

UE-161204 / Pacific Power & Light Company  
March 30, 2017  
PC Data Request 16

### **PC Data Request 16**

Refer to the Direct Testimony of R. Bryce Dalley, Exhibit No. RBD-1T at 7:19-21, which states: “In fact, these permanent disconnections, accumulated over time, will only increase the burden on the Company’s remaining customers, including low- and fixed-income customers.”

Further, Exhibit No. RBD-1T, at 13:20-21, which states: “Stranded costs must necessarily be borne by the departing customers, remaining customers, shareholders or some combination of the three.”

Based on these statements, please explain the following:

- a. Whether and how the Company’s proposed Stranded Cost calculation methodology in this filing includes the departing customer’s share of the following programs sponsored by the Company:
  - i. Low-Income Rate Assistance programs
  - ii. Low-income Weatherization programs
  - iii. Conservation programs
  - iv. Energy efficiency programs.
- b. If the proposed Stranded Cost calculation methodology does not include the departing customer’s share of these programs, how does this outcome result in remaining customers:
  - i. being held harmless by the proposed Schedule 300, and
  - ii. paying a just and reasonable rate.
- c. Please explain whether and how non-participants in conservation or energy efficiency programs benefit from the participation in these programs by other customers.
- d. Please confirm if Company considered whether or not the shareholders should bear some or all of the stranded costs? If confirming, please explain under what conditions shareholders would bear some of the stranded costs. If not confirming, please explain why the Company did not consider this.

### **Response to PC Data Request 16**

- a. The Company’s calculation of its proposed Stranded Cost Recovery Fee does not reflect the ongoing costs associated with its low-income rate assistance programs, low-income weatherization programs, conservation programs, or energy efficiency programs.

Despite PacifiCorp's diligent efforts, certain information protected from disclosure by attorney-client privilege or other applicable privileges or law may have been included in response to these data requests. Accordingly, PacifiCorp reserves its right to seek the return of any privileged or protected materials that may have been inadvertently disclosed, and respectfully advise that any inadvertent disclosure should not be considered a waiver of any applicable privileges or rights. PacifiCorp respectfully requests that you inform PacifiCorp immediately if you become aware of any such materials in these responses.

UE-161204 / Pacific Power & Light Company

March 30, 2017

PC Data Request 16

- b. The Company did not specifically consider the consequences that a departing customer's choice to leave the Company's system would have on these programs, but upon further review agrees that additional consideration for these programs in its Stranded Cost Recovery Fee or another fee may be justified. Furthermore, the Company is open to any proposals that Public Counsel or another party may put forward to address any potential shortfall to these programs.
- c. Customers who do not participate in demand-side management programs benefit from energy efficiency investments that the Company makes, because energy efficiency is a cost-effective resource that is often less costly to acquire than supply side alternatives.
- d. Please refer to the Company's response to CREA Data Request 0035 subpart a.

PREPARER: Robert Meredith

SPONSOR: R. Bryce Dalley

Despite PacifiCorp's diligent efforts, certain information protected from disclosure by attorney-client privilege or other applicable privileges or law may have been included in response to these data requests. Accordingly, PacifiCorp reserves its right to seek the return of any privileged or protected materials that may have been inadvertently disclosed, and respectfully advise that any inadvertent disclosure should not be considered a waiver of any applicable privileges or rights. PacifiCorp respectfully requests that you inform PacifiCorp immediately if you become aware of any such materials in these responses.