Pacific Power Scenario Responses

In response to the section "Questions for Utilities only", Pacific Power has produced the following Electric Cost of Service Classification and Allocation Scenarios. For these scenarios, the company used the study approved in docket UE-140762, updated to reflect the company's Results of Operations for calendar year 2018. These Results of Operations reflect a 21% Federal Tax Rate, whereas the Results of Operations the company used in docket UE-140762 reflected a 35% Federal Tax Rate.

Scenarios 1-5 are the company's responses to the requests by the Commission in *Generation Classification* numbers 1-5. Scenarios 6-10 are the company's responses to the requests in *Generation Allocation* numbers 1-3. These first 10 scenarios are also the company's response to the request in *Transmission Allocation* number 1. Scenario 11 is the company's response to *Transmission Allocation* number 2.

The company also produced a variant of scenario 11 with a different Transmission Classification. The company completed an accounting analysis of growth-related and bulk-power transmission plant investments that occurred from 2008 through 2019 and determined that the percentages that were related to Demand and Energy were the same as those used in Scenario 11 (90% Demand; 10% Energy), so there was no need to create an additional scenario.

Table 1 lists descriptions for each scenario. Figure 1 graphically shows the parity ratios for each class in each scenario. Table 2 lists the parity ratio values for each scenario.

Table 1 – Cost of Service Scenario Description

Cost of Service Classification and Allocation Scenarios				
Scenario #	**Generation Classification**	**Transmission Classification**	**Demand Allocation**	**Energy Allocation**
1	Peak and Average	Same as Generation	4 CP	Unweighted Energy
2	Fixed Ratio Methodology	Same as Generation	4 CP	Unweighted Energy
3	Renewable Future Peak Credit	Same as Generation	4 CP	Unweighted Energy
4	Thermal Peak Credit	Same as Generation	4 CP	Unweighted Energy
5	Renewable Future Peak Credit	Same as Generation	4 CP	NPC on Energy
6	Peak and Average	Same as Generation	Top 100 Summer; Top 100 Winter	Unweighted Energy
7	Peak and Average	Same as Generation	1 CP Net of Renewables	Unweighted Energy
8	Peak and Average	Same as Generation	12 CP Net of Renewables	Unweighted Energy
9	Peak and Average	Same as Generation	Top 1 Summer; Top 1 Winter Net of Renewables	Unweighted Energy
10	Peak and Average	Same as Generation	12 CP	Unweighted Energy
11	Peak and Average	90% Demand 10% Energy	Generation- Top 100 Summer; Top 100 Winter Transmission- 12 CP	Unweighted Energy

