

BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WALLA WALLA COUNTRY CLUB,)	
)	
Complainant,)	DOCKET UE-143932
)	
v.)	
)	
PACIFIC POWER & LIGHT)	
COMPANY,)	
)	
Respondent.)	
_____)	

REDACTED EXHIBIT NO.__(BGM-4C)

COMPANY RESPONSES TO CLUB DATA REQUESTS

June 24, 2015

1 **RESPONSE:** A groundskeeper from the Walla Walla Country Club called the
 2 Pacific Power Business Center and made a request for removal of five meters. Pacific
 3 Power representative Bill Clemens spoke to the groundskeeper to obtain additional
 4 information. Mr. Clemens learned that Columbia Rural Electric Association (CREA)
 5 had solicited the Walla Walla Country Club to switch electric service providers. The
 6 groundskeeper advised Mr. Clemens that CREA had performed a rate analysis which
 7 indicated that CREA could provide less expensive service to five of the Walla Walla
 8 Country Club's nine meters. Pacific Power then generated a very rough estimate of
 9 \$19,581 for the permanent disconnection of only a portion of the facilities, namely
 10 those associated with the five meters.

11 006 Please refer to Answer ¶ 11. Please provide explanation and support for the
 12 Company's "preliminary estimate of \$19,581," including the components,
 13 calculation, and rationale behind that estimate amount.

14 **RESPONSE:** Please see the response to the immediately preceding DR and the
 15 documents attached as **Exhibit A.**

16 007 Please refer to Answer ¶¶ 11, 14. Please provide explanation and support for the
 17 432% estimate increase between July 2012 and January 2013 (\$19,581 to \$104,176).

18 **RESPONSE:** The January 2013 estimate in the amount of \$104,176 included
 19 contractor cost for removal of buried facilities and net book value. The July 2012
 20 estimate in the amount of \$19,581 did not include those items. Further, the July 2012
 21 estimate only addressed five meters.

22 008 Please refer to Answer ¶ 13. Please provide explanation and support for the
 23 statement that removal of facilities was "required by the governing tariff," including
 24 any and all studies to determine that facilities: a) need to be removed for safety
 25 reasons; b) need to be removed for operational reasons; and c) were necessary to
 26 provide service to the Club.

RESPONSE: Objection – this DR is vague and misleading, with use of the
 conjunction "and" which might erroneously imply that both safety and operational
 reasons must exist before a customer is required to pay for removal of facilities upon
 permanent disconnection. In accordance with WAC 296-45-045 and the National
 Electric Safety Code, Part 3, lines and equipment permanently abandoned shall be
 removed or maintained in a safe condition. Removal of facilities upon permanent
 disconnection eliminates future and perpetual liability for maintaining those facilities
 in a safe condition. Pacific Power's remaining customer base should not be saddled
 with the cost or risk of maintaining the abandoned facilities in a safe condition.

1 Pacific Power would have limited, if any, access to the facilities on the property of a
2 former customer. Abandoned facilities pose a risk of harm to workers performing
3 excavation and/or other tasks in the area. If the facilities include cable, Pacific Power
4 must track and locate it, just as if it was energized. If a worker performing excavation
5 discovers empty conduit, he or she may continue digging, on the assumption that
6 there is only abandoned conduit in the area. However, in the process of additional
7 digging, he or she may encounter an energized circuit. Failing to remove underground
8 facilities creates a safety risk, as a worker may fail to perceive the necessity of
9 securing locates. Empty conduit only increases that possibility. Additionally, a
10 customer seeking a permanent disconnection should be required to cover the net book
11 value of the facilities. Otherwise, that cost is unreasonably borne by Pacific Power's
12 other customers.

13 009 Please refer to the Complaint of the Walla Walla Country Club ("Complaint"),
14 Exhibit ("Exh.") D. Please provide all studies or any other documentation which
15 would support the Company's \$66,718 cost estimate: a) "for removal of conduits and
16 vaults," as stated in the letter of Distribution Manager Mike Gavin; and b) for
17 "Removal or Sale of Conduits and Vaults," as stated in the attached cost estimate to
18 Mr. Gavin's letter.

19 **RESPONSE:** Please see documents attached as **Exhibit B.**

20 010 Please refer to Complaint Exh. D, page 1. Please provide all studies or any other
21 documentation which would support the estimate of \$37,458 for "the removal of
22 Pacific Power's other facilities at the Walla Walla Country Club," as stated in the
23 letter of Mr. Gavin.

