

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of)	DOCKET NO. UE-120416
)	
PACIFICORP dba PACIFIC POWER)	COMMENTS OF BOISE WHITE PAPER
& LIGHT)	L.L.C.
)	
2013 Integrated Resource Plan)	
)	
_____)	

I. INTRODUCTION

1 Pursuant to the Washington Utilities and Transportation Commission’s (“WUTC” or the “Commission”) notice of opportunity to submit comments, Boise White Paper, L.L.C. (“Boise”) submits the following comments regarding the PacifiCorp (or the “Company”) 2013 Integrated Resource Plan (“IRP”). Due to the limited nature of the Commission’s review of utility IRPs, Boise is not submitting substantive comments on the details of PacifiCorp’s proposed resource acquisitions; however, Boise is concerned that PacifiCorp’s IRP unduly focuses on its system-wide resource needs to the potential detriment of its Washington customers and the policies of this state. Specifically, PacifiCorp appears to be using its IRP to lay the foundation to allocate costs to Washington customers that are solely incurred to benefit its Eastern Control Area customers and allocate to Washington customers the full costs of resources that are allegedly acquired only for Washington customers. Washington customers should be responsible for the costs they impose upon PacifiCorp, but should not be required to pay for

expensive transmission projects that do not benefit Washington customers. Boise believes the Western Control Area Allocation (“WCA”) methodology does just that.

II. BACKGROUND

2 PacifiCorp held a public participation process in the six states it serves during 2012 and early 2013. Boise is a member of the Industrial Customers of Northwest Utilities (“ICNU”) trade association, which participated in some of the public meetings and provided informal comments to PacifiCorp.

3 On April 30, 2013, PacifiCorp filed its 2013 IRP with the Commission. PacifiCorp has filed similar IRPs with other states in which it operates. On June 20, 2013, the Commission provided notice to interested parties that they could submit comments on PacifiCorp’s IRP by August 16, 2013.

III. COMMENTS

4 PacifiCorp’s 2013 IRP differs from recent IRPs in that the Company has fewer major wind or thermal resource additions in the near and medium terms, and is instead planning to meet its immediate load needs with conservation and market purchases.^{1/} The Company’s major planned capital investments include upgrades and retrofits to its coal plants and transmission investments.^{2/} Boise is not addressing the reasonableness or appropriateness of those planned investments in these comments, but instead points out that the Company is justifying their investments based on alleged system-wide benefits when many of the investments solely benefit customers in its Eastern Control Area. The Commission should

^{1/} PacifiCorp 2013 IRP, at 11.

^{2/} Id. at 11.

proceed with caution in response to the Company's request to alter the Washington cost allocation methodology in future rate cases, given the Company's rush to make expensive and potentially risky investments that may not benefit Washington ratepayers.

5 PacifiCorp claims that it plans its resource acquisition policies on a system-wide basis, but this has never truly reflected how the Company actually operates. PacifiCorp's loads and resources must be balanced in two different control areas that have some limited connections. PacifiCorp's conservation programs (which the Company now plans to rely upon to meet much of its expected resource needs) are largely driven by individual state policies and standards, and the Company is increasingly needing to adjust its resource plans to address individual state public policies.^{3/} PacifiCorp, however, justifies its investments in eastern transmission resources as providing system benefits while its needs for new renewables are allegedly justified solely due to needs to meet western statutory requirements.^{4/} Essentially, it appears as though PacifiCorp is using its IRP to justify that all of the costs incurred directly due to its east-side customers are paid on a system-wide basis while many of the costs allegedly incurred due to its western customers are paid by those states.

6 The Commission's IRP rules require the Company to consider the public policies of the state of Washington in its IRP.^{5/} One such Washington policy is the implementation of the WCA^{6/} The purpose of the WCA is to allocate to Washington customers only those resources

^{3/} Id. at 23, 39-46, 140-150.

^{4/} Id. at 23, 55-62, 151-154.

^{5/} WAC § 480-100-238(2)(b).

^{6/} WUTC v. PacifiCorp, Docket Nos. UE-061546 and 060817, Order No. 8 at ¶¶ 43-58 (June 21, 2007).

that serve and benefit Washington customers.^{7/} Many of PacifiCorp's transmission upgrades, however, are directly related to loads and resources in its Eastern Control Area and do not provide any benefits to Washington customers. The Commission should require PacifiCorp to identify in its planning process which control area its transmission resources actually benefit before allowing recovery of these eastern costs in Washington rates.

IV. CONCLUSION

7 PacifiCorp's IRP is apparently designed to justify the Company's future requests to charge Washington ratepayers the full costs of resources that are allegedly acquired to meet the needs of Washington customers, while also attempting to charge Washington customers a portion of the costs of resources that are being acquired to meet only the needs of customers in its Eastern Control Area. The Commission should give little to no weight to PacifiCorp's planning assumptions in the IRP regarding which customers benefit from its acquisition of renewable resources, transmission investments and coal plant upgrades. In addition, in future rate proceedings, PacifiCorp should be required to demonstrate benefits that exceed the costs to Washington customers of any transmission resources and coal plant upgrades that the Company proposes to allocate to Washington and/or consider revisions to the WCA to account for the fact that many of PacifiCorp's transmission investments do not benefit Washington customers.

^{7/} Id. at ¶ 44.

Dated this 16th day of August, 2013.

Respectfully submitted,

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