

Agenda Date: March 14, 2024  
Item Number: A1

**Docket:** **U-210151**  
*Re: Reducing the Administrative Burden in Support of the Commission's Ongoing Inquiry into the Adequacy of the Current Regulatory Framework*

**Companies:** Avista Corporation d/b/a Avista Utilities, Cascade Natural Gas Corporation, Northwest Natural Gas Company d/b/a NW Natural, PacifiCorp d/b/a Pacific Power & Light Company, and Puget Sound Energy

**Staff:** Chris McGuire, Regulatory Analyst – Energy Rates and Services

### **Recommendation**

Staff recommends the Commission issue an order in Docket U-210151 to:

1. Eliminate the requirement, established in the 8<sup>th</sup> Supplemental Order of Docket UE-001734 (approving the Modified Tariff Proposal in that docket), that PacifiCorp file annually a Report of Permanent Disconnections and Removals of Facilities;
2. Eliminate the requirement, established in Order 03 of Docket UE-031658, that PacifiCorp file annually a Report of Environmental Remediation Cost Deferrals;
3. Modify the requirement that natural gas utilities must file a pipe replacement program plan every two years, established in the Commission Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk in Docket UG-120715, to pertain only to natural gas utilities that own pipeline identified as having an elevated risk of failure.
4. Eliminate the requirement, established in the Commission Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk in Docket UG-120715, that utilities filing an annual cost recovery mechanism tariff filing must update projected costs twice between the initial filing and the rate-effective date;
5. Modify the requirement that Puget Sound Energy file quarterly a PCA Report, established in Order 11 of Docket UE-130617 (approving the Settlement Stipulation in that docket), from a quarterly filing frequency to an annual filing frequency;
6. Modify the requirement that Avista file a monthly ERM Deferral Report, established in the 5<sup>th</sup> Supplemental Order of Docket UE-011595 (approving the Settlement Stipulation in that docket), from a monthly filing frequency to an annual filing frequency; and
7. Modify the requirement that Avista file a Decoupling Mechanism Quarterly Report, established in Order 05 of Dockets UE-140188 and UG-140189 (approving the Settlement Stipulation in that docket), from a quarterly filing frequency to an annual filing frequency.

### **Background**

On March 4, 2021, the Washington Utilities and Transportation Commission (Commission) initiated an inquiry into reducing the administrative burden to review the recurring filings utilities are obligated to make with the Commission by statute, rule, or order, and to determine which of these filings are no longer necessary or could be consolidated.

On March 15, 2021, the Commission issued a Notice of Opportunity to File Written Comments asking investor-owned utilities to complete a template with information regarding recurring filings required by statute, rule, or Commission order and to recommend an action for each filing. On or by April 15, 2021, the Commission received responses from each of its regulated utilities.<sup>1</sup>

On April 27, 2021, the Commission issued a Notice of Opportunity to File Written Comments inviting interested parties to respond to each utility's recommended modifications to the reporting requirements identified in the utility responses to the March 15, 2021, Notice.

On May 25, 2021, the Commission received written comments from The Energy Project, Public Counsel, and Northwest Energy Coalition. Commission Staff (Staff) filed comments on May 28, 2021. Staff reviewed the utility recommendations and interested party responses to the April 27, 2021, Notice, and compiled a list of filings that appeared to Staff to be the best candidates for elimination or a reduction in filing frequency. Staff then decided to offer its proposed modifications to filings required by order as a first step before moving on to filings required by rule.

On May 9, 2023, the Commission issued a Notice of Opportunity to File Written Comments inviting interested parties to respond to Staff's proposed modifications to filings required by order. Staff's proposed modifications were provided as Appendix A to the May 9 Notice. On or by June 15, 2023, the Commission received responses from Avista Corporation d/b/a Avista Utilities (Avista), Puget Sound Energy, Northwest Natural Gas Company d/b/a NW Natural (NW Natural), and PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp).

## **Discussion**

Through this effort Staff identified approximately 80 utility filings that are required by order. Of those 80 filings, Staff has proposed modifications to only seven. The initial list of 80 filings was pared down to seven for a variety of reasons. Some filings were excluded as candidates because they were no longer required, either because the filing requirement expired or because it was eliminated by order in another proceeding.<sup>2</sup> Other filings were excluded because it was unclear how (or whether) the report would be used within the evolving context of utility performance metrics. However, most filings were excluded as candidates because it was clear that the information they contain continues to be used for specific regulatory purposes or because most of the commenting parties recommended that the filing requirement be maintained.

