

UE-230172 / PacifiCorp  
October 16, 2023  
WUTC Data Request 152 - 2<sup>nd</sup> Supplemental

## **WUTC Data Request 152**

**Power Costs** - Please state whether PacifiCorp agrees that there is an information asymmetry between itself and intervening parties as described in Exh. RLE-1CT at 8-9.

- (a) If not, please explain the basis for PacifiCorp's belief that all parties have equal access to information and opportunity to understand that information?
- (b) If PacifiCorp agrees there is an information asymmetry, then assuming some form cost sharing for NPC variance is retained for PacifiCorp, is it reasonable to maintain asymmetry in the design of sharing bands for NPC?

## **2<sup>nd</sup> Supplemental Response to WUTC Data Request 152**

Further to the Company's prior responses to WUTC Data Request 152 and to the Motion to Compel issued by the Washington Utilities and Transportation Commission (WUTC) on October 12, 2023, the Company provides the following response:

The response testimony of Public Counsel witness, Robert Earle, Exhibit RLE-1CT, relies on a National Association of Regulatory Utility Commissioners (NARUC) publication by Kenneth Costello regarding multi-year rate plans (identified as footnote 13 in that testimony) to describe the information asymmetry. Specifically, that publication (on the page cited in Exhibit RLE-1CT) describes the information asymmetry in the context of forecasted costs. PacifiCorp does not agree that this is an appropriate comparison because the power cost adjustment mechanism (PCAM) does not include any forecasted capital or operational costs, but is rather a backwards-looking review of actual incurred power costs. Information on actual power costs are available through discovery for analysis by all parties.

Furthermore, any information asymmetry that may exist would be constant whether the variance between forecast net power costs (NPC) and actual NPC is positive or negative. That is to say, the information asymmetry is symmetrical relative to the sharing band. The Company does not believe that a symmetrical relationship should drive an asymmetrical design and does not believe it is reasonable to maintain asymmetry in the design of sharing bands for NPC.

Additionally, please refer to Attachment WUTC 152, which lists power cost mechanisms across the nation; only Washington has an asymmetrical sharing band design.

The Company continues to evaluate intervenor testimony and positions and any opinions or positions articulated in this response may be changed, modified, or updated in the Company's next round of testimony.

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PREPARER: To Be Determined

SPONSOR: To Be Determined