

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKETS UE-230482
PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY, Complainant,	ORDER 05
Petitioner,	GRANTING REQUEST FOR CASE CERTIFICATION
2022 Power Cost Adjustment Mechanism Annual Report	

BACKGROUND

- 1 On June 15, 2023, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company), filed a Petition to Extend the Amortization of the Power Cost Adjustment Mechanism (PCAM) Surcharge (Petition).¹ This filing was made pursuant to a previous order of the Washington Utilities and Transportation Commission (Commission) in Docket UE-140762, Order 09.²
- 2 Order 09 approved and adopted a full Settlement Agreement that, among other things, authorized PacifiCorp to implement its PCAM allowing for positive or negative adjustments to its rates to account for fluctuations in power costs outside of an authorized band for power-cost recovery in base rates.³
- 3 Under the Settlement Stipulation, PacifiCorp is required to file its Petition for the Commission to confirm and approve the deferred PCAM balance for the previous calendar year by June 1 of each year.⁴ The Company's filing included testimony, exhibits, and

¹ *In the Matter of the Petition of PacifiCorp d/b/a Pacific Power & Light Company, 2022 Power Cost Adjustment Mechanism Annual Report, Docket 230482, Petition to Extend the Amortization of the Power Cost Adjustment Mechanism (PCAM) Surcharge (June 15, 2023).*

² *Wash. Utils & Transp. Comm'n v. Pac. Power & Light Co., Dockets 140762, 140617 & 131384, Order 09, 7, ¶ 18 (May 26, 2015).*

³ *Id.*, Order 09 (May 26, 2015).

⁴ Settlement Stipulation in Docket UE-140762 at ¶ 19 (May 8, 2015) (Settlement Stipulation).

supporting documentation related to power costs deferred under the PCAM for the period January 1, 2022, through December 31, 2022.

- 4 The Company also requested to extend the amortization of the PCAM surcharge from 12 months to 24 months to avoid rate shock and provide rate stability.
- 5 PacifiCorp explains that during 2022, actual power costs were significantly higher than the baseline, creating an under-recovery of \$72.7 million. This under-recovery was due to price and load volatility, extreme weather, and market events that were unaccounted for during the baseline and rate-setting process. Given the operation of the PCAM's sharing mechanism, PacifiCorp alleges that its customers are responsible for \$71.5 million or \$77.3 million grossed up.
- 6 Thus, the Company is requesting a revenue increase of \$37.2 million or 9.5 percent, effective January 1, 2024. The effect of the revenue increase is that a typical residential customer using 1,200 kWh would see a \$11.09 monthly increase on their bill.
- 7 On October 10, 2023, the Alliance of Western Energy Consumers (AWEC) filed a Petition for Adjudication (Petition for Adjudication) alleging that there are issues of material fact that require further evaluation, which are most appropriately handled in an adjudication.
- 8 On October 30, 2023, PacifiCorp filed a Response to AWEC's Petition recommending that the Commission deny the Petition, and arguing that AWEC's desires to understand the Company's hedging processes are better handled through an informal collaborative process.
- 9 On November 7, 2023, AWEC filed a Motion for Leave to Reply (Motion for Leave to Reply) with a proposed reply (Reply) arguing that an informal collaborative process is not a proper substitute for an adjudication, and that the parties have not had an opportunity to test PacifiCorp's assertion that it is more cost-effective to hedge for the Company's system as a whole.
- 10 On November 22, 2023, this matter came before the Commission at its regularly scheduled open meeting.
- 11 On November 27, 2023, the Commission issued Order 01 Granting Leave to Reply: Granting Petition for Adjudication. Order 01 also suspended the tariff revisions PacifiCorp filed on June 15, 2023.
- 12 On January 9, 2024, the Commission convened a virtual prehearing conference before Administrative Law Judge James E. Brown II. During the Prehearing Conference, the

Commission granted PacifiCorp's request for a Protective Order from its June 15, 2023, Petition.

