

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET UE-130043
TRANSPORTATION)	
COMMISSION,)	
)	
Complainant,)	
)	ORDER 04
v.)	
)	
PACIFICORP D/B/A PACIFIC)	GRANTING MOTION TO
POWER & LIGHT COMPANY,)	WITHDRAW TARIFF FILING
)	
Respondent.)	
.....)	

MEMORANDUM

1 On January 11, 2013, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-75. The stated effective date is February 10, 2013. The purpose of the filing is to increase rates and charges and modify certain terms and conditions of electric service provided to customers in the state of Washington. The Commission suspended the tariff sheets on January 25, 2013, and set the matter for hearing.

2 PacifiCorp’s filing, among other things, proposes revisions to Schedule 300, *Charges as Defined by the Rules and Regulations* and Rule 6, *General Rules and Regulations*. These provisions relate to the costs charged to customers for permanent disconnection and removal of facilities or for reconnection. The Company proposes to replace the fixed Residential Service Removal Charge in Schedule 300 and instead charge all customers the actual costs for facilities removal. In addition, the Company proposes to describe the calculation of the costs of permanent disconnection and removal of

facilities, and to increase reconnection fees. The Company proposes to reflect these changes to Schedule 300 in Rule 6.¹

3 The Commission convened a prehearing conference on February 13, 2013. The Commission considered petitions to intervene by Boise White Paper, L.L.C. and the Columbia Rural Electric Association (Columbia REA). PacifiCorp opposed Columbia REA's petition.

4 The Commission determined that Columbia REA, which competes for customers in parts of PacifiCorp's Washington service territory, does not have a direct and substantial interest in charges to PacifiCorp's customers, but found that Columbia REA's participation would be in the public interest. Noting its strong interest in seeing the record fully developed, the Commission granted Columbia REA's petition to intervene for the limited purpose of addressing the issues raised by PacifiCorp's filing relative to Schedule 300, and related changes to Rule 6 in the General Rules and Regulations part of PacifiCorp's tariff.²

5 On June 21, 2013, Staff, Public Counsel, the Energy Project, and Columbia REA filed testimony responding to the proposed revisions to Schedule 300 and Rule 6. Staff generally supports the revisions, but proposes to implement any reconnection charge increases on a gradual basis to minimize the impact on customers.³ Public Counsel opposes the Company's revisions because the changes are supported by only by estimates of the costs associated with disconnection and reconnection of service rather than actual cost data.⁴ The Energy Project similarly questions the Company's factual support for the changes and challenges the proposed increase in the reconnection service charge.⁵

6 Columbia REA also recommends that the Commission reject the Company's Schedule 300 revisions and maintain capped fees for residential customers.⁶ Among

¹ The proposed revisions to Rule 6 consist of wording changes to Rule 6, Section I, Permanent Disconnection and Removal of Company Facilities, to reflect the changes the Company proposed to the Residential Service Removal Charge in Schedule 300. The Company also proposes to clarify how it calculates the actual removal costs that are billed to customers.

² *WUTC v. PacifiCorp*, Docket UE-130043, Order 03 ¶ 6 (Feb. 14, 2013).

³ Mickelson, Exhibit No. CTM-1T: 42:8-43:19.

⁴ Daeschel, Exhibit No. LD-1T: 2:5-3:15.

⁵ Eberdt, Exhibit No. CME-1T: 6:21-10:22.

⁶ Exhibit No. PLT-1T at 3:15-20.

other reasons, Columbia REA objects to the revisions as not being supported by actual cost data.⁷

7 Columbia REA also recommends a series of revisions to Schedule 300 and Rule 6 that are not directly related to PacifiCorp's proposed changes.⁸ These include recommendations for new procedures for permanent disconnection and facilities removal. Specifically, Columbia REA proposes

- A departing customer should only be required to pay the reasonable costs associated with net removal, and PacifiCorp should be required to use "good utility practices" when removing facilities.
- A departing customer should be permitted to retain a qualified independent third-party to remove any facilities.
- PacifiCorp's cost for removing the facilities should not exceed the salvage value of the facility, unless the customer has specifically requested that the facilities must be removed. When the costs of removal exceed the salvage value, then the customer should be given the opportunity to retain and purchase the facility for their reasonable salvage value.
- PacifiCorp should only recover its actual costs of removal, and should not be allowed to recover stranded costs or depreciation.
- PacifiCorp should provide a removal cost estimate within 30 days of the request of the customer. The removal estimate should contain engineering, removal costs, the cost to abandon certain facilities in place, and should identify the safety and operational reasons for the removal.
- PacifiCorp should be required to provide a thorough accounting of all net removal costs, and the salvage value with its final bill.
- PacifiCorp should not be required to impose any charges that are not specified in the net removal tariff, and the Company should be required

⁷ *Id.* at 19:19-20:2.

⁸ *Id.* at 4:3-24

to request approval from this Commission before imposing any new charges upon customers.

