

BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	DOCKET NO. UE-050684
	)	ORDER NO. 02
Complainant,	)	
	)	
v.	)	PREHEARING CONFERENCE
	)	ORDER; ORDER OF
PACIFICORP d/b/a PACIFIC	)	CONSOLIDATION
POWER & LIGHT COMPANY	)	
	)	
Respondent.	)	
.....	)	
	)	
In the Matter of the Petition of	)	DOCKET NO. UE-050412
	)	
PACIFICORP d/b/a PACIFIC	)	ORDER NO. 01
POWER & LIGHT COMPANY	)	
	)	
For an Order Approving Deferral of	)	ORDER OF CONSOLIDATION
Costs Related to Declining Hydro	)	
Generation	)	
	)	
.....	)	

1 **NATURE OF PROCEEDING.** In Docket No. UE-050684, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or the Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its tariffs, proposing an increase in annual revenues from Washington operations of \$39.2 million, resulting in a proposed uniform increase in rates of 17.9%. The Commission has suspended the tariff filing to determine whether the proposed rate increase is fair, just and reasonable.

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2 Docket No. UE-050412 involves a petition by the Company for authority to establish deferral accounting related to the effect of low river flows on its hydroelectric-based cost of power.

3 **CONFERENCE.** The Commission convened a prehearing conference in Docket No. UE-050684 at Olympia, Washington on June 6, 2005, before Administrative Law Judges Theodora M. Mace and Ann E. Rendahl.

4 **APPEARANCES.** James Van Nostrand and John H. Ridge, Stoel Rives LLP, Portland, OR, and Seattle, WA, represent PacifiCorp. Melinda J. Davison and Irion Sanger, Davison Van Cleve, P.C., Portland, OR, represent Industrial Customers of Northwest Utilities (ICNU). Brad M. Purdy, attorney, Boise, ID, represents The Energy Project. Ralph Cavanagh, Northwest Project Director, Natural Resources Defense Council (NRDC), San Francisco, CA, represents the NRDC. Robert Cromwell, Assistant Attorney General, Seattle, WA, represents the Public Counsel Section of the Washington Office of the Attorney General. Donald T. Trotter and Shannon E. Smith, Assistant Attorneys General, Olympia, WA, represent the Commission's regulatory staff ("Commission Staff" or "Staff").<sup>1</sup> Contact information provided at the conference for the parties' representatives is attached as Appendix A to this order.

5 **PETITIONS FOR INTERVENTION.** ICNU,<sup>2</sup> The Energy Project and the NRDC filed written petitions to intervene in Docket No. UE-050684. No party objected to the filed written petitions and they were granted.

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<sup>1</sup> In formal proceedings, such as this case, the Commission's regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as any other party to the proceeding. There is an "*ex parte* wall" separating the Commissioners, the presiding Administrative Law Judge, and the Commissioners' policy and accounting advisors from all parties, including Staff. RCW 34.05.455.

<sup>2</sup> ICNU filed a petition for intervention in Docket No. UE-050412 on April 20, 2005.

6     **CONSOLIDATION.** In the testimony of Ms. Christy Omohundro, the Company's Managing Director, Regulation, filed in Docket No. UE-050684, the Company proposes that the hydroelectric deferral account proposed in Docket No. UE-050412 be incorporated and replaced by the Power Cost Adjustment Mechanism (PCAM) proposed by the Company in the rate case.

7     In view of the apparent close connection between the facts and law presented by the PCAM proposed in the rate case and the issues presented in the deferral accounting petition, it appears that consolidation of the two cases for hearing and determination pursuant to WAC 480-07-320 is appropriate. No party objects to consolidation of the two dockets<sup>3</sup> and they are consolidated.

8     **PROTECTIVE ORDER.** A protective order will be entered in this consolidated proceeding.

9     **DISCOVERY.** The Commission invoked the discovery rules, WAC 480-07-400, *et seq.*, in Order No. 01 in Docket No. UE-050684, the order suspending the tariff.<sup>4</sup> By this order, the Commission invokes the discovery rules for the consolidated proceeding.

10    **PROCEDURAL SCHEDULE.** The Commission adopts the procedural schedule for the consolidated proceeding identified in Appendix B to this Order. The adopted schedule reflects the schedule agreed upon during the prehearing conference.

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<sup>3</sup> ICNU stated that it reserved the right to object to incorporation of the hydro deferral if deferral were accorded retroactive effect.

