

Docket UE-161204
Yakama Power's Response to UTC Staff Data Request No. 1 to Yakama Power
February 17, 2017

UTC STAFF DATA REQUEST NO. 1:

Please provide a detailed description of Yakama Power's policies, including all formal policy documents, tariffs, or generally applicable customer agreements, regarding line extension charges and rates charged to new and existing customers since 2000:

1. in legacy service areas, and
2. in new areas into which the utility has established service.

Response to UTC Staff Data Request No. 1:

General Objections

Yakama Power objects to Staff's Data Request No. 1 on the basis that: (1) the information requested is irrelevant to the issues in this proceeding, (2) the request is overly broad and production of the data requested would be unreasonably burdensome, and (3) to the extent that the request seeks the production of information protected by the attorney-client privilege, and/or the work product doctrine, and/or any other privilege. Subject to these objections, Yakama Power provides the response and responsive documents described below.

Overview of Yakama Power's Mission and Rate Design

Yakama Power is a nonprofit tribal electric utility created and wholly-owned by the Confederated Tribes and Bands of the Yakama Nation ("Yakama Nation"), a federally recognized Indian Tribe. Yakama Nation formed Yakama Power in 2004 for the purpose of providing long term cost savings, economic development and job creation opportunities, and to generally enhance the tribe's sovereign ability to provide essential government service within the boundaries of the Yakama Indian Reservation ("Reservation")¹ and adjacent areas where doing so is cost-effective. Yakama Power acquired its initial distribution system in 2005 by purchasing certain PacifiCorp facilities located within the Reservation.² Since then, Yakama Power has continued to expand within the Reservation by both constructing new facilities and by acquiring the existing facilities of PacifiCorp and Benton REA.

¹ The Reservation encompasses approximately 1.3 million acre area located primarily in Yakima County, Washington but also including portions of Lewis and Klickitat counties in Washington.

² See WUTC UE-051840 Order No. 1 (authorizing sale).

Despite Yakama Power'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, Yakama Power 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. Yakama Power respectfully requests that you inform Yakama Power immediately if you become aware of any such materials in these responses.

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Yakama Power Line Extension Charges.

Yakama Power does not have formal policy documents, tariffs, or generally applicable customer agreements relating to line extension charges and qualifications. The costs of physically connecting a new customer are evaluated on a case-by-case, fact-specific basis.

Yakama Power Rates Charged to New and Existing Customers.

As a nonprofit utility, Yakama Power's rates are cost-based and do not discriminate between new and existing customers, i.e., all customers that qualify for service under a specific rate schedule are charged the same rates.

Attached as Confidential Attachment A to Yakama Power's Response to Commission Staff's Data Request No. 1 is a copy of Yakama Power's rate schedules from the time Yakama Power began providing service (2006) to the date of this response. The documents comprising Confidential Attachment A are provided subject to the Protective Order in UTC Docket UE-161204 and WAC 480-07-160.

Date Response Prepared: February 17, 2017
Preparer: Ray Wiseman
Preparer Telephone No.: 509-865-7697

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Docket UE-161204
Yakama Power's Response to UTC Staff Data Request Nos. 2
March 1, 2017

UTC STAFF DATA REQUEST NO. 2:

In RCW 54.48.020, the legislature declared that:

the duplication of the electric lines and service of public utilities and cooperatives is uneconomical, may create unnecessary hazards to the public safety, discourages investment in permanent underground facilities, and is unattractive, and thus is contrary to the public interest and . . . that it is in the public interest for public utilities and cooperatives to enter into agreements for the purpose of avoiding or eliminating such duplication.

Please list and provide copies of any service territory agreements currently in place between Yakama Power and any other electric service provider in order to avoid “duplication of electric lines and service of public utilities and cooperatives” within the state of Washington.

Further, please list and describe any attempts that have been made since 2000 to establish electric service territory agreements to avoid “duplication of electric lines and service of public utilities and cooperatives,” and describe the results of those attempts.

