

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: September 27, 2023
DOCKET: UE-230172
REQUESTER: PacifiCorp

WITNESS: Molly Brewer
RESPONDER: Molly Brewer

REQUEST NO. 1:
Re: Equity

On page 22 of Exhibit MAB-1T, Witness Brewer asserts that PacifiCorp's actions taken outside this case "does little, if anything," to fulfill the equity requirement outlined in RCW 80.28.435(1). In *WUTC v. Cascade Nat. Gas Corp.*, Docket No UG-210755 Order 08 ("Cascade Order"), the Commission stated, "[r]ecognizing that no action is equity-neutral, regulated utilities should inquire whether each proposed modification to their rates, practices, or operations corrects or perpetuates inequities."

- a. Is it the Staff's position that the equity requirement specified in the Cascade Order exclusively applies to proposals within a multi-year rate plan?
- b. Is it Staff's positions that a regulated utility should refrain from implementing any equitable modification to its operations until they are proposed and approved as part of a multi-year rate plan to comply with the Cascade Order?
- c. Considering a specific example, the extreme weather disconnection moratorium implemented by PacifiCorp, as detailed on pages 9-10 of Exhibit CMM-1T, is it Staff's position that to align with the Cascade Order's requirements, the Company should have abstained from implementing this program independently and instead included it as a proposal in its multi-year rate plan?

RESPONSE:

- a. No. The following is Staff's position: What is at issue in this case is whether the Company has met its burden to demonstrate that the MYRP it proposes meets the equity requirements in RCW 80.28.425(1), as further explained by the Commission in the Cascade Order. The above quotation reads as forward looking and focused on regulated utility proposals. After the above quotation, the Order states: "Companies likewise should be prepared to provide testimony and evidence to support their position." The Order goes on to state that: "... we want to express clearly our expectation that the Company will integrate equity into each of its proposals going forward." While this quote refers to Cascade specifically, we believe this expectation applies to all future GRC filings, including the current case. Staff does not read the Cascade Order to signal that the Commission expects both a forward looking *and* a retrospective review of a Company's compliance with equity requirements take place during a general rate case.¹ However, Staff recognizes that the Cascade Order was

¹ *But see* WAC 480-100-665(2)(c), which states that the Commission "may take enforcement action in any proceeding in which the utility's compliance with the provisions of chapter [19.405](#) RCW, this chapter of the

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clear that it was “not comprehensive, and [the Commission] will expand upon our discussion in future proceedings.” Therefore, Staff recognizes that the Commission could decide to require companies to provide evidence of their compliance with equity requirements during, for example, the test year, as part of future GRC filings.

- b. No. As noted above, Staff’s position is that a Company’s compliance with equity requirements in prior time periods is not at issue in a GRC. PacifiCorp should not refrain from implementing equitable modifications to its operations, as doing so would very likely result in the Company being out of compliance with its obligations under RCW 19.405.040(8).
- c. No. Staff’s position is that PacifiCorp should have implemented that program at that point in time and then included proposals within its’ MYRP that would satisfy the equity requirements during the proposed rate years.

REQUEST NO. 2:

On pages 22-24 of Exhibit MAB-1T, Witness Brewer asserts that the Commission did not reject the distributional equity analysis proposals related to Puget Sound Energy and Avista Corporation. In the relevant Avista Order,² the Commission elucidated that the Settling Parties had agreed to formulate “methods and standards” for distributional equity analysis in accordance with the guidance provided by the New York University Institute for Policy and Integrity. However, the Commission, in granting its approval of the stipulation, imposed a modification to this term, determining that “the Commission should establish a broad, Commission-led collaborative process to establish methods and standards for distributional equity analysis.” (emphasis added).

- a. Does Staff understand that Avista is proceeding with the distributional equity analysis in alignment with the methods and standards recommended by the New York University Institute for Policy and Integrity, rather than adhering to the forthcoming “Commission-led collaborative process to establish methods and standards for distributional equity analysis”? If so, please provide an explanation for this understanding.

commission's rules, or a commission order implementing those requirements is at issue including, but not limited to, **the utility's general rate case.**” Emphasis added.

² *Avista Corp. v. WUTC*, Docket UE-220053, et al., Order 10/04 (Dec. 12, 2022).

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RESPONSE:

No, that is not Staff's current understanding. However, Staff would encourage Avista, as it encouraged PacifiCorp in response testimony, to take action now on developing DEA. Either company "need not wait for any pending Commission-led process to make progress towards learning about and planning for how it might incorporate a DEA" Brewer, Exh. MAB-1T at 24:4-5.