

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER & LIGHT CO.,

Respondent.

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DOCKET UE-230482

**ROBERT L. EARLE  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

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**EXHIBIT RLE-8**

Wyoming Public Service Commission Docket No. 20000-642-EM-23,  
Rocky Mountain Power Stipulation and Settlement Agreement

**May 2, 2024**

SETTLEMENT DOCUMENT DOCKET NO. 20000-642-EM-23

**BEFORE THE WYOMING PUBLIC SERVICE COMMISSION**

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**IN THE MATTER OF THE APPLICATION OF )  
ROCKY MOUNTAIN POWER TO INCREASE ) Docket No. 20000-642-EM-23  
CURRENT RATES BY \$50.3 MILLION (7.6 ) (Record No. 17279)  
PERCENT) TO RECOVER DEFERRED NET )  
POWER COSTS PURSUANT TO TARIFF )  
SCHEDULE 95 ENERGY COST )  
ADJUSTMENT MECHANISM AND TO )  
DECREASE CURRENT RATES BY \$1.5 )  
MILLION (0.2 PERCENT) PURSUANT TO )  
TARIFF SCHEDULE 93, REC AND SO2 )  
REVENUE ADJUSTMENT MECHANISM )  
)  
)**

**STIPULATION AND SETTLEMENT AGREEMENT**

On April 17, 2023, Rocky Mountain Power, a division of PacifiCorp (“Company” or “Rocky Mountain Power” or “RMP”) filed with the Public Service Commission of Wyoming (“Commission”) an application (“Application”) together with testimony, exhibits and revised tariff sheets requesting authority to revise rates under two of the Company’s rate schedules: (1) its energy cost adjustment mechanism (“ECAM”) Tariff Schedule 95, requesting approval to collect approximately \$74.0 million to recover deferred net power costs (“NPC”); and (2) its renewable energy credit (“RECs”) and sulfur dioxide (“SO2”) revenue adjustment mechanism (“RRA”) Tariff Schedule 93, requesting approval to refund approximately \$4.3 million to customers to reflect the sale of RECs and SO2 emission allowances. In support of its Application, the Company filed the testimony of witnesses Jack Painter, Marcelina R. Hundis, Shelley E. McCoy, and Andre T. Lipinski.

The Company proposed to revise Tariff Schedule 95 to collect approximately \$74.0 million in NPC, for a total increase of approximately \$50.3 million or 7.6 percent. The Company also proposed to

combine the deferred ECAM energy and demand components for Schedules 2, 19, and 25.

The Company also proposed to revise Tariff Schedule 93, by discontinuing the currently approved approximately \$2.7 million sur-credit and implementing a sur-credit of approximately \$4.3 million to account for calendar year 2021 balancing account adjustments and 2022 forecast sales revenues for REC and SO<sub>2</sub> products in the market, resulting in a rate decrease of approximately \$1.5 million from current rates.

The Company proposed to collect and refund the deferral balances over a 12-month period, from July 1, 2023, through June 30, 2024.

On April 18, 2023, the Commission issued its Suspension Order, suspending the rates for further investigation and the Commission's final order for the initial six-month term allowed in Wyo. Stat. § 37-3-106.

On April 18, 2023, the Commission issued a Notice of Application, requiring interventions to be filed on or before May 19, 2023. The Wyoming Public Service Commission - Consumer Advocate Staff ("CAS") and the Wyoming Industrial Energy Consumers ("WIEC") timely intervened in this docket.

On June 13, 2023, the Commission issued a Scheduling Order, establishing among other deadlines, a deadline of September 8, 2023, for intervenors' direct testimony, and October 20, 2023, for rebuttal testimony. The order set the public hearing in this matter for December 19, 2023.

On June 29, 2023, the Commission approved implementation of an interim rate increase effective July 1, 2023, in the amount of \$50.3 million pursuant to Tariff Schedule 95, and an interim rate decrease in the amount of \$1.5 million pursuant to Tariff Schedule 93, subject to notice, protest, intervention, opportunity for hearing, change, refund or other such order as the Commission may deem appropriate, pursuant to its bench decision issued at the open meeting conducted on June 29, 2023.

On September 8, 2023, CAS filed the Direct Testimony of Michelle Bohanan and Luy Luong, and WIEC filed the Direct Testimony of Bradley G. Mullins. CAS proposed to establish a production tax credit “floor,” contested costs associated with utilizing industrial customers’ load to provide operating reserves, contested costs associated with the curtailment of generation from the “Top of the World” purchase power agreement, and objected to the mark-to-market treatment of the Black Cap solar resource and other Oregon situs resources. WIEC identified an energy imbalance market (“EIM”) settlement allocation correction, contested the prudence of certain of the Company’s gas hedging practices and associated costs, recommended the Commission require the Company to implement a more holistic approach to the Company’s power hedging practices, and proposed the establishment of a mechanism for costs associated with alleged underproduction of certain of the Company’s wind facilities. Neither CAS nor WIEC took any position with respect to the Company’s rate design change for the ECAM through Tariff Schedule 95 associated with Schedules 2, 19, and 25.

