Keeping you informed **Proposed rate increase**

On November 25, 2015, Pacific Power & Light Company (Pacific Power) filed a petition with the Washington Utilities and Transportation Commission (Commission) requesting approval of a rate increase that included a decoupling mechanism to track and defer the difference between allowed revenue and actual revenue. On September 30, 2016, the Commission issued an order approving the decoupling mechanism, with adjustments to be filed December 1st of every year.

In compliance with the Commission's order, Pacific Power is submitting a filing to effectuate the adjustment. If approved by the Commission, this surcharge will collect \$464,117 from Schedule 40 customers at a .288 cents per kilowatt-hour rate. The proposed price change represents a 3.2 percent increase for Schedule 40 customers. An irrigation customer using approximately 4,000 kilowatt-hours (kWh) per month would see a bill impact of \$11.52 per month. The Commission will examine Pacific Power's compliance filing. As a result of this examination, the Commission may determine that the filing be accepted as filed, modified, or rejected. If accepted as filed, the rate change would go into effect on February 1, 2018.

You are invited to comment to the Commission. The Commission has the authority to set final rates that may be lower or higher than the Company's request, depending on the outcome of its examination. You can comment using the "Submit a Comment" feature on the Commission's website at utc.wa.gov, or by using the following contact information.

Washington Utilities and Transportation Commission

I300 S. Evergreen Park Drive SW P.O. Box 47250 Olympia, WA 98504-7250 Email: comments@utc.wa.gov Telephone: I-888-333-WUTC (9882)

The Commission is committed to providing reasonable accommodation to participants with disabilities. If you need reasonable accommodation, please contact the Commission at 360-664-1132 or human_resources@utc.wa.gov.

For more information or to contact Pacific Power, please call us toll free at **I-888-221-7070** or write to:

Pacific Power 825 NE Multnomah Street, Suite 2000 Portland, OR 97232

ISSUED: December 21, 2017

Summary of proposed rate increase Overall increase in dollars \$464,117 Overall increase in percent (Schedule 40 customers) 3.2%

Type of service

Percentage increase 3.2%

