

**ATTACHMENT 1**

**TO PUBLIC COUNSEL'S COMMENT LETTER  
DOCKET UE-230172**

February 7, 2025

Kristen Hillstead  
[Kristen.Hillstead@utc.wa.gov](mailto:Kristen.Hillstead@utc.wa.gov)

Sean Laue  
[Sean.laue@utc.wa.gov](mailto:Sean.laue@utc.wa.gov)

David Panco  
[david.panco@utc.wa.gov](mailto:david.panco@utc.wa.gov)

Debra Johnson  
[debra.johnson@utc.wa.gov](mailto:debra.johnson@utc.wa.gov)

Corey Dahl  
[Corey.dahl@utc.wa.gov](mailto:Corey.dahl@utc.wa.gov)

RE: **WA UE-230172**  
WUTC Informal Data Request (17)

Please find enclosed PacifiCorp's Response to WUTC Informal Data Request 17.

If you have any questions, please call me at 503-813-5410.

Sincerely,

          /s/            
Ariel Son  
Regulatory Affairs Manager

## **WUTC Informal Data Request 17**

Please indicate whether PacifiCorp considers the Foote Creek II-IV repowering project as a “new wind” resource as referred to in the final order ¶ 244-246. Please provide the rationale for why the Company believes it is or is not a new wind resource.

## **Response to WUTC Informal Data Request 17**

As explained in the Company’s response to WUTC Informal Data Request 7, the Company’s definition of “new wind” resources is wind generation resources built or repowered and then placed in-service after the historical test period of the Company’s 2023 Multi-Year Rate Plan (MYRP). The Foote Creek II-IV Acquire-Repower Project was described as follows within Exhibit SLC-4, page 321 of 549 submitted in support of the Company’s 2023 MYRP:

**Foote Creek II-IV Acquire-Repower, (In-Service Date 11/30/2023) (Reference page 8.4.36)** This project will provide reliable and cost-effective renewable energy to customers by purchasing safe harbor equipment to qualify repowered wind projects interconnected to PacifiCorp’s system and acquire and repower the 43.35 MW Foote Creek II-IV facilities, qualifying the project for production tax credits and generating zero fuel cost energy for customers.

Since Foote Creek II-IV is an acquired and repowered wind generation project, placed in-service after June 2022, the Company has considered it a “new wind” resource as referred in the final order at ¶ 244-246. As a result, specific project details have been provided in addition to the portfolio review performed for reporting period 2023. As the Company interprets this stipulation, “new wind” resources are required to be reported with specific project details, in addition to the provisional capital *review*. In other words, while a review on a portfolio (*i.e.* overall value of assets in-rates or in-service) basis is deemed to be generally sufficient, to satisfy concerns of settling parties over transparency on specific significant projects, the Company agreed that among several other projects, new wind resources would be presented in the capital review process report with additional project-level detail. The Washington Utilities and Transportation Commission (WUTC) order confirmed that the additional detail specifically provided for new transmission and new wind resources addresses concerns with the portfolio approach to reviewing provisional capital. However, for the purpose of determining whether a *refund* is warranted, per footnote 15 of the settlement stipulation, and as discussed in the Company’s response to WUTC Informal Data Request 14,

“...when determining whether refunds are warranted, comparing the actual, overall level (\$ amount) of used and useful plant placed in service to the overall level of plant included in rates on a

provisional basis. This entails that neither the individual projects nor the ultimate cost of each project needs to match precisely with what was included provisionally in rates. For example, if a \$10 million dollar project that was included in rates as provisional pro forma is cancelled, but the utility prudently spends \$10 million dollars on a different project that was not included in provisional rates, that will not result in a reduction to used and useful pro forma plant during that rate year, and therefore would not trigger the need for a refund in the annual review process...”

Accordingly, the Company has applied this standard in determining whether a refund for calendar year 2023 (CY 2023) provisional capital in-service is necessary and has determined that since the total CY 2023 in-service capital totaled gross plant balance of approximately \$86 million, while the provisional capital in rates only reflected gross plant balance of \$79 million, a refund for CY 2023 was not warranted. This application results in a rational outcome that is logical and consistent with the order. To further illustrate why this is a just, fair, and logical outcome, assume hypothetically, that the Company’s portfolio level review revealed that in-service capital for CY 2023 was overall less than provisional capital levels assumed in-rates. At the same time, specific project detail reports show the Foote Creek II-IV as slightly underbudget. If a refund on the specific underbudget project is required, in addition to a refund determined by the portfolio level comparison, which compares *all* projects assumed placed in-service and actually placed in-service in the reporting period, then the refund for Foote Creek II-IV would be double-counted. This outcome is an illogical result, and is inconsistent with the intent of the stipulation. The mechanics of the review and the logic behind the determination of the refund should be consistently applicable in both scenarios.

A refund to customers should not be necessary for Foote Creek II-IV, where the overall capital review shows that in-service capital in CY2023 is greater than the capital costs in rates assumed for CY 2023. Customers are already benefiting from utilization of more capital rate base placed in-service than what customers are paying for in rates. Furthermore, when a portfolio review quantifies a necessary refund, also requiring refunds on specifically tracked projects would result in a duplicative amount being refunded on the projects being tracked separately that may also show as being placed in-service underbudget. As noted above, this is an illogical outcome. Finally, it is noteworthy that this would create a disincentive for utilities to manage costs and achieve savings and efficiencies as they place capital projects in service.

PREPARER: Counsel

SPONSOR: To Be Determined