

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

<p>In the Matter of the Petition of</p> <p>PACIFICORP d/b/a PACIFIC POWER AND LIGHT COMPANY,</p> <p style="text-align: center;">Petitioner,</p> <p>For An Accounting Order authorizing the Company to utilize deferred accounting for costs associated with demand response programs.</p>
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DOCKET UE-220848

ORDER 01

GRANTING PETITION FOR  
ACCOUNTING ORDER

**BACKGROUND**

- 1 On December 16, 2022, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition seeking an Accounting Order under WAC 480-07-370(3) authorizing PacifiCorp to defer the costs associated with the all demand response (DR) programs, including the Company’s irrigation, commercial, and industrial DR programs, implemented under Schedule 106, to track and preserve them for later ratemaking treatment.
- 2 Approval of this Petition would authorize the Company to track the costs of DR programs, including approximately \$14 million over five years for commercial, industrial, and irrigation programs, in deferred Federal Energy Regulatory Commission (FERC) account 186 - Miscellaneous Deferred Debits, and to accrue interest on the unamortized balance at the quarterly FERC rate, until the Company files for recovery of these amounts in its next rate proceeding.
- 3 In its Petition, PacifiCorp explains that the requested accounting treatment enables the Company to seek recovery of these deferred costs through a Schedule 191 – System Benefits Charge Adjustment in a future Commission proceeding.
- 4 On August 25, 2022, the Commission took no action in Docket UE-220550, allowing PacifiCorp’s tariff Schedule 106 to go into effect. Schedule 106 outlines details about anticipated DR programs. In addition to petitioning for the deferred accounting method for all DR programs under Schedule 106, the company is requesting in this Docket that the Commission approve its commercial and industrial DR program.

5 Commission staff (Staff) reviewed the Company's Petition and finds that deferring the  
costs of DR programs implemented in Schedule 106 complies with RCW 80.28.410,  
noting that the Company identified DR in its Clean Energy Action Plan and selected  
these programs through PacifiCorp's request for proposals.<sup>1</sup> However, Staff recommends  
that the Commission accept, but not approve, the new DR programs.

### DISCUSSION

6 We agree that tracking these deferred costs in FERC Account 186 until a future  
Commission proceeding is in the public interest because it allows for sufficient time to  
review for prudence and consider appropriate ratemaking treatment for the demand  
response resource.

7 We also agree with Staff that this is not the appropriate proceeding to approve the DR  
programs. The proposed program development strategy for demand response outlined in  
the Company's Clean Energy Implementation Plan (CEIP) is currently under  
consideration in the CEIP docket.<sup>2</sup> PacifiCorp should include details about current and  
future DR programs in its biennial CEIP updates. The Company should continue to share  
program details with the appropriate advisory groups and seek feedback before  
implementing new DR programs.

### FINDINGS AND CONCLUSIONS

8 (1) The Commission is an agency of the State of Washington vested by statute with  
the authority to regulate the rates, rules, regulations, practices, accounts,  
securities, transfers of property and affiliated interests of public service  
companies, including electric companies.

9 (2) PacifiCorp is an electric company and a public service company subject to  
Commission jurisdiction.

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<sup>1</sup> See Dockets UE-200420, *PacifiCorp's Final 2021 IRP, Volume II, Appendix O*, pg. 248-249,  
Figure O.1, September 1, 2021, and UE-210088 *Demand Response Request for Proposals*,  
Informational Filing, February 9, 2021.

- 10 (3) The Commission has jurisdiction over the subject matter of this proceeding and over PacifiCorp.
- 11 (4) WAC 480-07-370(3) allows companies to file petitions including that for which PacifiCorp seeks approval.
- 12 (5) Staff has reviewed the Petition in Docket UE-220848.
- 13 (6) Staff recommends the Commission grant the Petition.
- 14 (7) This matter came before the Commission at its regularly scheduled meeting on January 26, 2023.
- 15 (8) After reviewing PacifiCorp's Petition filed in Docket UE-220848 and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition is consistent with the public interest and should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 16 (1) PacifiCorp d/b/a Pacific Power & Light Company's Petition to utilize deferred accounting for costs associated with demand response program is granted.
- 17 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs on any matters that may come before it. Nor shall this Order granting the Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted, or to the possible recovery of the amounts deferred to the regulatory asset.
- 18 (3) The Commission retains jurisdiction to effectuate the provisions of this Order.

The Commissioners, having determined that this Order to be consistent with the public interest, directed the Executive Director and Secretary to enter this Order.

DATED at Lacey, Washington, and effective January 26, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL  
Executive Director and Secretary