

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PACIFICORP d/b/a PACIFIC POWER
& LIGHT COMPANY, Complainant,

Petitioner,

2022 Power Cost Adjustment
Mechanism Annual Report

DOCKET UG-230482

ORDER 03

PREHEARING CONFERENCE
ORDER; NOTICE OF HEARING

**(Evidentiary Hearing set for June
4, 2024, at 9 a.m.)**

BACKGROUND

- 1 **NATURE OF PROCEEDING.** On June 15, 2023, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company), filed a Petition to Extend the Amortization of the Power Cost Adjustment Mechanism (PCAM) Surcharge (Petition).¹ This filing was made pursuant to a previous order of the Washington Utilities and Transportation Commission (Commission) in Docket UE-140762, Order 09.²
- 2 Order 09 approved and adopted a full Settlement Agreement that, among other things, authorized PacifiCorp to implement its PCAM allowing for positive or negative adjustments to its rates to account for fluctuations in power costs outside of an authorized band for power-cost recovery in base rates.³
- 3 Under the Settlement Stipulation, PacifiCorp is required to file its Petition for the Commission to confirm and approve the deferred PCAM balance for the previous calendar year by June 1 of each year.⁴ The Company's filing included testimony, exhibits, and supporting documentation related to power costs deferred under the

¹ *In the Matter of the Petition of PacifiCorp d/b/a Pacific Power & Light Company, 2022 Power Cost Adjustment Mechanism Annual Report, Docket 230482, Petition to Extend the Amortization of the Power Cost Adjustment Mechanism (PCAM) Surcharge (June 15, 2023).*

² *Wash. Utils & Transp. Comm'n v. Pac. Power & Light Co., Dockets 140762, 140617 & 131384, Order 09, 7, ¶ 18 (May 26, 2015).*

³ *Id.*, Order 09 (May 26, 2015).

⁴ Settlement Stipulation in Docket UE-140762 at ¶ 19 (May 8, 2015) (Settlement Stipulation).

PCAM for the period January 1, 2022 through December 31, 2022.

4 The Company also requested to extend the amortization of the PCAM surcharge from 12 months to 24 months to avoid rate shock and provide rate stability.

5 PacifiCorp explains that during 2022, actual power costs were significantly higher than the baseline, creating an under-recovery of \$72.7 million. This under-recovery was due to price and load volatility, extreme weather, and market events that were unaccounted for during the baseline and rate-setting process. Given the operation of the PCAM's sharing mechanism, PacifiCorp alleges that its customers are responsible for \$71.5 million or \$77.3 million grossed up.

6 Thus, the Company is requesting a revenue increase of \$37.2 million or 9.5 percent, effective January 1, 2024. The effect of the revenue increase is that a typical residential customer using 1,200 kWh would see a \$11.09 monthly increase on their bill.

7 On October 10, 2023, the Alliance of Western Energy Consumers (AWEC) filed a Petition for Adjudication (Petition for Adjudication) alleging that there are issues of material fact that require further evaluation, which are most appropriately handled in an adjudication.

8 On October 30, 2023, PacifiCorp filed a Response to AWEC's Petition recommending that the Commission deny the Petition, and arguing that AWEC's desires to understand the Company's hedging processes are better handled through an informal collaborative.

9 On November 7, 2023, AWEC filed a Motion for Leave to Reply (Motion for Leave to Reply) with a proposed reply (Reply) arguing that an informal collaborative process is not a proper substitute for an adjudication, and that the parties have not had an opportunity to test PacifiCorp's assertion that it is more cost-effective to hedge for the Company's system as a whole.

10 On November 22, 2023, this matter came before the Commission at its regularly scheduled open meeting.

11 On November 27, 2023, the Commission issued Order 01 Granting Leave to Reply: Granting Petition for Adjudication. Order 01 also suspended the tariff revisions PacifiCorp filed on June 15, 2023.

12 **CONFERENCE.** The Commission convened a prehearing conference virtually, on January 9, 2024, before Administrative Law Judge James E. Brown II.

13 **REPRESENTATIVES.** Ajay Kumar represents PacifiCorp. Josphine Straus and Jeff Roberson, Assistant Attorneys General, Lacey, Washington, represents Commission

staff (Staff). Ann Paisner, Stephanie Chase, and Lisa W. Gafken, Assistant Attorneys General, Seattle, Washington, represent the Public Counsel Unit of the Attorney General's Office (Public Counsel). Tyler C. Pepple of Davison Van Cleve, P.C., represents the Alliance of Western Energy Consumers (AWEC). Contact information for the representatives of those granted party status is attached as Appendix B to this Order.

14 **PETITIONS FOR INTERVENTION.** AWEC timely filed a petition to intervene. No party objected to AWEC's petition. No new parties appeared at the prehearing conference seeking to intervene. As no party objected to the AWEC's petition to intervene, the presiding Administrative Law Judge granted the petition during the prehearing conference.