24 **RESPONSE:** The \$37,458 represents the Retail Construction Management System
25 (RCMS) removal estimate plus the net book value less the RCMS salvage. Please
26 see documents attached as **Exhibit C.**

011 Please refer to Complaint Exh. D. Please provide all studies or any other
documentation which would support the Company's \$1,792 value for "Salvage," as
stated in the attached cost estimate to Mr. Gavin's letter.

RESPONSE: Please see documents attached as **Exhibit D.**

012 Please reconcile the Company's: a) \$1,792 "Salvage" estimate, as stated in the
attached cost estimate to Mr. Gavin's letter in Complaint Exh. D; and b) statement in
Answer, ¶ 15, that "Pacific Power lacks sufficient knowledge or information to admit

Page 3 of Exhibit No.____(BGM-4C) is confidential pursuant to WAC 480-07-160 and has been redacted in its entirety.

1 or deny the allegation regarding the current salvage value of certain conduits and
2 vault”

3 **RESPONSE:** Complainant’s allegations included the term “current.” Pacific Power
4 has not recently determined salvage value of the subject facilities.

5 013 Please refer to Complaint Exh. D, page 1. Does the Company agree that, on January
6 25, 2013, Pacific Power offered to sell conduit and vaults to the Club for \$66,718, in
7 lieu of removal? If not, please explain.

8 **RESPONSE:** Pacific Power avers that Exhibit D to the Complaint speaks for itself.
9 Accordingly, Pacific Power agrees the offer was made and rejected.

10 014 Please refer to Complaint Exh. D. Please provide explanation and support for the
11 Company’s identical valuation for either: a) the removal of conduit and vaults; or b)
12 the sale of conduit and vaults.

13 **RESPONSE:** Pacific Power’s Tariff does not include a means of calculating a value
14 for the sale of facilities upon permanent disconnection. As an accommodation to the
15 Walla Walla Country Club, Pacific Power offered to sell the facilities and simply
16 concluded the cost of removal would be a fair value. The Walla Walla Country Club
17 rejected Pacific Power’s offer.

18 015 Please refer to Complaint Exh. E, page 2. Regarding the statement of Pacific Power
19 legal counsel, Ms. Michelle Mishoe, that the Company believes \$66,718 “to be the
20 fair market value” of conduit and vault facilities, please provide all studies or any
21 other documentation which would support the Company’s valuation.

22 **RESPONSE:** Please see the response to the immediately preceding DR.

23 016 Please provide a copy of the National Electric Safety Code Part 3 Safety Rules, as
24 referenced by Ms. Mishoe in Complaint Exh. E, pages 1-2.

25 **RESPONSE:** Objection – The requested materials are licensed to Pacific Power
26 pursuant to the author’s copyright. In accordance with the terms of that license,
Pacific Power may not provide a copy to Complainant without the permission of the
author. The NESC is equally available to Complainant directly or by way of CREA.

1 017 Please refer to Complaint Exh. E, page 2. Please provide explanation and support,
2 including any Company studies, for the statement of Ms. Mishoe that allowing
3 conduits and vaults “to remain in place would place other customers at an unfair
4 advantage, which is inconsistent with sound regulatory policy.”

4 **RESPONSE:** Please see the response to DR 8 which includes a discussion of safety,
5 operational and policy reasons for removal.

6 018 Please refer to Complaint Exh. E, page 2. Does the Company agree that, on March
7 18, 2013, Pacific Power offered to sell conduit and vaults to the Club for \$66,718, in
8 lieu of removal? If not, please explain.

9 **RESPONSE:** Pacific Power avers that Exhibit E to the Complaint speaks for itself.
10 Accordingly, Pacific Power agrees the offer was made and rejected.

11 019 Please reconcile the Company’s statement in: a) Complaint Exh. E, page 2, stating
12 that Pacific Power’s ratepayers paid \$38,388 for the cost to install the conduits and
13 vaults; with b) Answer ¶ 16, that “Pacific Power lacks sufficient knowledge or
14 information to admit or deny the allegations contained in paragraph 16” of the
15 Complaint (i.e., that the Club installed and paid for a conduit run along with its
16 attendant vault). In other words, how is the Company able to ascertain the precise
17 amount paid by ratepayers, while simultaneously being unable to ascertain which
18 facilities were paid for by the Club?

16 **RESPONSE:** Pacific Power does not know who installed and paid for the conduit on
17 the Walla Walla Country Club property other than that it installed. Please see
18 documents attached as **Exhibit E**.