The seven modifications Staff proposed – which were provided as Appendix A to the Commission's May 9, 2023, Notice of Opportunity to File Written Comments – are summarized in Table 1, below.

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<sup>1</sup> On May 14, 2021, Cascade filed a revised version of the comments it filed on April 7, 2021.

<sup>2</sup> See, e.g., *WUTC v. Puget Sound Energy*, Dockets UE-220066, UG-220067, and UG-210918 (consolidated), Order 24/10, Appendix A, 28 ¶56 (December 22, 2022).

**TABLE 1. Summary of Staff’s Proposed Modifications to Utility Filings Required by Order**

| REPORT   | COMPANY    | STAFF RECOMMENDS                | REASON  |
|--|------------|---------------------------------|---|
| Annual Report of Permanent Disconnections and Removal of Facilities <sup>3</sup> | PacifiCorp | Eliminate Reporting Requirement | Information is not used; report is not required for any other utility.                          |
| Annual Environmental Remediation Deferral Report <sup>4</sup>                    | PacifiCorp | Eliminate Reporting Requirement | Not useful as a standalone report; information provided upon request for cost recovery.         |
| Biennial Pipeline Replacement Plan <sup>5</sup>                                  | NW Natural | Eliminate Reporting Requirement | Plan is unnecessary for utilities that do not have high-risk pipe.                              |
| Updates to Annual Pipeline Replacement CRM Tariff Revision <sup>6</sup>          | Cascade    | Eliminate Required Updates      | Unnecessary to provide cost updates after initial filing given the true-up function of the CRM. |
| PCAM Quarterly Report <sup>7</sup>   | PSE        | Modify Frequency to Annual      | PCAM deferrals are reviewed annually; quarterly reporting is unnecessary.                       |
| Decoupling Mechanism Quarterly Report <sup>8</sup>                               | Avista     | Modify Frequency to Annual      | Decoupling review is annual; quarterly reporting is unnecessary.                                |
| ERM Deferral Monthly Report <sup>9</sup>   | Avista     | Modify Frequency to Annual      | ERM deferrals are reviewed annually; monthly reporting is unnecessary.                          |

<sup>3</sup> Docket UE-001734, 8<sup>th</sup> Suppl. Order, 30 ¶95 (approving Modified Tariff Proposal). *See also* 8<sup>th</sup> Suppl. Order at 7 ¶¶22-23 (referencing McIntosh Exh. 301T at 8:8-13), identifying that this reporting requirement is a condition of the Modified Tariff proposal.

<sup>4</sup> Docket UE-031658, Order 03, 3 ¶11, modifying the frequency of the reporting requirement established by Docket UE-031658, Order 01, from semi-annual to annual.

<sup>5</sup> Docket UG-120715, Commission Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk, 11 ¶¶41-43 (December 31, 2012).

<sup>6</sup> Docket UG-120715, Commission Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk, 17 ¶69 (December 31, 2012).

<sup>7</sup> Docket UE-130617, Order 11, approving settlement at ¶¶38-39. This reporting requirement was established by the Settlement Stipulation, Attachment A at 2 ¶3c.

<sup>8</sup> Dockets UE-140188 and UG-140189, Order 05, approving settlement at 24 ¶74. The Settlement adopted Avista’s proposal on decoupling, including quarterly reporting, as discussed in Ehrbar Exh. PBE-1T at 67:12-16 and 73:8-9.

<sup>9</sup> Docket UE-011595, 5<sup>th</sup> Suppl. Order, approving settlement at 22 ¶67. The Settlement Stipulation identifies this reporting requirement at 6 ¶4a.

In response to the Commission's May 9, 2023, Notice for Opportunity to File Written Comments, the Commission received comments from four parties: Avista, PSE, NW Natural, and PacifiCorp. The Commission did not receive comments from Cascade or any non-company party.

No party responded in opposition to Staff's proposed modifications to the filing requirements identified in Appendix A.

Given that no party commented in opposition to Staff's proposed modifications, Staff recommends that the Commission enter an order adopting those modifications.

### **Conclusion**

In response to the Commission's May 9, 2023, Notice for Opportunity to File Written Comments – which included Staff's proposed modifications as Appendix A – no party commented in opposition to Staff's proposed modifications. Therefore, Staff recommends that the Commission enter an order modifying the reporting requirements as described in this memo and in Appendix A to the Commission's May 9, 2023, Notice.