

September 12, 2016

***VIA ELECTRONIC FILING***

***AND OVERNIGHT DELIVERY***

Steven V. King

Executive Director and Secretary

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive SW

P.O. Box 47250

Olympia, WA 98504-7250

**RE:** **Compliance Filing—Order 13 in Docket UE-152253**

**Revisions to Pacific Power & Light Company’s General Tariffs**

In accordance with RCW 80.28.060, WAC 480-07-550, WAC 480-07-880, WAC 480-07-883, and WAC Chapter 480-80, Pacific Power & Light Company (Pacific Power or Company), a division of PacifiCorp, submits the following revised tariff sheets in compliance with Washington Utilities and Transportation Commission Orders 12 and 13 in Docket UE-152253.

# The revised tariff sheets are designated as follows:

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| Ninth Revision to Sheet No. INDEX.3 |  | Tariff Index |
| Fourth Revision to Sheet No. 15.1 | Schedule 15 | Outdoor Area Lighting Service – No New Service |
| Fourth Revision to Sheet No. 16.1 | Schedule 16 | Residential Service |
| Fourth Revision to Sheet No. 17.1 | Schedule 17 | Low Income Bill Assistance Program – Residential Service Optional for Qualifying Customers |
| Third Revision to Sheet No. 18.1 | Schedule 18 | Three Phase Residential Service Rider |
| Fourth Revision to Sheet No. 24.1 | Schedule 24 | Small General Service |
| Fourth Revision to Sheet No. 24.2 | Schedule 24 | Small General Service |
| Fourth Revision to Sheet No. 36.1 | Schedule 36 | Large General Service – Less Than 1,000 kW |
| Fourth Revision to Sheet No. 36.2 | Schedule 36 | Large General Service – Less Than 1,000 kW |
| Fourth Revision to Sheet No. 40.1 | Schedule 40 | Agricultural Pumping Service |
| Second Revision to Sheet No. 40.2 | Schedule 40 | Agricultural Pumping Service |
| Fourth Revision to Sheet No. 48T.1 | Schedule 48T | Large General Service – Metered Time of Use 1,000 kW and Over |
| Fourth Revision to Sheet No. 51.1 | Schedule 51 | Street Lighting Service – Company-Owned System |
| Fourth Revision to Sheet No. 52.1 | Schedule 52 | Street Lighting Service – Company-Owned System No New Service |
| Third Revision to Sheet No. 53.1 | Schedule 53 | Street Lighting Service – Customer-Owned System |
| Third Revision to Sheet No. 54.1 | Schedule 54 | Recreational Field Lighting – Restricted |
| Third Revision to Sheet No. 57.1 | Schedule 57 | Mercury Vapor Street Lighting Service – No New Service |
| Third Revision to Sheet No. 57.2 | Schedule 57 | Mercury Vapor Street Lighting Service – No New Service |
| First Revision to Sheet No. 80.1 | Schedule 80 | Summary of Effective Rate Adjustments |
| Original Sheet No. 93.1 | Schedule 93 | Decoupling Revenue Adjustment |
| Original Sheet No. 93.2 | Schedule 93 | Decoupling Revenue Adjustment |
| Original Sheet No. 93.3 | Schedule 93 | Decoupling Revenue Adjustment |

The Commission’s Order 13 authorized a revenue requirement increase of $5,395,338 to the Company’s base rates, effective September 15, 2016.[[1]](#footnote-2) The Company’s calculations resulted in a revenue requirement increase of $5,624,706. This variance of $229,368 is due to several refinements to the revenue requirement calculations. The first is a correction to the Idaho Power asset exchange adjustment to comprehensively capture all revenue requirement impacts from the exclusion of exchange assets and reassignment assets associated with the Idaho Power asset exchange.[[2]](#footnote-3) As noted in Order 12,[[3]](#footnote-4) the resulting revenue requirement calculation by the Company was expected to vary from the dollar amount stated in the Commission’s summary of adjustments.[[4]](#footnote-5) In addition, the Company’s revenue requirement model resulted in modifications in the interest true-up adjustment and the PowerTax accumulated deferred income tax balance adjustment to accurately reflect interest expense and tax impacts of the Commission-ordered adjustments. A summary of the Company’s modeled revenue requirement compared to Appendix A of Order 13 is reflected in Attachment A. The Company provided the revenue requirement calculations and associated workpapers to Commission Staff before submitting this filing, and Commission Staff agrees with the calculations.

