

June 1, 2016

VIA ELECTRONIC FILING

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: Advice No. 16-03—Schedule 191—System Benefits Charge Adjustment

Pacific Power & Light Company (Pacific Power or Company), a division of PacifiCorp, submits the following revised tariff sheets under RCW 80.28.050, WAC 480-109-130, WAC chapter 480-80, and in compliance with Order 01 in Docket UE-152072. The Company requests an effective date of August 1, 2016.

Fifth Revision of Sheet No. 191.1 Schedule 191 System Benefits Charge Adjustment

The Company proposes to increase the System Benefits Charge Adjustment (SBC) collection rate, which is administered through Schedule 191, to align the Company's recovery of costs associated with acquiring and administering cost-effective conservation in its Washington service territory, and complying with the requirements of Initiative Measure No. 937 (I-937), which is codified as RCW 19.285.040 and implemented through WAC chapter 480-109.

The current SBC collection rate is approximately \$10.87 million on an annual basis and was approved in Docket UE-151157 with an effective date of August 1, 2015. As of March 31, 2016, the SBC collection rate represents approximately 3.24 percent of Pacific Power's Washington electric revenues. As shown in Attachment C, based on current cost and Schedule 191 revenue projections, the balance in the SBC deferred account will be approximately \$2.0 million under-collected by August 1, 2017.

The Company's programs for the 2014-2015 biennial period performed very well and achieved results that were approximately 132 percent of the target. The program costs for 2015 were approximately \$0.48 million higher than previously forecast as a result. In addition, the target for the 2016-2017 biennial period (87,814 MWh) is approximately 18 percent higher than the target for the prior biennial period.

Accordingly, the Company proposes an annual increase of approximately \$2.0 million. This will result in an overall average increase of approximately 0.6 percent to Pacific Power's Washington customers. If approved, a residential customer using approximately 1,200 kWh per month will see a bill increase of approximately \$0.63 per month. Attachment E is the Company's proposed Schedule 191 tariff sheet, which lists the proposed rate changes by rate schedule.

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In accordance with WAC 480-100-194(1), the Company is providing thirty-day notice to affected customers in the form of a bill insert. The customer notice is enclosed as Attachment A.

The Company reviewed the status of the SBC deferred account balance with the DSM Advisory Group members on May 20, 2016, and discussed the need for this rate adjustment. A courtesy copy of this filing was provided to the DSM Advisory Group.

It is respectfully requested that all formal correspondence and requests regarding this filing be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, Oregon, 97232

Informal questions regarding this filing should be directed to Ariel Son, Regulatory Projects Manager, at (503) 813-5410.

Sincerely,

R. Bryce Dalley
Vice President, Regulation

Enclosures

Attachment A: Customer Notice
Attachment B: List of Tariff Sheets
Attachment C: System Benefits Charge Deferred Account Analysis
Attachment D: Estimated Effect of Proposed Base Rate Increase
Attachment E: Schedule 191