On October 20, 2023, the Company filed the Rebuttal Testimony of Jack Painter, Andre T. Lipinski, and Douglas R. Staples. In its Rebuttal Testimony, the Company accepted an ECAM adjustment of \$6,262,977 associated with the EIM settlement allocation factor identified by WIEC, and provided testimony and exhibits contesting the other adjustments and issues raised by CAS and WIEC in their Direct Testimonies. Additionally, the Company updated the 2022 ECAM Revenue True-Up from \$505,390 to \$1,358,215 as a refund to customers. In total, the Company updated and reduced its requested recovery from \$74,027,280 to \$66,911,478.

On November 27, 2023, the Company filed an Errata to the Rebuttal Testimonies of Mr. Painter and Mr. Lipinski, amending the data used to calculate the accrued interest in the rate effective period and in previous ECAM revenue true-ups after becoming aware of an issue when the Company responded to a data request in this proceeding.

The Company has engaged in multiple discussions with CAS and WIEC to discuss the Application, the Direct Testimonies filed by CAS and WIEC, the Company’s Rebuttal Testimony, and

its Errata Filing. As a result of these discussions, the Company, CAS, and WIEC (each a “Party” and collectively the “Settling Parties”) have reached a Stipulation and Settlement Agreement (“Agreement”) that resolves all outstanding issues raised in this proceeding as set forth below.

### **SETTLEMENT TERMS AND CONDITIONS**

The Settling Parties respectfully request Commission approval of the following settlement terms and conditions:

1. Rocky Mountain Power withdraws its Errata Filing filed on November 27, 2023.
2. The Settling Parties agree to accept Rocky Mountain Power’s reduced requested ECAM deferral recovery of \$66,911,478, as filed in its October 20, 2023, Rebuttal Testimony. This reduces the ECAM deferral by \$7,115,802. As part of this acceptance, the Settling Parties agree that the Company inadvertently used the SG, and not SE, allocation factor beginning July 1, 2021, and through the 2022 Calendar Year. The Settling Parties agree with Rocky Mountain Power’s October 20, 2023, Rebuttal Testimony calculation of the EIM settlement correction, which corrected the allocation beginning July 1, 2021.
3. The Settling Parties agree that, for the purposes of arriving at a compromised settlement only, the Company will implement an additional adjustment of \$2,250,000 to reduce the 2023 ECAM deferral balance for the purpose of calculating the tariff Schedule 95 rates, itemized in paragraph 10 below (“Settlement Adjustment”). The adjustment is inclusive of an agreed-upon \$35,000 reduction related to CAS’s proposed Black Cap solar resource adjustment and a \$2,215,000 reduction related to WIEC’s proposed adjustment regarding gas hedging. The Settling Parties further agree the Settlement Adjustment described in this paragraph are for the purposes of a compromise only as part of a settlement package for the resolution of this proceeding and do not establish any admission of imprudence on the part of the Company or precedent for future Commission proceedings, or any proceedings in other jurisdictions or venues. The Settling Parties agree that the Agreement as to the Settlement Adjustment shall not be used by any of the Settling Parties for any purposes in any other proceeding without consent of the other

Settling Parties.

4. In the event the Commission approves the Agreement on or before December 28, 2023, the Company will implement a rate decrease to tariff Schedule 95 for the 6-month period beginning January 1, 2024 that is consistent with paragraph 10 below. In the event that the Commission approves the Agreement after December 28, 2023, the Company will implement a rate decrease to tariff Schedule 95 within seven business days after Commission approval of the Agreement.

5. As part of the ECAM Minimum Filing Requirement 13, the Company will report in each future ECAM proceeding the actual wind performance on a megawatt-hour basis for each Company-owned wind asset during the deferral year and each deferral year for the preceding five deferral years. The Agreement makes no judgement or determination on the performance of the Company's wind facilities. The Settling Parties have the right to litigate this issue in a future proceeding.

6. The Agreement makes no judgement or determination on the Company's hedging policies or practices. The Settling Parties have the right to litigate this issue in a future proceeding.

7. The Agreement makes no judgement or determination on existing treatment of production tax credits. The Settling Parties have the right to litigate this issue in a future proceeding.

8. The Agreement makes no judgement or determination on use of the mark-to-market adjustment for the Black Cap solar resource or other Oregon situs assigned resources. The Settling Parties have the right to litigate this issue in a future proceeding.

9. The Agreement makes no judgement or determination regarding issues related to operating reserves or the Top of the World power purchase agreement. The Settling Parties have the right to litigate this issue in a future proceeding. However, the Company will conduct a technical workshop for any interested Wyoming stakeholder focusing on Top of the World dispatch and curtailment and the valuation of generating reserve, including contracts with industrial customers. The Settling Parties will confer and come to a mutual agreement as to the date and scope of this technical workshop within three months of the Wyoming Public Service Commission approval of this Agreement.