Also attached are the estimated effect of the price changes, including billing determinants and monthly billing comparisons. Electronic copies of the Company’s revenue requirement models are also included in the workpapers accompanying this filing.

The revenue requirement increase reflected in the attached compliance tariffs is $5,624,706, or 1.68 percent overall.  The average residential customer using 1,200 kWh per month will see an increase of $1.83 per month. The filing also reflects an increase in Pacific Power’s Low Income Bill Assistance Program benefits per participant of 3.4 percent.

Consistent with paragraph 321 in Order 12, the Company will record an offset to the balance being recovered through Schedule 96 to account for the residual credit balance related to the hydro deferral. In this manner, the $132,000 credit balance in the hydro deferral account will be returned to customers.

**Compliance Filing for the Second Year of the Rate Plan**

The Commission authorized the Company to file a compliance filing to effectuate the second year rate increase of $7,607,991, effective September 15, 2017.[[5]](#footnote-6) The Company’s calculations resulted in a revenue requirement increase of $7,901,569, $293,578 higher than the Commission’s order. This variance is attributable to the interest expense and associated tax impacts of the Commission-ordered adjustments. The Company provided the revenue requirement calculations and associated workpapers for the second year of the rate plan to Commission Staff before submitting this filing, and Commission Staff agrees with the calculations. A summary of the Company’s modeled revenue requirement for the second year of the rate plan compared to Appendix A of Order 13 is also reflected in Attachment A. In addition, included with this filing are the revenue requirement models and supporting workpapers for the second year rate adjustment.

In accordance with Order 12, the Company will submit attestations and final project costs of the Company’s Supervisory Control and Data Acquisition Energy Management System (SCADA EMS), the Union Gap substation, and Jim Bridger Unit 4 investments included in the second year rate adjustment no later than 60 days before September 15, 2017.[[6]](#footnote-7) Also, if parties are able to reach a consensus agreement as part of the cost of service, rate spread, and rate design collaborative, the Company will submit a filing for the Commission’s approval of that agreement.[[7]](#footnote-8) If a consensus agreement is not achieved, the Company’s filing will apply the second year rate increase on an equal percentage basis to each schedule. The Company will submit a compliance filing with tariff sheets that reflect rates for the second year of the rate plan at least five full business days before the September 15, 2017 effective date.

Concurrent with this compliance filing, the Company submitted a Motion for Clarification of two aspects of the Commission’s order—the return on non-selective catalytic reduction system capital projects at Jim Bridger Units 3 and 4, and the deferral period and timeline of the approved decoupling mechanism. This compliance filing does not reflect the changes requested as part of the Motion for Clarification.

Please direct informal inquiries to Ariel Son, Regulatory Projects Manager, at (503) 813-5410.

Sincerely,



R. Bryce Dalley

Vice President, Regulation

Enclosures

Attachments

Attachment A: Summary of Revenue Requirement for Years 1 & 2

Attachment B: Estimated Effect of Base Rate Increase, Billing Determinants, and Monthly Billing Comparisons

Attachment C: Compliance Tariff Sheets (Legislative)

Attachment D: Compliance Tariff Sheets (Clean)

1. Order 13, ¶ 3. [↑](#footnote-ref-2)
2. Order 12, ¶ 216-217. [↑](#footnote-ref-3)
3. *Id.*, fn 336. [↑](#footnote-ref-4)
4. Order 13, Appendix A. [↑](#footnote-ref-5)
5. Order 13, ¶ 3. [↑](#footnote-ref-6)
6. Order 12, ¶ 122. [↑](#footnote-ref-7)
7. *Id.*, ¶ 229. [↑](#footnote-ref-8)