8 On July 11, 2013, PacifiCorp filed a motion seeking leave to withdraw its proposed revisions to Schedule 300 and Rule 6. In addition, PacifiCorp requests that the Company be allowed to make conforming changes to its initial filing in this docket, and that the Commission terminate further litigation related to Schedule 300 and Rule 6 in this case. The Company's stated purpose in seeking leave to withdraw these tariff revisions is to gather additional data and undertake additional analysis to demonstrate the actual costs of Schedule 300 and Rule 6 services, which would enable the Company to better inform and support future revisions to its tariffs. The Company states:

The premise of PacifiCorp's motion is that the Commission's examination of the terms and conditions of Schedule 300 and Rule 6 should occur after PacifiCorp has collected additional cost data. For this reason, PacifiCorp's motion to withdraw is conditioned on the Commission terminating all litigation over revisions to Schedule 300 and Rule 6 in this case, specifically including the alternative tariff revisions Columbia REA proposed in its response testimony.⁹

9 Columbia REA opposes PacifiCorp's motion, arguing various procedural points in which we find little merit. The Commission's procedural rules allow for motions practice and do not limit it to specifically identified forms of motion. PacifiCorp's motion conforms to the Commission's rules. Columbia REA's effort to analogize to Washington Superior Court Rule 41, concerning counterclaims is misplaced. In this connection, Columbia REA oversteps the bounds of its limited intervention, granted solely for the purpose of addressing the issues raised by PacifiCorp's filing relative to Schedule 300, and related changes to Rule 6. Columbia REA is in no sense situated similarly to a litigant in Superior Court who has asserted a proper counterclaim.

10 We find more persuasive, however, Columbia REA's arguments that a thoroughgoing review of Schedule 300 and Rule 6 is long overdue. Columbia REA points specifically to Order 08 in Docket UE-001734, in which the Commission first approved Schedule 300. There, the Commission said:

⁹ PacifiCorp Motion ¶ 12.

The Modified Tariff Proposal also includes two conditions proposed by Commission Staff and accepted by PacifiCorp. First, Staff recommends that the proposed tariff changes bear a “sunset date” of December 31, 2005, which coincides with the end of PacifiCorp’s current Rate Plan. *McIntosh: Ex. 301-T at page 8, lines 1-6*. Staff proposes this condition because the new tariff constitutes a new service offering. Staff suggests that experience under the tariff will help determine whether or not it should be continued. *Id.*¹⁰

Staff also recommends that PacifiCorp be required to report annually the number of times the tariff was used, and for each transaction: the date, customer type, nature of the request, estimated removal cost and salvage, actual removal cost and salvage, description of the facilities removed, and the accounts used to book the transaction. *McIntosh: Ex. 301-T at page 8, lines 8-13*. Staff asserts that these reports will help ensure reasonable conduct by all concerned, and will provide data to evaluate the tariff’s operation.¹¹

PacifiCorp accepted, and the Commission endorsed these points in Order 08.

- 11 Order 08, however, did not expressly condition approval of the tariff on the sunset date referred to in the body of the order, which may be why the sunset date passed with no review taking place. While PacifiCorp has reported some information relevant to the application of the tariff from year to year, that information is incomplete and has not been subjected to the scrutiny contemplated by the Commission in Order 08. The inadequacy of the Company’s annual reports helps explain why the Company now finds it necessary to withdraw its proposed changes to Schedule 300 and Rule 6 to compile additional data documenting its actual costs.
- 12 The Commission remains mindful of the need for a full record on the issues germane to Schedule 300 and Rule 6. It appears at this juncture that, even with Columbia REA’s participation, an adequate record will not be available in the context of this proceeding. The Commission accordingly determines it should grant PacifiCorp’s motion. The Commission, however, will also require the Company to initiate another

¹⁰ *WUTC v. PacifiCorp*, Eighth Supplemental Order Rejecting Original Proposed Tariff Revision and Approving Modified Tariff Proposal, Docket UE-001734, ¶ 22 (November 22, 2002).

¹¹ *Id.* ¶ 23.

proceeding within the next four months in which the Commission can carefully review PacifiCorp's costs, terms, and conditions of service and the Company's administration of Schedule 300 and Rule 6.

- 13 This Order removes from the docket the only issue Columbia REA was authorized to pursue in the context of its limited intervention. The Commission determines, therefore, that Columbia REA should be dismissed as a party to this proceeding.

ORDER

THE COMMISSION ORDERS THAT:

- 14 (1) PacifiCorp's Motion to Withdraw Tariff filing is granted. To effectuate withdrawal of the Schedule 300 and Rule 6 tariff revisions, the Company must:
- Withdraw Second Revision of Sheet No. 300.1 (Schedule 300 Charges as Defined by the Rules and Regulations), Second Revision of Sheet No. 300.2 (Schedule 300 Charges as Defined by the Rules and Regulations), Second Revision of Sheet No. R6.2 (Rule 6 Facilities on Customer's Premises), and First Revision of Sheet No. R6.3 (Rule 6 Facilities on Customer's Premises).
 - Withdraw Exhibit No. BAC-1T.
 - Delete the following line on page 1 of Exhibit No. JRS-2: "Schedule 300 Charges as Defined by the Rules and Regulations."
 - Delete pages 22-25 of Exhibit No. JRS-2.
 - Delete page 7, lines 15-16 of Exhibit No. RPR-1T.
 - Reflect clearly in its rebuttal testimony the revenue requirement impact of the change that presumably will decrease revenues and increases revenue requirement.
- 15 (2) PacifiCorp shall file in a new docket, by November 29, 2013, a thoroughgoing report detailing its experience applying Schedule 300 and Rule 6 since inception. In preparation for that filing, PacifiCorp must conduct a meeting on

or before September 27, 2013, with Staff, Columbia REA, and any other interested persons who are parties in this proceeding, to develop an outline for the required report. The report should include data showing the actual costs of each removal and such other data as PacifiCorp, Staff, Columbia REA, and other interested persons identify as being pertinent to future consideration of the rates, terms, and conditions of service provided under Schedule 300 and Rule 6. PacifiCorp also must address in the report each of the points raised by Columbia REA through its recommendations, discussed above at paragraph 7.

- 16 (3) Columbia REA is dismissed as a party to this proceeding.

Dated at Olympia, Washington, and effective July 29, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS
Administrative Law Judge