<sup>4</sup> See Order No. 01, ¶ 10.

- 11 In the prefiled testimony of Mr. Donald N. Furman, Senior Vice-President of Regulation and External Affairs, the Company anticipates that a joint decoupling proposal would be filed at the rebuttal phase of the proceeding.<sup>5</sup> During the conference, the parties discussed decoupling and the impact on the schedule if not all parties agreed to a joint proposal. Ultimately, it was agreed that NRDC would work with the parties to develop a joint proposal. Whether or not all parties agree to the proposal, NRDC intends to submit a decoupling proposal with its November 3, 2005, prefiled responsive testimony, according to the schedule identified in the attached Appendix B. All parties may comment on the decoupling proposal in the rebuttal phase of the case.
- 12 With regard to the need for a public hearing on the proposed rate increase, the parties agreed to work with Public Counsel and the Commission's Public Involvement staff to determine a date for at least one public hearing at a location in or near the heart of the Company's customer base in Washington.
- 13 The parties also identified two days in the schedule allotted to settlement discussions, to take place prior to the scheduled dates for filing Staff, Intervenor and Public Counsel responsive testimony. The Commission encourages the parties to pursue settlement informally even prior to these dates, if possible.
- 14 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file with the Commission an original plus 11 copies of all pleadings, motions, briefs, and other prefiled materials. Paper copies of these materials are required to conform to the format and publication guidelines set forth in WAC 480-07-395 and 480-07-460, and must be three-hole punched with *oversized* holes to allow

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<sup>5</sup> Furman Direct Testimony at 21-22.

easy handling. The Commission may require a party to refile any document that fails to conform to these standards.

- 15 All filings must be mailed to the Commission Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W. Olympia, Washington 98504-7250, or delivered by hand to the Commission Secretary at the Commission's Records Center at the Washington Utilities and Transportation Commission, 1300 S. Evergreen Park Drive, S.W., Olympia, Washington, 98504. Both the post office box and street address are required to expedite deliveries by the U.S. Postal Service.
- 16 An electronic copy of all filings must be provided by e-mail delivery to <[records@wutc.wa.gov](mailto:records@wutc.wa.gov)>. Alternatively, Parties may furnish an electronic copy by delivering with each filing a 3.5-inch IBM-formatted high-density diskette including the filed document(s). The Commission prefers that parties furnish electronic copies in .pdf (Adobe Acrobat) format, supplemented by a separate file in MS Word 6.0 (or later), or WordPerfect 5.1 (or later) format. Parties are required to organize and identify electronic files as specified in WAC 480-07-140(5).
- 17 **ELECTRONIC FILING.** Parties may only file documents electronically with the Commission in this proceeding with the permission of the administrative law judge. Under WAC 480-07-145(6), electronic filing of documents provides a one-day extension of the paper-filing requirement. If, at any time during this proceeding, the parties are authorized to file documents with the Commission electronically under WAC 480-07-145(6), the parties must submit the document to [records@wutc.wa.gov](mailto:records@wutc.wa.gov), and file an original, plus 11 copies, of the document with the Commission by the following business day.

18 **ALTERNATE DISPUTE RESOLUTION.** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving disputes informally. The Commission does have limited ability to provide dispute resolution services; if you wish to explore those services, please call the Director, Administrative Law Division, at 360-664-1142.

19 **NOTICE TO PARTIES: Any objection to the provisions of this Order must be filed within ten (10) days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.**

Dated at Olympia, Washington, and effective this 8th day of June, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

