

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	
TRANSPORTATION)	DOCKET UE-061546
COMMISSION,)	
)	
Complainant,)	
)	
v.)	
)	
PACIFICORP D/B/A PACIFIC)	
POWER & LIGHT COMPANY,)	
)	
Respondent.)	
.....)	
In the Matter of the Petition of)	DOCKET UE-060817
)	
PACIFIC POWER & LIGHT)	ORDER 10
COMPANY)	
)	DENYING STAFF'S MOTION FOR
For an Accounting Order Approving)	CLARIFICATION
Deferral of Certain Costs Related to)	and
the MidAmerican Energy Holdings)	GRANTING PACIFICORP'S
Company Transition.)	SUPPLEMENTAL MOTION FOR
)	CLARIFICATION
.....)	

MEMORANDUM

1 The Commission entered Order 08, its Final Order in these consolidated proceedings, on June 21, 2007. PacifiCorp filed on June 25, 2007, its Motion for Clarification asking the Commission to make explicit certain details concerning how the Company should implement the Commission's decision to approve increased funding for PacifiCorp's Low Income Billing Assistance program. On June 26, 2007, the Commission granted PacifiCorp's Motion in Order 09, the Company made its compliance filing and the Commission approved it.

STAFF MOTION FOR CLARIFICATION OF ORDER 08

2 On June 27, 2007, Staff filed its Motion for Clarification of Order 08.¹ Staff argues that the Commission should “clarify Paragraphs 95 and 96 of Order 08 to indicate that Staff did indeed statistically filter water year data, Staff did not use GRID-estimated power costs, and Staff agrees that the use of GRID power costs is not appropriate because of the skewed nature of that data.” Staff says granting its request would “not necessarily require the Commission to change its overall analysis.”

3 WAC 480-07-835(1) states:

Any party who does not seek to change the outcome with respect to an issue may file a motion for clarification of a final order within ten days after the order is served. The purpose of a motion for clarification is to ask for clarification of the meaning of an order so that compliance may be enhanced, so that any compliance filing may be accurately prepared and presented, to suggest technical changes that may be required to correct the application of principle to data, or to correct patent error without the need for parties to request reconsideration and without delaying post-order compliance. A motion for clarification may also request that obvious or ministerial errors in orders be corrected by letter from the secretary or by subsequent order, consistent with WAC 480-07-875.

4 Staff’s Motion is not intended to, nor could it enhance compliance by helping to ensure the Company’s compliance filing, already made by the time Staff filed its motion, would be accurately prepared and presented. Staff’s Motion does not suggest

¹ Staff also filed a “Reply on Behalf of Commission Staff to PacifiCorp’s Motion for Clarification of Order 08.” WAC 480-07-835 (3) states: “No party may file a response to a motion for clarification unless requested by the Commission.” The Commission did not request Staff’s reply, nor did Staff ask leave to file a reply. Moreover, Staff’s “reply” did nothing more than state support for PacifiCorp’s Motion.

ICNU filed a “Reply” to Staff’s Motion on June 29, 2007. ICNU’s nominal reply simply supports Staff’s motion. As in the case of Staff’s filing, discussed above, the Commission did not request ICNU’s reply, nor did ICNU seek leave to file it.

The reason WAC 480-07-835 prohibits unsolicited replies to motions for clarification is that the purpose of such motions is to facilitate compliance, a time-sensitive step in the adjudicative process. Because a motion for clarification is limited to requests that do not seek to change the outcome of an order, there is seldom any need for a reply and the Commission rarely requests one. There is never a need for a reply that simply states support for another party’s motion.

We note these points to emphasize the importance of close attention to the requirements of our procedural rules. This is necessary to maintain good order in our proceedings and to avoid the unnecessary expenditure of the parties’ and the agency’s resources.

technical changes that might be required to correct the application of principle to data, or to correct patent error. Staff's Motion does not request that obvious or ministerial errors be corrected. Staff's Motion, then, does not appear to have been filed to fulfill any purpose specified by the Commission's rule governing motions for clarification. We will deny Staff's Motion for that reason.

5 Nevertheless, we find it appropriate to point out that our observations in paragraphs 95 and 96 of Order 08 are about the *adjustments* to power costs proposed by ICNU and Staff. These adjustments are a direct result of the statistical filter both parties apply to the water-year record that serves as a key input to the GRID model, which uses this input in combination with other inputs to produce net power costs. Statistical adjustments to model inputs typically produce changes in the model's outputs. It would seem that was the very purpose ICNU and Staff hoped to achieve by proposing that we statistically filter the input data in this instance.