- 13 On January 23, 2024, the Commission entered Order 03, Prehearing Conference Order and Notice of Hearing. The Commission granted the petition to intervene from the Alliance of Western Energy Consumer (AWEC) and noticed an evidentiary hearing for June 4, 2024, at 9:00 a.m.
- 14 On January 23, 2024, the Commission entered Order 04, memorializing PacifiCorp's request for a Protective Order from its June 15, 2023 Petition.
- 15 Pursuant to WAC 480-07-370(3), Order 02 issued by the Commission in Docket No. U-210595, and Articles 5.2.1 and 6.2 of the Washington Extended Interim Participatory Funding Agreement (Extended Interim Agreement), AWEC, filed a Petition for Case Certification (Petition), also filed a Notice of Intent to Request Fund Grant (Notice).
- 16 On February 14, 2024, AWEC filed a Petition for Case Certification and Notice of Intent to Request a Fund Grant. AWEC provided that its request for fund grant be collected from PacifiCorp Customer Representation Sub-fund. AWEC submits that this proceeding, PacifiCorp's Power Cost Adjustment Mechanism (PCAM) Surcharge Petition, is an "eligible proceeding" under the Extended Interim Agreement.
- 17 Citing Sections 5.2.1 and 6.2 of the Extended Interim Agreement, AWEC requests case-certification. AWEC submits that it is a non-profit organization; that it represents "broad customer interests," specifically the class of industrial customers that obtain electric service from PacifiCorp;⁵ and that AWEC has represented broad customer interests in previous PacifiCorp proceedings. AWEC submits that it is the only party that can sufficiently represent the interests of industrial customers. Lastly, AWEC submits that its participation will benefit the public interest and will not unduly delay the proceeding.

DISCUSSION

- 18 Pursuant to RCW 80.28.430, utilities must enter into funding agreements with organizations that represent broad customer interests. The Commission is directed to determine the amount of financial assistance, if any, that may be provided to any organization; the way the financial assistance is distributed; the way the financial

⁵ The Extended Interim Agreement is authorized by RCW 80-28-430(1) which provides that "broad customer interests" also includes industrial customers.

assistance is recovered in a utility's rates; and other matters necessary to administer the agreement.⁶

- 19 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement).⁷ The Commission provided “high-level guidance regarding the amount of financial assistance that may be provided to organizations, the manner in which it is distributed to participants and recovered in the rates of gas or electrical companies, and other matters necessary to administer agreements.”⁸
- 20 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).⁹ The Commission approved the Extended Interim Agreement filed by the parties on February 23, 2022, subject to certain modifications, and adopted the Interim Agreement as Appendix A to the Order. Among other points, the Commission clarified that it is not bound by the timeframes set forth in the Extended Interim Agreement.¹⁰
- 21 In relevant part, Section 5.2 of the Extended Interim Agreement provides that the Commission will case-certify an organization that is not a for-profit or governmental entity; represents “broad customer interests;” demonstrates it is able to “effectively represent the particular customers it seeks to represent;” demonstrates that no other case-certified stakeholder adequately represents these interests or that the proceeding will benefit from the organization's participation; and establishes that it will not unduly delay the proceeding.¹¹
- 22 In this proceeding, the Commission is reviewing PacifiCorp's PCAM Petition for its electric and natural gas services. The Commission determines that PacifiCorp's PCAM Petition is considered an “eligible proceeding” within the meaning of the Extended Interim Agreement, because PacifiCorp is a Participating Public Utility under the

⁶ RCW 80.28.430(2).

⁷ *In the Matter of the Commission's Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595 (November 19, 2021).

⁸ *Id.* ¶ 3.

⁹ *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595 Order 01 (February 24, 2022).

¹⁰ *E.g., Id.*

¹¹ Extended Interim Agreement § 5.2.

Extended Interim Agreement,¹² thus appropriate for participatory funding.¹³ We continue on to address AWEC's Request for Case Certification and Notice of Intent to Seek Funding.

- 23 **AWEC.** AWEC is a non-profit organization that represents broad customer interests. RCW 80-28-430(1) provides that "broad customer interests" also includes industrial customers. The Commission also acknowledges that in other PacifiCorp proceedings, AWEC was found to represent broad industrial customers. We therefore find that AWEC represents broad customer interests.
- 24 AWEC demonstrates that it can effectively represent PacifiCorp's industrial customers. This is evidenced through AWEC's granted intervention and full participation in several of PacifiCorp's prior proceedings, including its most recent General Rate Case, UE-230172, its Limited Issue Rate Filing, UE-210532, and its Power Cost Only Rate Case, UE-210402. AWEC has also successfully advocated lowering energy costs for PacifiCorp's customers, including industrial consumers.
- 25 The Commission agrees that the public interest is served by AWEC's participation and that no other party can adequately represent the interests of industrial customers. We therefore grant AWEC's Request for Case Certification.

ORDER

THE COMMISSION ORDERS:

- 26 (1) The Alliance of Western Energy Consumers' Request for Case Certification is GRANTED.

Dated at Lacey, Washington, and effective May 3, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ James E. Brown II
JAMES E. BROWN II
Administrative Law Judge

¹² Extended Interim Agreement, Article 1(g).

¹³ See Extended Interim Agreement § 1(c) (defining "Eligible Proceeding").

NOTICE TO PARTIES: This is an Interlocutory Order of the Commission. Administrative review may be available through a petition for review, filed within 10 days of the service of this Order pursuant to WAC 480-07-810.