



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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November 5, 2024

RE: *Regulatory Compliance with Final Order 07*,
Dockets UE-230482

TO ALL PARTIES:

On October 30, 2024, and October 31, 2024, Pacific Power & Light Company (Pacific Power or Company) filed revised tariff sheets and calculation workbooks for affected schedules under Tariff WN U-76, pursuant to Commission direction in Final Order 07 issued on October 30, 2024. This filing properly adjusts net power costs for the \$1.9 million decrease in natural gas fuel expense and results from partial reallocation of system-wide natural gas hedges to the benefit of Washington ratepayers.

On October 31, 2024, Commission staff (Staff) filed a letter in this docket attesting to the completeness of Pacific Power's compliance with this element of Final Order 07 and recommended that the tariff revisions should become effective by operation of law beginning November 1, 2024.

Additionally, Staff explained that going forward that it will monitor the remaining directives of Final Order 07, including:

- The requirement that during its next rate case Pacific Power provide justification for its continued reliance on the Washington Interjurisdictional Allocation Methodology as approved in 2020 and propose alternatives to ensure Washington ratepayers experience fair, just, and reasonable rates.¹

¹ *Wash. Utils. & Transp. Comm'n v. Pac. Power & Light Co.*, Docket No. UE-230482, Final Order 07 at 29 ¶ 111 (October 30, 2024).

- The requirement that Pacific Power contract with a third-party consultant to conduct an independent audit of its dispatch of the Hermiston and Chehalis natural gas generating plants and that it develop a request for proposal, with assistance and input from Staff, for this consultant within ninety (90) days of the date of Final Order 07 with updates provided to the Commission every thirty (30) days.^{2, 3}
- The requirement that Pacific Power continue to show it is improving the short position of Washington on a least-cost basis in accordance with Washington law and show analysis of the alternative of what rates for Washington customers would have been in the preceding ten (10) years if it had closed Washington's position with generation resources on its system rather than market positions and a cost-benefit analysis showing what rates will be ten (10) years into the future using Washington-based generation resources versus market position.⁴

The Commission agrees with Staff's position that PSE's compliance filing complies with Final Order 07 issued on October 30, 2024, as it relates to filing revised tariff sheets and calculation workbooks for affected schedules under Tariff WN U-76. Further, it agrees that the tariff revisions should become effective by operation of law beginning November 1, 2024.

JEFF KILLIP
Executive Director and Secretary

² *Wash. Utils. & Transp. Comm'n v. Pac. Power & Light Co.*, Docket No. UE-230482, Final Order 07 at 31 ¶ 118 (October 30, 2024).

³ *Wash. Utils. & Transp. Comm'n v. Pac. Power & Light Co.*, Docket No. UE-230482, Final Order 07 at 31 ¶ 119 (October 30, 2024).

⁴ *Wash. Utils. & Transp. Comm'n v. Pac. Power & Light Co.*, Docket No. UE-230482, Final Order 07 at 36 ¶ 137 (October 30, 2024).