

UE-161204 / Pacific Power & Light Company
March 13, 2017
CREA Data Request 006

CREA Data Request 006

Referencing Pacific Power's response to Boise Data Request 009(b), please explain what the Company means when it says it does not have access to "lower-cost" power from BPA, i.e., lower than what? Please provide all evidence to support the Company's response.

Response to CREA Data Request 006

Pacific Power's response refers to the fact that, unlike public utilities or cooperatives, the Company is not eligible to purchase power from BPA on a preference and priority basis.

PREPARER: R. Bryce Dalley

SPONSOR: R. Bryce Dalley

Despite PacifiCorp's diligent efforts, certain information protected from disclosure by attorney-client privilege or other applicable privileges or law may have been included in response to these data requests. Accordingly, PacifiCorp reserves its right to seek the return of any privileged or protected materials that may have been inadvertently disclosed, and respectfully advise that any inadvertent disclosure should not be considered a waiver of any applicable privileges or rights. PacifiCorp respectfully requests that you inform PacifiCorp immediately if you become aware of any such materials in these responses.

UE-161204 / Pacific Power & Light Company
March 13, 2017
CREA Data Request 0010

CREA Data Request 0010

Please identify all criteria the Company intends to use to determine whether “service may be negatively impacted or safety issues may arise as a result of removal or purchase by the departing Customer” when the Company decides to abandon and decommission facilities as opposed to removing them or selling them to the Customer. Please include the following in your answer and provide all supporting documents:

- a. National, state, local or Company standards which identify safety issues as a result of a removal or repurchase by the departing Customer;
- b. Actions the Company takes to eliminate the "safety issues";
- c. All claims, damages or liability which have been made, paid or brought against the Company as a result of the "safety issues;" and
- d. Actions the Company has taken in response to "safety issues" reported or claimed by state and local governmental agencies and persons or entities.

Response to CREA Data Request 0010

The current tariff does not include the option to abandon and decommission facilities in place. The Company believes the option set forth in the revision of the rule will rarely, if ever, be exercised. Any such exercise will address very fact-specific circumstances. Accordingly, the Company cannot provide further information in response to this request.

PREPARER: Melissa Nottingham

SPONSOR: TBD

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UE-161204 / Pacific Power & Light Company
March 23, 2017
CREA Data Request 0017

CREA Data Request 0017

Please provide a copy or description of the informal agreement between Pacific Power and CREA that existed prior to 1999, as referred to by Mr. Dalley at page 4.

Response to CREA Data Request 0017

The informal agreement was not reduced to writing. In simple terms, the utility with facilities closest to the customer served the customer. The Company had a positive working relationship with the Columbia REA manager at that time. If there were any questions regarding which utility should serve a customer, the Company and the Columbia REA manager would discuss the circumstance and reach an agreement to avoid duplication of facilities.

PREPARER: Bill Clemens

SPONSOR: TBD

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UE-161204 / Pacific Power & Light Company
March 23, 2017
CREA Data Request 0030

CREA Data Request 0030

Please refer to footnote 3 of the Direct Testimony of R. Bryce Dalley.

- a. Please provide a description of the facilities that were removed and sold.
- b. What was the ultimate purchase price of these facilities?
- c. How did the purchase price compare to the net book value of these facilities?

Response to CREA Data Request 0030

- a. No facilities were “removed and sold.” Pursuant to the referenced negotiated settlement agreement:
 - The Company sold two empty segments of conduit and one vault to the Country Club and/or Columbia REA; and
 - The Country Club and/or Columbia REA paid the cost of the Company to remove all of its wires and transformers
- b. The purchase price for the two empty segments of conduit and one vault was \$14,331.
- c. The negotiated purchase price was greater than the Net Book Value of those facilities.

PREPARER: Melissa Nottingham

SPONSOR: R. Bryce Dalley

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UE-161204 / Pacific Power & Light Company
March 23, 2017
CREA Data Request 0035

CREA Data Request 0035

Please refer to the Direct Testimony of R. Bryce Dalley, page 13, lines 20-21.

