

UE-161204 / Pacific Power & Light Company  
March 23, 2017  
CREA Data Request 0022

### **CREA Data Request 0022**

At page 6, lines 9-11, Mr. Dalley states that in some cases a new electric service provider is allowed to use the Company's facilities including conduit and vaults at minimal or no cost after a permanent disconnection. With respect to this testimony, please answer the following:

- a. After a permanent disconnection, was Pacific Power reimbursed for its net book value of the facilities used by the new electric supplier to serve a customer that permanently disconnected from Pacific Power? Please explain your answer.
- b. Please explain the impact on Pacific Power's operating income and net income return to shareholders if it sells facilities from disconnected customers at net book value plus salvage costs. Please provide a copy of all calculations and supporting information relied on in responding to this information request.

### **Response to CREA Data Request 0022**

The Company objects to the extent that this request includes an incomplete and inaccurate recitation of Mr. Dalley's testimony. Subject to and without waiving this objection, the Company responds as follows:

- a. The current net removal tariffs do not address the sale of facilities in the event of a customer permanently disconnecting service. That said, the Company has agreed to negotiate the sale of certain facilities in limited and unique circumstances, which has included allowing customers to purchase facilities at net book value.

Net book value does not properly "reimburse" remaining customers. The Company's proposed revisions to the net removal tariffs are designed to properly compensate remaining customers for any facilities that are sold in the event of a permanent disconnection of service.

- b. The Company's operating income and net income return to shareholders are not affected by permanent disconnections. Under the proposed revisions to the net removal tariffs, the proceeds resulting from the sale of facilities will be credited back to remaining Pacific Power customers.

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