

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY,

Respondent.

DOCKETS UE-230172

**DAVID E. DISMUKES, PH.D.
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT DED-8

Results of Alternative Rate Spread

September 14, 2023

Results of Alternative Rate Spread

	Washington Jurisdiction Normalized	Residential	Small General Service	Large General Service < 1,000 kW	Large General Service > 1,000 kW	Large General Dedicated Facilities	Agricultural Pumping	Street & Area Lighting
Cost of Service Study Results								
Current Rates	\$ 404,628,751	\$176,071,755	\$ 58,004,210	\$ 84,757,249	\$ 31,760,598	\$ 38,671,305	\$14,475,016	\$ 888,617
Current Costs	404,628,751	177,668,592	54,290,642	81,874,543	32,570,208	41,966,902	15,328,134	929,730
Operating Income	63,769,633	28,859,820	12,477,640	14,625,972	3,787,338	2,146,147	1,723,020	149,697
Rate Base	1,100,424,347	525,766,280	151,288,598	202,538,286	79,279,113	93,784,461	44,466,878	3,300,730
Current Parity Ratios	1.00	0.99	1.07	1.04	0.98	0.92	0.94	0.96
Rate Schedule Specific Revenue Increase Allocation								
Revenue Requirement	\$ 431,391,950							
Operating Income	\$ 63,769,633							
Operating Income Deficiency	\$ 26,763,199							
ROR	8.23%							
Proposed Revenue Allocation								
Proposed Sales Revenues	\$ 431,391,950	\$190,455,648	\$ 57,970,101	\$ 86,800,436	\$ 34,498,339	\$ 44,247,815	\$16,409,604	\$ 1,010,006
Incremental Revenue Requirement at Proposed ROR	26,763,199	14,383,893	(34,109)	2,043,187	2,737,741	5,576,510	1,934,588	121,389
Percent Increase at Proposed ROR	6.61%	8.17%	-0.06%	2.41%	8.62%	14.42%	13.37%	13.66%
Relative Revenue Increase	1.00	1.24	(0.01)	0.36	1.30	2.18	2.02	2.07
Step One Increase								
Maximum Increase at 1.15 times System Average Increase	7.61%	0.00%	0.00%	0.00%	0.00%	7.61%	7.61%	0.00%
Step One Revenue Increase	\$ 4,042,522	\$ -	\$ -	\$ -	\$ -	\$ 2,941,494	\$ 1,101,028	\$ -
Remaining Revenue Deficiency	\$ 22,720,678							
Step Two Increase								
Basis to Allocate Step Two Increase	\$ 293,478,219	\$176,071,755	\$ -	\$ 84,757,249	\$ 31,760,598	\$ -	\$ -	\$ 888,617
Allocation of Shortfall (Max Increase = 1.15)	22,323,126	13,392,721	-	6,446,975	2,415,838	-	-	67,592
Remaining Revenue Deficiency	\$ 397,552							
Step Three Increase								
Basis to Allocate Step Three Increase	\$ 58,004,210	\$ -	\$ 58,004,210	\$ -	\$ -	\$ -	\$ -	\$ -
Allocation of Shortfall	397,552	-	397,552	-	-	-	-	-
Total Required Increase	\$ 22,720,678	\$ 13,392,721	\$ 397,552	\$ 6,446,975	\$ 2,415,838	\$ 2,941,494	\$ 1,101,028	\$ 67,592
Rate Schedule Specific Revenue Increase Allocation								
Annualized Current Base Rate Revenue	\$ 404,628,751	\$176,071,755	\$ 58,004,210	\$ 84,757,249	\$ 31,760,598	\$ 38,671,305	\$14,475,016	\$ 888,617
Revenue Change (\$)	26,763,199	13,392,721	397,552	6,446,975	2,415,838	2,941,494	1,101,028	67,592
Proposed Revenue	\$ 431,391,950	\$189,464,476	\$ 58,401,762	\$ 91,204,224	\$ 34,176,436	\$ 41,612,799	\$15,576,044	\$ 956,208
Proposed Revenue Change (%)	6.61%	7.61%	0.69%	7.61%	7.61%	7.61%	7.61%	7.61%
Relative Proposed Rate Increase	1.00	1.15	0.10	1.15	1.15	1.15	1.15	1.15
Proposed Parity Ratios (post-RY1)	1.00	0.99	1.01	1.05	0.99	0.94	0.95	0.95

Results of Alternative Rate Spread: Rate Year 1

Rate Class	Rate Year 1				
	Current Revenues	Proposed Increase ----- (\$000) -----	Proposed Revenues	Percent Increase	Relative ROR
Residential	\$ 176,072	\$ 13,393	\$ 189,464	7.6%	1.15
General - Small	58,004	398	58,402	0.7%	0.10
General	84,757	6,447	91,204	7.6%	1.15
General - Large	31,761	2,416	34,176	7.6%	1.15
General - Large (Dedicated Facilities)	38,671	2,941	41,613	7.6%	1.15
Agricultural Pumping	14,475	1,101	15,576	7.6%	1.15
Street & Area Lighting	889	68	956	7.6%	1.15
Total Revenues	\$ 404,629	\$ 26,763	\$ 431,392	6.6%	1.00

Results of Alternative Rate Spread: Rate Year 2

Rate Class	Rate Year 2				
	RY1 Revenues	Proposed Increase ----- (\$000) -----	Proposed Revenues	Percent Increase	Relative ROR
Residential	\$ 189,464	\$ 12,116	\$ 201,581	6.4%	1.00
General - Small	58,402	3,735	62,136	6.4%	1.00
General	91,204	5,832	97,037	6.4%	1.00
General - Large	34,176	2,186	36,362	6.4%	1.00
General - Large (Dedicated Facilities)	41,613	2,661	44,274	6.4%	1.00
Agricultural Pumping	15,576	996	16,572	6.4%	1.00
Street & Area Lighting	956	61	1,017	6.4%	1.00
Total Revenues	\$ 431,392	\$ 27,587	\$ 458,979	6.4%	1.00

Results of Alternative Rate Spread: Cumulative

Rate Class	Cumulative				
	Current Revenues	Proposed Increase	Proposed Revenues	Percent Increase	Relative ROR
	----- (\$000) -----				
Residential	\$ 176,072	\$ 25,509	\$ 201,581	14.5%	1.08
General - Small	58,004	4,132	62,136	7.1%	0.53
General	84,757	12,279	97,037	14.5%	1.08
General - Large	31,761	4,601	36,362	14.5%	1.08
General - Large (Dedicated Facilities)	38,671	5,603	44,274	14.5%	1.08
Agricultural Pumping	14,475	2,097	16,572	14.5%	1.08
Street & Area Lighting	889	129	1,017	14.5%	1.08
Total Revenues	\$ 404,629	\$ 54,350	\$ 458,979	13.4%	1.00