10. The Settling Parties agree that the 2023 ECAM recovery amount shall be as follows:

	Total Amount
<b>ECAM Deferral in Application</b>	<b>\$ 74,027,280</b>
<b>Reduction from Rebuttal Testimony</b>	<b>\$ (7,115,802)</b>
Hedging Settlement Adjustment	\$ (2,215,000)
Black Cap Solar Settlement Adjustment	\$ (35,000)
<b>Total Settlement Adjustment to 2023 ECAM Deferral</b>	<b>\$ (2,250,000)</b>
<b>Total 2023 ECAM Deferral</b>	<b>\$ 64,661,478</b>

11. The Settling Parties agree that the settlement adjustments shown above provide a reasonable resolution of all issues raised in the docket. The Settling Parties agree further that the \$2,250,000 Settlement Adjustment is in recognition of issues raised by WIEC and CAS but does not represent an acceptance or rejection by any of the Settling Parties of any issues.

12. In accordance with this Agreement, the Settling Parties agree to a total 2023 ECAM Deferral of \$64,661,478 which represents a reduction of \$9,365,802 to the interim rates under tariff Schedule 95 that became effective July 1, 2023. This reduction incorporates the combined effect of the \$7,115,802 reduction presented in the Company's rebuttal testimony and the additional \$2,250,000 Settlement Adjustment proposed in this Agreement.

13. The Settling Parties agree to allow the interim rate decrease that became effective July 1, 2023, under the REC and SO2 revenue adjustment tariff Schedule 93, in the amount of approximately \$1.5 million, to become final.

### **GENERAL TERMS AND CONDITIONS**

14. The Settling Parties agree that this Agreement is in the public interest. The Settling Parties agree to support all elements of this Agreement as being in the public interest in proceedings before the Commission and to advocate in good faith that the Commission approve this Agreement in its entirety.

15. The Settling Parties agree that all negotiations relating to this Agreement are privileged and confidential and that no Party will be bound by any position asserted in the negotiations, except to the extent expressly stated in this Agreement.

16. The Settling Parties agree that this Agreement represents a compromise in the positions of all the Settling Parties. As such, evidence of conduct or statements made in the negotiation and discussion phases of this Agreement will not be admissible as evidence in any proceeding before the Commission or any court.

17. The Settling Parties agree that except as otherwise expressly noted in this Agreement: (a) the execution of this Agreement will not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory or principle of ratemaking or regulation, and no Party will be deemed to have agreed that any principle, method or theory of regulation employed in arriving at this Agreement is appropriate for resolving any issue in any other proceeding; (b) the execution of the Agreement, except as stated expressly otherwise, will not constitute the basis of estoppel or waiver in future proceedings by any Party; and (c) no Party will be deemed to be bound by any position asserted by any Party, and no finding of fact or conclusion of law other than those expressly stated will be deemed to be implicit in this Agreement.

18. The Settling Parties agree to the admission of all prefiled direct and October 20, 2023, rebuttal testimony and exhibits filed in Docket No. 20000-642-EM-23. The Settling Parties waive cross examination of witnesses regarding prefiled testimony and exhibits.

19. The Settling Parties will support this Agreement at the hearing, and may do so with written testimony or testimony at the hearing. Appropriate witnesses in this docket will be made available in person or telephonically to the Commission for the purpose of responding to any questions and examination by the Commission in support of the Agreement.

20. The Settling Parties acknowledge that this Agreement represents a compromise in the positions of the Settling Parties in this docket and has been negotiated as a packaged settlement. The Settling Parties acknowledge that their support and advocacy of the Agreement is based upon the Agreement as a whole, in its entirety, and not based upon its individual components viewed in isolation. The Settling Parties acknowledge that their support and advocacy of the Agreement may be compromised



by material alterations by the Commission. In the event the Commission rejects or materially alters this Agreement, the Settling Parties agree that they are no longer bound by its terms and are not deemed to have waived any of their respective procedural or due process rights under Wyoming law.

21. If the Commission chooses to adopt and approve the Agreement, this Agreement resolves all disputed matters relative to this proceeding. Any disputed matters will be deemed resolved to the extent that the Agreement is not compromised by material alterations.


22. Except as otherwise expressly provided in this Agreement, the issuance of an Order approving this Agreement will not be deemed to work as an estoppel upon the Settling Parties or the Commission or otherwise establish or create any limitation on or precedent of the Commission in future proceedings.

23. This Agreement will not become effective and will be given no force and effect until the issuance of a final Commission decision that accepts and approves this Agreement.


24. This Agreement is in the public interest and is the result of a negotiated settlement. The compromises and settlements set forth in the Agreement are consistent with the public interest and are supported by the Settling Parties' testimony in this proceeding.


25. This Agreement may be executed in one or more counterparts and each counterpart will have the same force and effect as an original document and as if all the Settling Parties had signed the same document. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of the Agreement identical in form hereto but having attached to it one or more signature page(s).

Respectfully submitted this 18<sup>th</sup> day of December, 2023.

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