Response to UTC Staff Data Request No. 2:

General Objection

Yakama Power objects to Staff's Data Request No. 2 on the basis that:

- (1) the information requested is irrelevant to the issues in this proceeding in that it has no bearing on the question of whether or to what degree PacifiCorp has stranded costs associated with its customers permanent disconnection from PacifiCorp's system;
- (2) the information requested is premised upon a statute (RCW Chapter 54.48) that does not apply to Yakama Power. Specifically, RCW 54.48.010 – 040 expresses legislative policy and requirements for service territory agreements involving electrical “public utilities” and “cooperatives”, as those terms are defined in RCW 54.48.010(1) and RCW 54.48.010(2), respectively. Yakama Power is a nonprofit tribal electric utility chartered under the laws of the Confederated Tribes and Bands of the Yakama Nation, a federally recognized Indian Tribe. Yakama Power is neither a “public utility” nor a “cooperative” as those terms are defined in RCW 54.48.010; thus, no provision of RCW 54.48 applies to an agreement involving Yakama Power.

Despite Yakama Power'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, Yakama Power 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. Yakama Power respectfully requests that you inform Yakama Power immediately if you become aware of any such materials in these responses.

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Yakama Power's Response to UTC Staff Data Request Nos. 2
March 1, 2017

Subject to the foregoing objection, and in the interest of assisting with Staff's analysis of PacifiCorp's proposed rule and tariff revisions that are the subject of this proceeding, Yakama Power provides the following response to Staff's Data Request No. 2.

Yakama Power's Existing Service Territory Agreements

Yakama power does not have a service territory agreement in place between itself and PacifiCorp, the entity whose proposed tariff revisions are under review in this proceeding.

Yakama Power's Attempts to Establish Service Territory Agreements with PacifiCorp

As noted in our response to Staff Data Request No. 1, Yakama Nation formed Yakama Power in 2004 for the purpose of providing long term cost savings, economic development and job creation opportunities, and to generally enhance the tribe's sovereign ability to provide essential government service within the boundaries of the Yakama Indian Reservation ("Reservation") and adjacent areas where doing so is cost-effective. Shortly after its formation, Yakama Power informed PacifiCorp that duplication of electric facilities on the Reservation could be avoided if PacifiCorp would agree to sell its On-Reservation facilities to Yakama Power at a mutually-acceptable price. Under Scottish Power's ownership in 2004, PacifiCorp expressed a willingness to sell its On-Reservation facilities to Yakama Power and the parties engaged in negotiations towards that goal. Following its acquisition by Mid-America in mid-2005, PacifiCorp terminated negotiations with Yakama Power and informed Yakama Power that it would resist efforts by PacifiCorp's On-Reservation customers to switch service to Yakama Power.

Since its acquisition by MidAmerica in 2005, PacifiCorp has repeatedly refused Yakama Power's requests to engage in negotiations to effectuate a sale of PacifiCorp's On-Reservation facilities to Yakama Power and, consequentially, eliminate the potential duplication of electric facilities or stranding of PacifiCorp assets no longer needed by customers preferring service from Yakama Power. Although Yakama Power has on several occasions since 2006 acquired facilities from PacifiCorp, most if not all such transactions have involved a settlement under threat of condemnation. Although Yakama Power lacks the information needed to determine if a specific transaction resulted in a net gain or loss to PacifiCorp, in the single instance that PacifiCorp sought WUTC approval to sell its facilities to Yakama Power the Commission determined that the price paid by Yakama Power was greater than the value of the remaining useful life of such facilities thus resulting in a net gain to PacifiCorp's remaining customers. *See* Order 01 in WUTC UE-051840.

Date Response Prepared: March 1, 2017
Preparer: J.D. Williams & Ray Wiseman
Preparer Telephone No.: 971-404-9081

Despite Yakama Power'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, Yakama Power 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. Yakama Power respectfully requests that you inform Yakama Power immediately if you become aware of any such materials in these responses.