15 **PROTECTIVE ORDER.** In its Petition, submitted June 15, 2023, PacifiCorp requested a Protective Order. During the January 9, 2024 Prehearing Conference, the presiding Administrative Law Judge granted that request. The Commission memorializes the granting of that request for a protective order and sets forth protective provisions in Order 04 of this docket.

16 **DISCOVERY.** Order 01 provides that discovery will be conducted under the Commission's discovery rules, WAC 480-07-400 – 425. The Commission urges the parties to work cooperatively to avoid having to bring discovery matters forward for formal resolution. If the parties are unable to resolve discovery disputes, the presiding administrative law judge encourages the parties to either file appropriate motions or to contact them to arrange for a discovery conference. Response times to data requests will be adjusted as set forth in the Procedural schedule, discussed below, and attached to this order as Appendix A.

17 The Commission believes it will aid discovery in this case if all responses to data requests are shared with all parties. No party objects to the Commission making the exchange of data request responses with all parties a requirement for discovery in this case. Accordingly, the Commission requires the parties to share every data request response with all parties, subject to any confidentiality limitations contained in Commission rule or the protective order, Order 04, issued in this Docket.

18 **PROCEDURAL SCHEDULE.** During the Prehearing Conference, the parties agreed to a proposed procedural schedule that includes a June 4, 2024, evidentiary hearing. Staff, AWEC, and the Public Counsel support this proposal. The procedural schedule is attached to this Order as Appendix A.

19 **DOCUMENT FILING AND SERVICE REQUIREMENTS.** Parties must file and serve all pleadings, motions, briefs, and other prefiled materials in compliance with all of the following requirements:

- (a) Parties must submit electronic copies of all documents by 5 p.m. on the filing deadline established in the procedural schedule (or other deadline as applicable) unless the Commission orders otherwise. Parties must comply with WAC 480-07-140(6) in formatting, organizing, and identifying electronic files. Documents that include information designated as confidential must comply with the requirements in WAC 480-07-160 and the Protective Order in these dockets.
- (b) Parties must submit documents electronically through the Commission's web portal (www.utc.wa.gov/e-filing). If a party is unable to use the web portal to submit documents for filing, the Commission will accept a submission via email to records@utc.wa.gov provided the email: (1) explains the reason the documents are not being submitted via the web portal, and (2) complies with the requirements in WAC 480-07-140(5)(b).
- (c) If any of the exhibits contain information designated as confidential, parties must file an electronic copy of the redacted version in searchable PDF (Adobe Acrobat or comparable software) of each such exhibit.
- (d) The Commission is continuing to suspend requirements for paper filings in this case for all submissions dating after the Company's initial testimony.
- (e) Documents filed with the Commission must conform to the formatting and other requirements in WAC 480-07-395 and WAC 480-07-460. Further, filed documents designated as confidential must comply with the requirements in WAC 480-07-160 and the Protective Order in this docket.
- (f) Parties must electronically serve the other parties and provide courtesy electronic copies of filings to the presiding administrative law judge (james.brown@utc.wa.gov) by 5 p.m. on the filing deadline unless the Commission orders otherwise. Pursuant to WAC 480-07-365(2)(c), all electronic documents submitted to the Commission must also be delivered to all parties and the presiding administrative law judge "at the same time" that the documents are submitted to the Commission or shortly thereafter. Please note as well that failing to provide a courtesy copy to the presiding administrative law judge may result in a delayed ruling on a motion or other filing. If parties are unable to email copies, they may furnish electronic copies by delivering them on a flash drive only.

20 **EXHIBITS FOR CROSS-EXAMINATION.** Parties are required to file with the Commission and serve all proposed cross-examination exhibits by 5 p.m., May 28, 2024. The Commission requires electronic copies (in a machine readable .pdf). If any of the

exhibits contain information that is designated as confidential or highly confidential, the party must also file one electronic copy (in a machine readable.pdf) and one paper copy of the redacted version of each such exhibit. The exhibits must be grouped according to the witness the party intends to cross examine with the exhibits.