THEODORA M. MACE  
Administrative Law Judge

ANN E. RENDAHL  
Administrative Law Judge

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## APPENDIX A

<b><u>PARTIES REPRESENTATIVES</u></b>				
<b>DOCKET NOS. UE-050684 AND UE-050412</b>				
<b>6/6/05</b>				
<b>COMPANY</b>	<b>REPRESENTATIVE AND ADDRESS</b>	<b>PHONE NUMBER</b>	<b>FAX NUMBER</b>	<b>E-MAIL ADDRESS</b>
Pacific Power & Light, d/b/a PacifiCorp	JAMES VAN NOSTRAND Stoel Rives LLP 900 S.W. Fifth Ave., Ste 2600 Portland, OR 97204	503-294-9679	503-220-2480	<a href="mailto:jmvannostrand@stoel.com">jmvannostrand@stoel.com</a>
	<i>(E-mail Service only)</i> JOHN H. RIDGE Stoel Rives LLP Ste 3600, One Union Square 600 University Street Seattle, WA 98101	206-386-7575	206-386-7500	<a href="mailto:jhridge@stoel.com">jhridge@stoel.com</a>
	CHRISTY OMOHUNDRO Managing Dir., Regulation PacifiCorp 825 NE Multnomah, Ste 800 Portland, OR 97232	503-813-6065	503-813-6060	<a href="mailto:christy.omohundro@pacificorp.com">christy.omohundro@pacificorp.com</a>
Industrial Customers of Northwest Utilities	MELINDA J. DAVISON IRION SANGER Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204	503-241-7242	503-241-8160 (Same)	<a href="mailto:mjd@dvclaw.com">mjd@dvclaw.com</a> <a href="mailto:ias@dvclaw.com">ias@dvclaw.com</a>
	RANDALL J. FALKENBERG RFI Consulting, Inc. 8351 Roswell Road PMB 362 Atlanta, GA 30350	770-379-0505	770-671-1046	<a href="mailto:consultrfi@aol.com">consultrfi@aol.com</a>

COMPANY	REPRESENTATIVE AND ADDRESS	PHONE NUMBER	FAX NUMBER	E-MAIL ADDRESS
The Energy Project	BRAD M. PURDY Attorney at Law 2019 N. 17 <sup>th</sup> Street Boise, ID 83702	208-384-1299	208-384-8511	<a href="mailto:bmpurdy@hotmail.com">bmpurdy@hotmail.com</a>
Natural Resources Defense Council	RALPH CAVANAGH 111 Sutter Street, 20 <sup>th</sup> Floor San Francisco, CA 94104	415-875-6100	415-875-6161	<a href="mailto:rcavanagh@NRDC.org">rcavanagh@NRDC.org</a>
Commission Staff	DONALD T. TROTTER SHANNON E. SMITH Assistant Attys. General 1400 S Evergreen Park Drive SW P.O. Box 40128 Olympia, WA 98504  Tom Schooley	360-664-1189 360-664-1192	360-586-5522 (Same)	<a href="mailto:dtrotter@wutc.wa.gov">dtrotter@wutc.wa.gov</a> <a href="mailto:ssmith@wutc.wa.gov">ssmith@wutc.wa.gov</a>  <a href="mailto:tschoole@wutc.wa.gov">tschoole@wutc.wa.gov</a>
Public Counsel	ROBERT CROMWELL Office of the Att'y Gen'l 900 Fourth Ave., Ste 2000 Mail Stop TV-14 Seattle, WA 98164-1012  Steven Johnson	206-464-6595	206-389-2058	<a href="mailto:RobertC1@atg.wa.gov">RobertC1@atg.wa.gov</a>  <a href="mailto:stevenj@atg.wa.gov">stevenj@atg.wa.gov</a>
Presiding Administrative Law Judges	THEODORA M. MACE ANN E. RENDAHL 1300 S Evergreen Park Drive SW P.O. Box 47250 Olympia WA 98504-7250	360-664-1285 360-664-1144	360-664-2654 [ALD fax only – do not use to file]	<a href="mailto:tmace@wutc.wa.gov">tmace@wutc.wa.gov</a> <a href="mailto:arendahl@wutc.wa.gov">arendahl@wutc.wa.gov</a>



**APPENDIX B**  
**PROCEDURAL SCHEDULE**  
**DOCKET NOS. UE-050684 & UE-050412**

EVENT	DATE	INTERVAL
Application filed	May 5, 2005	
Prehearing Conference	June 6, 2005	32 days
Settlement Conference	September 30 and October 3, 2005	
Staff/Intervenor (including Decoupling Proposal)/Public Counsel Responsive Testimony Filed	November 3, 2005	150 days
Company Rebuttal Testimony and All Party Testimony on Decoupling Proposal Filed	December 7, 2005	34 days
Prehearing Conference for presentation and marking of cross-examination exhibits, estimates or cross-examination time	January 4, 2006	28 days
Evidentiary hearings	January 9-20, 2006 ( <b>Note:</b> Hearings on January 11 will begin at 1:30 p.m, and January 16 is a holiday)	5 days
Initial Briefs	February 13, 2006	24 days
Reply Briefs	February 27, 2006	14 days
Suspension period ends	April 4, 2006	36 days