19 020 Please refer to Complaint Exh. B ¶¶ 8-9 and Exh. G, page 1. Does the Company
20 agree that there are two segments of conduit on Club property, one of which was
21 installed by the Club at the sole expense of the Club? If not, please provide an
22 explanation and support for the Company’s understanding of the number of conduit
23 runs or segments located on Club property, including which party paid for and/or
24 installed each conduit run or segment.

23 **RESPONSE:** Pacific Power avers that there are multiple segments of conduit or
24 buried wire on Complainant’s property. Pacific Power installed one segment as part
25 of a 2007 Cable Replacement Project. Pacific Power does not know who installed the
26 other conduit for which Pacific Power was ultimately responsible for operation and
27 maintenance.

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2 021 Please refer to Answer ¶ 13. Please provide explanation and support for the
3 following statement: "Pacific Power understands that Complainant and Columbia
4 Rural Electric Association seek to use facilities owned by Pacific Power."

4 **RESPONSE:** Generally, customers are required to install conduits and vaults. When
5 Pacific Power installs the wire, transformers and meter it takes over ownership of the
6 conduits and vaults. Thus, Pacific Power has ownership of the conduits and vaults on
7 Complainant's property. On January 7, 2013, Bill Clemens communicated with the
8 Complainant's manager Jeff Thomas. Mr. Thomas informed Mr. Clemens that CREA
9 was planning on using existing conduit. See documents attached as **Exhibit F**.

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9 022 In regard to Rule 6, Section I of the Pacific Power's Net Removal Tariff, please
10 provide a narrative response explaining the Company's policy and/or position as to
11 when the Company is required to remove facilities in conjunction with a permanent
12 disconnection.

11 **RESPONSE:** Please see the requested policy which is attached as **Exhibit G**.

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13 023 Please refer to Answer ¶ 22 and Complaint ¶ 22. Please provide: a) a narrative
14 response explaining the Company's policy and/or position that supports Pacific
15 Power's denial that "Rule 6 does not allow the Company to require facility removal
16 when safety and operational reasons do not make removal necessary"; and b) any
17 studies or documents containing Pacific Power's policy, as referenced in the answer
18 to part a).

17 **RESPONSE:** The denial in Paragraph 22 of the Answer simply communicates
18 Pacific Power's understanding that safety and operational reasons exist which require
19 removal of the subject facilities. In paragraph 22 of its Complaint, the Walla Walla
20 Country Club alleged to the contrary.

20
21 024 Please refer to Complaint Exh. H. Does the Company agree that, on May 31, 2013,
22 Pacific Power offered to sell conduit and vaults to the Club for \$66,718, in lieu of
23 removal? If not, please explain.

23 **RESPONSE:** Pacific Power avers that Exhibit H to the Complaint speaks for itself.
24 Accordingly, Pacific Power agrees the offer was made and rejected.

Page 7 of Exhibit No.____(BGM-4C) is confidential pursuant to WAC 480-07-160 and has been redacted in its entirety.

1 030 What is the cost to the remaining PacifiCorp customers of the underground conduit to
2 be abandoned on the Club's property? Please explain the basis or methodology to
3 calculate costs identified above.

4 **RESPONSE:** Objection – as phrased this request assumes a circumstance which
5 should not occur in any case, namely abandonment of facilities in the event of a
6 request for permanent disconnection. Subject to and without waiving this objection,
7 Pacific Power has ultimately concluded that safety and operational reasons exist
8 necessitating the removal of facilities in each circumstance of a request for permanent
9 disconnection. Please see the response to DR 029, which includes a discussion of the
10 difficulty of determining the costs to individual remaining customers.
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031 When a customer requests a change of service or utility provider, does the Company remove facilities if there is no safety or operational reason to remove the facilities serving the customer?

RESPONSE: As set forth in the response to DR 030, Pacific Power has concluded that when a customer requests a permanent disconnection, safety and operational reasons necessitate removal of the facilities.

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063 Please refer to Responses Exh. C, PC000051. Please explain and provide support for the following handwritten information: "LESS CUST PROVIDED -6,881."

RESPONSE: The referenced handwriting is that of a Pacific Power employee. It references the information Pacific Power has regarding what Walla Walla Country Club paid for installation of certain facilities. **Exhibit C** (PC 000051) is otherwise self-explanatory.

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081 Please refer to the Complaint, Exh. D, and the “Removal Estimate dated “1/25/2013.”
Please provide a current “Net Book Value of Facilities to be removed.”

RESPONSE: Please see **Exhibit N.**

Page 12 of Exhibit No.____(BGM-4C) is confidential pursuant to WAC 480-07-160 and has been redacted in its entirety.