Figure 1. Class Parity Ratio Comparison

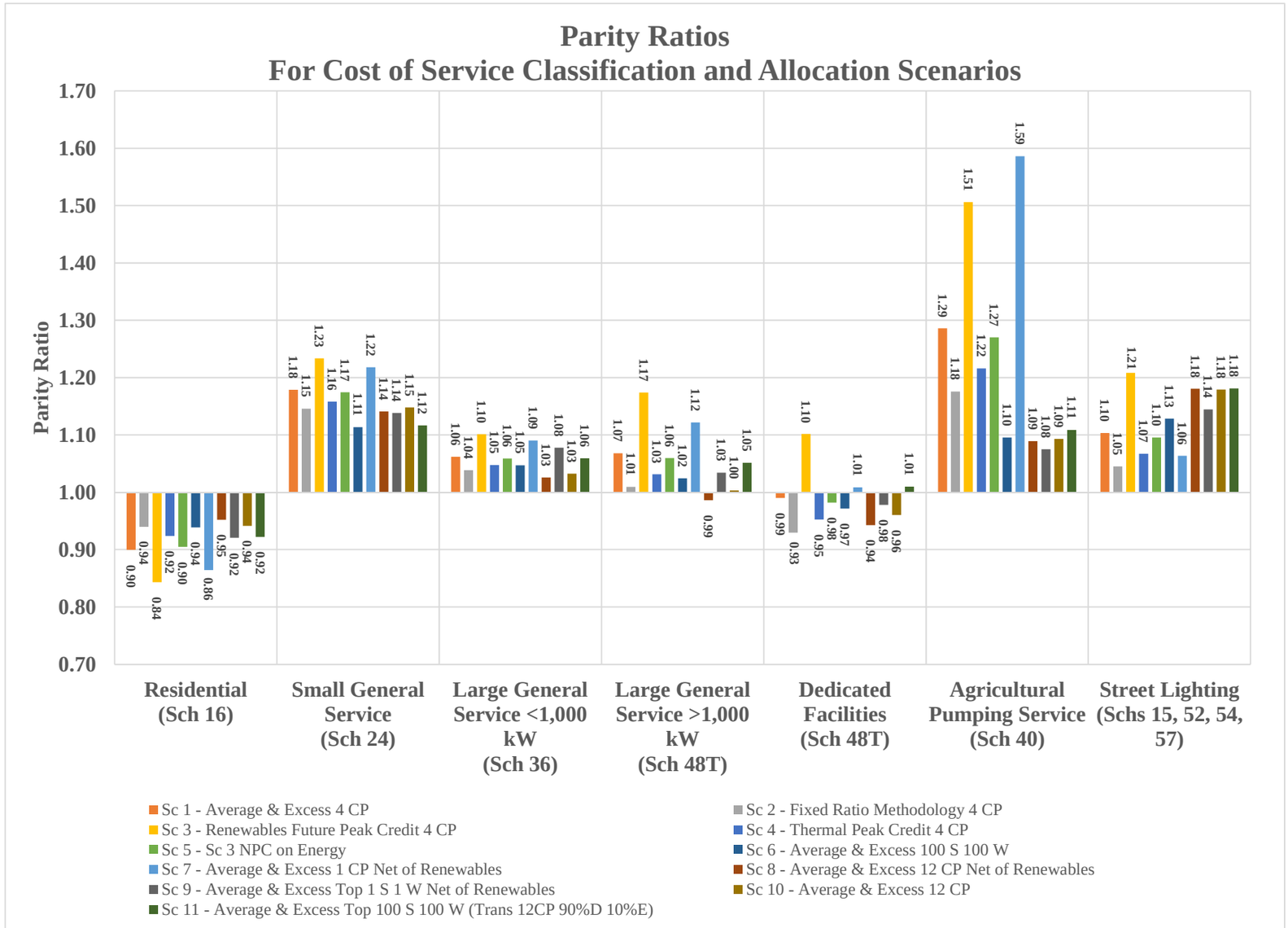

Table 2. Class Parity Ratio Table

Parity Ratios For Cost of Service Classification and Allocation Scenarios											
Scenario	1	2	3	4	5	6	7	8	9	10	11
Residential (Sch 16)	0.90	0.94	0.84	0.92	0.90	0.94	0.86	0.95	0.92	0.94	0.92
Small General Service (Sch 24)	1.18	1.15	1.23	1.16	1.17	1.11	1.22	1.14	1.14	1.15	1.12
Large General Service <1,000 kW (Sch 36)	1.06	1.04	1.10	1.05	1.06	1.05	1.09	1.03	1.08	1.03	1.06
Large General Service >1,000 kW (Sch 48T)	1.07	1.01	1.17	1.03	1.06	1.02	1.12	0.99	1.03	1.00	1.05
Dedicated Facilities (Sch 48T)	0.99	0.93	1.10	0.95	0.98	0.97	1.01	0.94	0.98	0.96	1.01
Agricultural Pumping Service (Sch 40)	1.29	1.18	1.51	1.22	1.27	1.10	1.59	1.09	1.08	1.09	1.11
Street Lighting (Schs 15, 52, 54, 57)	1.10	1.05	1.21	1.07	1.10	1.13	1.06	1.18	1.14	1.18	1.18