCLUSION

7 Pacific Power respectfully requests that the Commission authorize the company to defer, beginning on the date of this filing and continuing until the costs are included in base rates, the revenue requirement associated with Pacific Power’s investment in repowering the Marengo I & II, and Goodnoe Hills wind facilities. Pacific Power will address any ratemaking treatment of these costs in a future filing or general rate case.

