

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

DOCKET UE-220848

PACIFICORP d/b/a PACIFIC POWER  
AND LIGHT COMPANY,

ORDER 02

Petitioner,

GRANTING PETITION FOR  
ACCOUNTING ORDER

For An Accounting Order authorizing the  
Company to utilize deferred accounting for  
costs associated with demand response  
programs.

**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 Company's irrigation, commercial, and industrial demand response (DR) programs, implemented under Schedule 106, to track and preserve them for later ratemaking treatment (Petition).
- 2 On January 26, 2023, at its regularly scheduled Open Meeting, the Commission issued Order 01 in this Docket, approving PacifiCorp's Petition and authorizing the Company to track the costs of its commercial, industrial, and irrigation programs, totaling approximately \$14 million over five years, 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 at a later date.
- 3 On May 19, 2023, PacifiCorp filed a petition to amend the deferral amount detailed in Order 01 in this Docket to include the costs of a residential DR program. The Company estimates the program will cost approximately \$689,720 over five years, bringing the total expected deferral amount to approximately \$14.7 million over five years for the irrigation, commercial, industrial, and residential DR programs.

4 Commission staff (Staff) reviewed the Company's Petition and believes 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> Staff recommends that rather than amending Order 01 to include the additional residential program costs, the Commission issue a new order in Docket UE-220848, authorizing the same deferred accounting treatment for the residential DR program as was previously approved for the commercial, industrial, and irrigation DR programs. Staff continues to recommend that the Commission not approve the new DR programs themselves.

### **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 the DR programs for prudence and consider appropriate ratemaking treatment. We authorize PacifiCorp to defer residential DR program amounts totaling approximately \$689,720 over five years from the date the Petition was filed.

7 We also agree with Staff that this is not the appropriate proceeding to approve DR programs. The proposed program development strategy for DR outlined in the Company's Clean Energy Implementation Plan (CEIP) is currently under consideration in the Company's 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.

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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.

- 9 (2) PacifiCorp is an electric company and a public service company subject to Commission jurisdiction.
- 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 issue an order authorizing PacifiCorp to utilize deferred accounting treatment from the date of this order forward, for costs associated with its residential demand response program, estimated to be \$689,720 over five years.
- 14 (7) This matter came before the Commission at its regularly scheduled meeting on June 29, 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 defer from the date of this Petition forward the costs associated with its residential demand response program under Schedule 106 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.

*19* 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 June 29, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL  
Executive Director and Secretary