6 While Staff did not apply its filter directly to GRID-estimated power costs, the inevitable consequence of its analysis is to filter indirectly the power cost estimates. Staff agrees that the distribution of GRID-estimated power costs is skewed. We found the application of a symmetrical statistical filter to this skewed distribution, whether directly or indirectly, inappropriate.² We are satisfied this is true and Order 08 is clear enough in this regard.

PACIFICORP SUPPLEMENTAL MOTION FOR CLARIFICATION OF ORDER 08

7 PacifiCorp filed its Supplemental Motion for Clarification of Order 08 on July 2, 2007. PacifiCorp states that after its compliance filing the Company identified a technical error for which it believes clarification is necessary under WAC 480-07-835(1). The technical error to which PacifiCorp refers is the calculation of the Proforma Interest Adjustment on page 59 of Order 08. PacifiCorp states the adjustment includes an erroneous figure on line 92, the amount of "actual interest." Rather than the figure of \$18,354,812 as shown on line 92, the correct figure is \$18,777,162. The impact of making this correction is to increase the Company's revenue requirement by \$238,255.

² To the extent there is a concern about guidance in future cases, as Staff states in its Motion, this is the point upon which parties should focus. As we observed in Order 08 "we are persuaded that the Company's statistical theory is correct." Comparing Staff's proposal to PacifiCorp's, we stated our determination that "the Company's method is proper not because it seeks to "balance the number of water years that are wet or dry," but because it better reflects the skewed nature of the distribution of GRID power costs."

- 8 According to PacifiCorp, the source of the error appears to be Appendix B of Staff's Initial Brief, page 6 of 25. Line 5 on that page indicates "Actual Interest Expense" of \$18,354,812, and cites as authority Exhibit No. 137 at page 22, line 1218. The figure was taken from the wrong column, however; given that the purpose of the calculation is to use as the starting point the *actual* interest expense, the correct column to use is "*Unadjusted* Results – Washington," which contains the correct figure of \$18,777,162.³ The column cited in Staff's Initial Brief, and used for purposes of the calculation in the Order, was the "Washington – *Adjusted* Total," which contained the \$18,354,812 figure.
- 9 PacifiCorp proposes that rather than changing base rates, the additional revenue requirement could be offset against the MEHC/PacifiCorp transaction A&G rate credit which the Company is paying to customers under Schedule 95. PacifiCorp states that in a separate filing to be made this week, the Company will propose to implement the A&G rate credit on customers' bills effective with service on and after August 5, 2007. According to PacifiCorp, if the Commission grants its Supplemental Motion for Clarification of Order 08, combining these two rate changes could actually allow customers to see a decrease in their bills.
- 10 WAC 480-07-835(1) allows for clarification "to suggest technical changes that may be required to correct the application of principle to data, or to correct patent error without the need for parties to request reconsideration and without delaying post-order compliance." Remedying the Order's calculation of the Proforma Interest Adjustment appears to fall within the scope of the rule. We will therefore grant PacifiCorp's request that page 59 of the Order be clarified by correcting the calculation of the Proforma Interest Adjustment in accordance with Attachment 1 to the Company's Motion. Attachment 1 is appended to and made a part of this order by this reference. The result is to increase the revenue requirement on line 44 of page 58 and line 107 of page 59 by \$238,255.
- 11 PacifiCorp's proposal to offset this increased revenue against the A&G rate credit to be implemented via a separate filing appears on its face to be reasonable. However, we will reserve judgment until PacifiCorp files and we have an opportunity to review its proposed implementation of the A&G credit in Schedule 95.

³ See Attachment 1; Exhibit No. 137 at page 24, line 1379.

ORDER

THE COMMISSION ORDERS THAT:

- 12 (1) Staff's Motion for Clarification of Order 08 is denied.
- 13 (2) PacifiCorp's Supplemental Motion for Clarification of Order 08 is granted.

DATED at Olympia, Washington, and effective July 5, 2007.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner

APPENDIX

**ATTACHMENT 1 TO PACIFICORP'S SUPPLEMENTAL MOTION FOR
CLARIFICATION OF ORDER 08**