

UE-230172 / PacifiCorp

October 16, 2023

WUTC Data Request 154 - 2nd Supplemental**WUTC Data Request 154**

Power Costs - Please explain why it is reasonable to forecast Rate Year 1 NPC based on Aurora model data for calendar year 2024. In your response, please address the forecast January – April outage of Jim Bridger 1 and 2.

- (a) Since the suspension date for Rate Year 1 is March 19, 2024, is it reasonable to assume that RY1 rates will go into effect on April 1, 2024 given the time required for PacifiCorp to file compliant tariffs and for the Commission to review them?

2nd Supplemental Response to WUTC Data Request 154

Further to the Company's prior responses to WUTC Data Request 154 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:

Net power costs (NPC) forecasts necessarily rely on underlying capital investments assumptions as part of the forecast process because capital investments inform and influences the availability of resources over a forecast period. Accordingly, a NPC forecast period ought to be appropriately matched with the underlying capital placed in-service timing included in the proceeding. In this general rate case (GRC) proceeding, capital placed in service, as well as all other aspects of revenue requirement are modelled based on calendar periods 2024 and 2025 for Rate Year 1 (RY1) and Rate Year 2 (RY2), respectively.

The Company has modelled revenue requirement on a calendar year basis to better facilitate subsequent filing requirements after the multi-year rate plan (MYRP) proceeding concludes. Specifically, with regards to the provisional capital review process, as described above, the Company's proposal is to use its annual commission basis report (CBR) as the basis on which to report actual plant in service. Since the Company prepares its CBR on a calendar year basis, having rates assumptions in the GRC filing be synchronized to a calendar year basis will better support the subsequent reporting processes and limits unnecessary administrative burdens. The WUTC did address a mismatch of the NPC baseline year with the rate year in PacifiCorp's most recent power cost only rate case (PCORC) and determined it was appropriate.¹

Additionally, across both RY1 and RY2 of the MYRP, the impact of having Jim Bridger Unit 1 and Jim Bridger Unit 2 in rates on a calendar year basis reduces

¹ *WUTC v. PacifiCorp d/b/a Pacific Power & Light Co.*, Docket No. UE-210402, Order 06 at ¶¶137-138 (March 29, 2022).

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NPC for customers as compared to the alternative of April 2024 through March 2026.

Consistent with Revised Code of Washington (RCW) 80.04.130(1), “the commission may suspend the operation of such rate, charge, rental, or toll for a period not exceeding ten months from the time the same would otherwise go into effect”. Under this statutory requirement, revised rates would need to be effective March 19, 2024. Please refer to Washington Administrative Code (WAC) 480-07-880 for the timelines and procedures for compliance tariff filings.

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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