

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER & LIGHT COMPANY

Petitioner,

For An Accounting Order Regarding
Treatment of Environmental Remediation
Costs

DOCKET UE-031658

ORDER 03

ORDER GRANTING PACIFIC POWER
& LIGHT COMPANY'S MOTION TO
AMEND ORDER 01

BACKGROUND

- 1 On October 13, 2003, Pacific Power & Light Company (Pacific Power or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition for an accounting order that would authorize the Company to record and defer its costs in connection with its environmental remediation program on an ongoing basis (Petition). Specifically, the Company sought to record all such costs in FERC Account 182.3, Other Regulatory Assets. In addition, Pacific Power requested that the Commission find that the use of a 10-year time frame would be a reasonable period over which to amortize these environmental remediation costs.
- 2 On April 27, 2005, the Commission issued Order 01 in the above-referenced docket. Order 01 approved accounting treatment proposed by Pacific Power, as modified by Commission staff (Staff). Order 01 requires the Company to report semiannually the status of its environmental remediation projects to include beginning and ending deferral balances, as well as annual expenditures.¹
- 3 On July 19, 2018, Pacific Power filed a motion to amend Order 01 to reduce the cycle of reporting on environmental remediation projects from semiannually to annually (Motion).² Staff supports the Motion and worked with the Company to improve the format of its report.

¹ UE-031658, Order 01, ¶13.

² The compliance report would be due every year on May 15.

DISCUSSION

4 We grant Pacific Power's Motion and find that reducing the Company's reporting requirement is reasonable. The Company's requested modification will neither impact the other requirements set out in Order 01, nor degrade Staff's ability to evaluate the Company's compliance. In addition, filing reports related to environmental remediation on an annual basis is consistent with the practices of other utilities in Washington.

FINDINGS AND CONCLUSIONS

- 5 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, and accounts of public service companies, including electric companies.
- 6 (2) Pacific Power is a public service Company subject to Commission jurisdiction. Pacific Power is engaged in the business of providing electric and natural gas service within the state of Washington.
- 7 (3) This matter was brought before the Commission at its regularly scheduled meeting on August 30, 2018. The Commission received no written or oral comments from any person or party other than Commission Staff.
- 8 (4) Reducing Pacific Power's reporting requirement related to its environmental remediation program from semiannual to annual reporting is reasonable and in the public interest because it will not impact Staff's ability to evaluate the Company's compliance with Order 01.

ORDER

THE COMMISSION ORDERS:

- 9 (1) Pacific Power & Light Company's motion, filed on July 19, 2018, is granted.
- 10 (2) This Order shall in no way affect the Commission's authority over rates, services, accounts, valuations, estimations, or determination of costs, or any matters whatsoever that may come before it. Nor shall this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

- 11 (3) Pacific Power & Light Company will file its compliance report on its environmental remediation program with the Commission on May 15, 2019, and annually on May 15 thereafter. All other requirements specified in the Commission's Order 01 remain in effect.
- 12 (4) The Commission retains jurisdiction to effectuate the terms of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective August 30, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary