

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

In the Matter of the Petition of)	DOCKET UE-132350
)	
PACIFIC POWER & LIGHT)	ORDER 01
COMPANY)	
)	
Petitioner,)	
)	
For An Accounting Order Authorizing a)	
Deferral of a Reduction in Depreciation)	ORDER GRANTING ACCOUNTING
Expense)	PETITION
.....)	

BACKGROUND

- 1 On December 31, 2013, Pacific Power & Light Company (PacifiCorp or Company) filed with the Utilities and Transportation Commission (Commission) a petition under WAC 480-07-370(1)(b) seeking to defer a reduction in depreciation expense resulting from the difference in rates of depreciation approved in Order 01 in Docket UE-130052 and the amount of depreciation used to determine tariff rates in Order 05 in Docket UE-130043. PacifiCorp requests that the entire \$669,000 difference be deferred until it can be included in the PacifiCorp’s next general rate case.
- 2 PacifiCorp is an electric company and public service company in the state of Washington under RCW 80.04.010 and subject to the jurisdiction of the Commission with regard to its retail rates, service, and accounting practices. PacifiCorp also provides retail electricity service in the states of California, Idaho, Oregon, Utah, and Wyoming. PacifiCorp’s address is 825 NE Multnomah, Suite 2000, Portland, OR 97232.
- 3 PacifiCorp updated its Depreciation Study (study) in Docket UE-130052. This updated study was based on December 31, 2013, electric plant balances. The study filed with the petition supported a change to the Company’s existing depreciation rates. The Company also filed petitions in Oregon, Idaho, Utah and Wyoming requesting a revision of its existing depreciation rates in those states. On July 30, 2013, PacifiCorp filed First Supplemental Testimony and a revised study reducing depreciation charges by \$340,000 from its original filing; and given further revisions accepted in other jurisdictions, the Company filed a Second Supplemental testimony and a second revised study on September 20, 2013. The latest revised study decreases Washington jurisdictional depreciation expense further by approximately \$669,000.

4 The net result is an overall decrease in total depreciation expense of about \$217,000 per year. The depreciation rates and expense captured in the Company's general rate case, UE-130043, and authorized by Order 05 were based on the first revised depreciation study. Therefore, in this filing, PacifiCorp is requesting to defer the incremental reduction to depreciation expense of approximately \$669,000 until its next general rate case.

FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies. RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.
- 6 (2) PacifiCorp is an electric company and a public service company subject to Commission jurisdiction.
- 7 (3) WAC 480-07-370(1)(b), allows companies to file petitions including that for which PacifiCorp seeks approval.
- 8 (4) Staff has reviewed the petition in Docket UE-132350 including related work papers.
- 9 (5) Staff believes the proposed accounting order should be issued, granting the deferral of approximately \$669,000 in depreciation expense until PacifiCorps next general rate case.
- 10 (6) This matter came before the Commission at its regularly scheduled meeting on January 30, 2013.
- 11 (7) After review of PacifiCorp's petition filed in Docket UE-132350 on December 31, 2013 and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the accounting treatment to defer

the difference in depreciation expense resulting from Order 01 in Docket UE-130052 and Order 05 in Docket UE-130043 should be granted.

ORDER

THE COMMISSION ORDERS:

- 12 (1) Pacific Power & Light Company's request to defer defer the difference in depreciation expense resulting from Order 01 in Docket UE-130052 and Order 05 in Docket UE-130043. The deferral will begin on January 1, 2014.
- 13 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 14 (3) The Commission retains jurisdiction over the subject matter and Pacific Power & Light Company to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Executive Secretary to enter this Order.

DATED at Olympia, Washington, and effective January 30, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary