

Agenda Date: September 22, 2016
Item Number: E3

Docket: UE-160783
Company: Pacific Power & Light

Staff: Jason Ball, Regulatory Analyst

Recommendation

Issue an order affirming that Pacific Power and Light's Power Cost Adjustment Mechanism calculations are correct resulting in no deferred power costs for calendar year 2015.

Discussion

On June 1, 2016, Pacific Power & Light (Pacific Power or company) filed its Power Cost Adjustment Mechanism (PCAM) deferral calculations for calendar year 2015, as required under the settlement stipulation approved by the Utilities and Transportation Commission (commission) in Docket UE-140762. The purpose for the annual filing is to allow both the commission and interested parties 90 days to audit and review the prudence of the PCAM deferral entries for the prior calendar year. The 90-day period ends August 30, 2016.

The base levels for 2015 result from the power supply revenues and expenses approved by the commission in Docket No. UE-140762. Due to the timing of the settlement establishing the PCAM, the period under review for 2015 extends from April 2015 to December 2015 only. During 2015 actual net power costs were higher than the authorized base level for the Washington jurisdiction by \$2,878,072. This results in no deferral as the entire amount falls within the first dead band. The balance in the 2015 deferral account at December 31, 2015, is \$0 as this is the first year of the PCAM's operation.

EIM Costs and Benefits

In Pacific Power's most recent general rate case, Docket UE-152253 the commission authorized Pacific Power to recover actual costs related to the Energy Imbalance Market in the PCA annual true-up filing. Staff has reviewed the filing and agrees with the calculation of these costs. Staff has not reviewed the prudence of these costs.

Conclusion

Staff has conducted a review of the company's PCAM annual review filing in this docket, and is satisfied the company provided adequate documentation of its PCAM power cost revenue and expenses. The commission issue an order affirming that Pacific Power and Light's Power Cost Adjustment Mechanism calculations are correct resulting in no deferred power costs for calendar year 2015.