- 21 **EXHIBIT LISTS.** With each submission of prefiled testimony and exhibits, the submitting party must include a preliminary exhibit list that identifies each submitted exhibit in the format the Commission uses for the exhibit lists it prepares for evidentiary hearings. PacifiCorp will prepare and file its preliminary exhibit list for its initial filing in this docket. Each party must file and serve a final list of all exhibits the party intends to introduce into the evidentiary record, including all prefiled testimony and exhibits, as well as cross-examination exhibits by 5 p.m., May 28, 2024.
- 22 **CROSS-EXAMINATION TIME ESTIMATES.** Each party must provide a list of witnesses the party intends to cross-examine at the evidentiary hearing and an estimate of the time that party anticipates the cross-examination of that witness will take. Parties should not file witness lists or cross-examination time estimates but must provide them to the presiding administrative law judge (james.brown@utc.wa.gov) and the other parties by 5 p.m., May 28, 2024.
- 23 **PUBLIC COMMENT HEARING.** During the Prehearing Conference, Public Counsel made a request that a public comment hearing be held in this matter. PacifiCorp pointed out that Public Comment Hearings had not been held in prior PCAM proceedings, but was not opposed to a public comment hearing being held. The presiding administrative law judge did not render a decision on the request to give more consideration to the points raised by both parties. Upon further consideration, this matter may have a profound effect on the public because of the potential impact on rates. It is in the public interest that a public comment be held to receive comments from the public in this matter. Consequently, the Commission will hold a public comment hearing in this docket virtually, prior to the hearing on the final disposition of this case. PacifiCorp customers will receive notice of the date, time, and access link to the public comment hearing, as well as other information required under WAC 480-90-197, at least 30 days prior to the date of the public comment hearing.
- 24 **NOTICE OF EVIDENTIARY HEARING.** The Commission will hold a hybrid evidentiary hearing in this Docket on June 4, 2024, at 9 a.m. Parties may attend the hearing in person at the Commission's headquarters or virtually via Zoom. To attend the hearing via Zoom, [click here](#), or call (253) 215-8782 and enter the Conference ID: 837 8953 8685# and use the Passcode: 424494#.
- 25 **ALTERNATE DISPUTE RESOLUTION.** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving

disputes informally. If the Parties reach a settlement in principle and request suspension of the procedural schedule, the Parties should promptly inform the Commission of this.

- 26 The Commission has limited ability to provide dispute resolution services. If you wish to explore those services, please contact Michael Howard, Director, Administrative Law Division (michael.howard@utc.wa.gov or (360) 664-1139).
- 27 NOTICE TO PARTIES: A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of this Order, in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this docket, subject to Commission review.

Dated at Lacey, Washington, and effective January 23, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ James E. Brown II
JAMES E. BROWN II
Administrative Law Judge

**APPENDIX A
PROCEDURAL SCHEDULE
DOCKET UE-230482**

EVENT	DATE
Staff, Public Counsel and Intervenor Response Testimony and Exhibits ⁵	Thursday, March 28, 2024
Settlement Conference (parties only)	Wednesday, April 17, 2024
Company Rebuttal Testimony and Exhibits; Intervenor Cross-Answering Testimony and Exhibits ⁶	Thursday, May 2, 2024
Notice Issued for Public Comment Hearing	30 days prior to Public Comment Hearing
Public Comment Hearing	TBD (Exact date and location to be determined)
Discovery Deadline - Last Day to Issue Data Requests	Tuesday, May 21, 2024
Exhibit List, Cross-Examination Exhibits, Witness Lists, and Time Estimates	Tuesday, May 28, 2024
Evidentiary Hearing	Tuesday, June 4, 2024
Simultaneous Initial Post-Hearing Briefs	July 3, 2024
Simultaneous Reply Briefs	July 12, 2024

⁵ Response time to data requests relating to this testimony will be 14 calendar days.

⁶ Response time to data requests relating to testimony from this date onward will be 7 calendar days, best efforts.

Statutory Suspension Date	November 1, 2024
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**APPENDIX B
PARTIES' REPRESENTATIVES
DOCKET UE-230482**

PARTY	REPRESENTATIVE	PHONE	E-MAIL
PacifiCorp	Ajay Kumar PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232	(503)-813-5161	ajay.kumar@pacificorp.com
Commission Staff	Jeff Roberson Assistant Attorney General Office of the Attorney General Utilities and Transportation Division P.O. Box 40128 Olympia, WA 98504	(360) 664-1188	jeff.roberson@atg.wa.gov
	Josephine Strauss Assistant Attorney General		josephine.strauss@atg.wa.gov
	Betsy DeMarco Assistant Attorney General	(360) 664-1191	elizabeth.demarco@atg.wa.gov
	Jeanne Roth Assistant Attorney General	(360) 664-1194	jeanne.roth@atg.wa.gov
Public Counsel	Ann N.H. Paisner Assistant Attorney General Washington Attorney General's Office Public Counsel Unit 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188	(206) 464-6595	Ann.Paisner@atg.wa.gov
	Lisa Gafken Assistant Attorney General	(206) 464-6595	Lisa.Gafken@atg.wa.gov
AWEC	Tyler C. Pepple Davison Van Cleve, P.C. 1750 SW Harbor Way, Suite 450 Portland, OR 97201	(503) 241-7242	tcp@dvclaw.com
	Sommer Moser Davison Van Cleve, P.C. 1750 SW Harbor Way, Suite 450 Portland, OR 97201	503-241-7242	sjm@dvclaw.com