

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

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

COMPLAINANT,

V.

PACIFIC POWER & LIGHT
COMPANY,

RESPONDENT.

DOCKET UE-161204

ORDER 10

APPROVING STRANDED COST
RECOVERY FEE

BACKGROUND

- 1* On November 14, 2016, in Docket UE-161204, Pacific Power & Light Company (Pacific Power or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its then-effective Tariff WN U-75.¹ The tariff filing proposed revisions to the Company's Net Removal Tariff and provided for a stranded cost recovery fee (SCRF).² The SCRF refers to an amount that the Company would be allowed to charge customers terminating service with Pacific Power in order to obtain electric service from another provider. On November 21, 2016, the Commission suspended the tariff revisions and set the matter for hearing.³
- 2* Following an adjudication, on October 12, 2017, the Commission entered Order 06 rejecting the Company's tariff sheets as filed and requiring the Company to file revised tariff pages.⁴ On December 1, 2017, Pacific Power on compliance filed revised tariff pages. On December 22, 2017, the Commission issued Order 09 rejecting Pacific Power's compliance tariff pages and requiring the Company file revised tariff pages reflecting that any SCRF charged by the Company would be subject to Commission

¹ On December 5, 2020, Pacific Power & Light Company filed a petition with the Commission changing its name to PacifiCorp, d/b/a Pacific Power & Light Company.

² The tariff filing proposed revisions to Rule 1 – General Rules and Regulations; Rule 4 – Application for Electric Service; Rule 6 – Facilities on Customer Premises; and Schedule 300 – Charges as Defined by the Rules and Regulations.

³ Order 01 at ¶ 7.

⁴ Order 06 at ¶ 21.

review and approval.⁵ On February 9, 2018, the Company filed revised compliance tariff pages reflecting the revisions the Commission required in Order 09.

3 On May 21, 2020, Pacific Power filed a request for Commission approval of an SCRF charged to a departing customer. The filing is the Company's first request for approval of an SCRF under the revised Net Removal Tariff.

4 Commission staff (Staff) has reviewed the Company's filing and finds that the SCRF Pacific Power charged the departing customer is reasonable. Staff believes the SCRF was accurately calculated and is fair to both the departing customer and Pacific Power's remaining customers. The departing customer did not contest the SCRF and has, in fact, already paid the fee. Therefore, Staff recommends that the Commission approve the SCRF as filed.

DISCUSSION

5 We agree with Staff's recommendation. In Order 09, the Commission determined that, given the case-by-case inquiry called for when determining the appropriate SCRF for a departing customer, the calculation for any such fee requires Commission approval. The SCRF for which Pacific Power seeks approval in this filing properly reflects the costs and benefits to remaining ratepayers of the departing customer's decision to terminate service with Pacific Power. Approving this SCRF will allow the Company to recover costs attributable to the departing customer from the departing customer and avoid passing those costs on to remaining ratepayers. We thus conclude that SCRF, as calculated, is consistent with the public interest.

FINDINGS AND CONCLUSIONS

6 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of property and affiliated interests of public service companies, including electric companies.

7 (2) Pacific Power is a public service company subject to Commission jurisdiction.

8 (3) This matter was brought before the Commission at its regularly scheduled meeting on July 9, 2020.

⁵ Order 09 at ¶ 29.

- 9 (4) The SCRF proposed by Pacific Power is consistent with the public interest and should be approved.

ORDER

THE COMMISSION ORDERS:

- 10* (1) Pacific Power & Light Company's proposed Stranded Cost Recovery Fee is approved.
- 11* (2) The Commission retains jurisdiction over the subject matter and Pacific Power & Light Company to effectuate the provisions of this Order.
- 12* The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective July 9, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON,
Executive Director and Secretary