- a. Does the Company believe that the shareholders should bear any responsibility for the stranded costs? Please explain.
- b. Does the Company believe that its approved tariff rates are in any way responsible for customers wanting to permanently disconnect? Please explain.
- c. Does the Company believe that its quality of service and/or customer service are in any way responsible for customers wanting to permanently disconnect? Please explain.
- d. If the Company's answers to "b" and "c" above are both "no", please explain why the Company thinks its customers have chosen to permanently disconnect from service and select an alternative provider.

Response to CREA Data Request 0035

- a. No. Shareholders should not be held responsible for the stranded costs resulting from the actions of an unregulated, neighboring utility.
- b. No. The Company's rates are uniform throughout the State of Washington. However, it is only forced to address the issues arising from customers seeking permanent disconnection in Columbia and Walla Walla Counties as a result of the business practices of Columbia REA, which is not subject to regulation by the Commission. As noted by Chairman Danner, those practices undermine the regulatory compact.
- c. No. The Company's quality of service is uniform throughout the State of Washington. However, it is only forced to address the issues arising from customers seeking permanent disconnection in Columbia and Walla Walla Counties as a result of the business practices of Columbia REA, which is not subject to regulation by the Commission. As noted by Chairman Danner, those practices undermine the regulatory compact.
- d. Please see the explanations presented in b. and c. immediately above.

PREPARER: R. Bryce Dalley

SPONSOR: R. Bryce Dalley

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UE-161204 / Pacific Power & Light Company
March 23, 2017
CREA Data Request 0038

CREA Data Request 0038

Please refer to Exhibit RBD-3.

- a. Please provide a detailed narrative explaining the methodology utilized to determine the information presented in this exhibit.
- b. Please provide all assumptions and documents supporting those assumptions in complete electronic format.

Response to CREA Data Request 0038

- a. Exhibit No. RBD-3 was prepared by adding the estimated annual revenue of departing customers at the time of permanent disconnection.
- b. Please refer to Pacific Power's response to WUTC Data Request 2.

PREPARER: R. Bryce Dalley

SPONSOR: R. Bryce Dalley

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UE-161204 / Pacific Power & Light Company
April 18, 2017
CREA Data Request 0040

CREA Data Request 0040

Refer to Exh. No. RBD-1T at 5:23. Please define what Mr. Dalley means by “cherry-pick[ing].” Please describe each and every instance Pacific Power is aware of in which a neighboring utility has “cherry-picked” one of its customers, including: (1) the year; (2) the type of customer (residential, commercial, or industrial); (3) how Pacific Power determined that the customer was “cherry-picked”; and (4) how Mr. Dalley learned of each instance. Additionally, if any of the cited instances involved a neighboring utility other than Columbia REA, please so indicate.

Response to CREA Data Request 0040

“Cherry-picking” occurs when a neighboring utility targets and solicits specific customers in an area that is traditionally served by another utility. The practice was addressed by Chairman Danner in a Separate Statement (Order 05, Docket UE-143932).

Please refer to the Company’s annual net removal reports, filed in Docket UE-007134, for instances in which customers have requested permanent disconnection for the purpose of connecting with another utility. Pacific Power has not performed an in-depth analysis of all permanent disconnections to determine whether the disconnection was requested as a result of “cherry-picking.”

PREPARER: Ariel Son

SPONSOR: R. Bryce Dalley

UE-161204 / Pacific Power & Light Company
May 1, 2017
CREA Data Request 0044

CREA Data Request 0044

Refer to Exh. No. RBD-4. With regard to the calculation of "stranded cost recovery fees for residential and non-residential customers" (Exh. No. RBD-1T at 15:13) identify: (1) the specific items including equipment, materials and labor which are contained in the amount of \$6,153 for residential customers and \$33,991 for non-residential customers, and (2) whether the "net present value of stranded cost per customer" reimburses Pacific Power's above capital investment.

Response to CREA Data Request 0044

- (1) The cost breakouts requested are not identifiable in the Company's rates charged to customers used to calculate the Stranded Cost Recovery Fee.
- (2) See the Company's response to subpart (1) of this response. The Company's calculation is based upon a net present value calculation of non-net power cost revenues. Non-net power cost revenues include recovery of both capital- and expense-related costs.

PREPARER: Mike Zimmerman / Robert Meredith

SPONSOR: R. Bryce Dalley

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