BEFORE THE WASHINGTON

UTILITIES & TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY,

Respondent.

DOCKET UE-250224

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

EXHIBIT RLE-18

PacifiCorp Response to Staff Data Request 01

August 20, 2025

UE-250224 / PacifiCorp
May 12, 2025
WUTC Data Request 1

WUTC Data Request 1

Regarding Exhibit Nos. JRS-1T 3:23-24, 7:7-10:

(a) Please provide the authority that PacifiCorp relies upon to "Reset non-NPC costs consistent with CETA and the revised allocations in the Washington 2026 Protocol" (JRS-1T 3:23-24) in this PCORC, rather than waiting until its next GRC application.

(b) Please explain when PacifiCorp intends to file applications to reset non-NPC costs consistent with the new proposed cost allocation methodology in each of its other jurisdictions and when PacifiCorp expects such applications would become effective.

(c) For each jurisdiction identified in the response to part (b), please summarize the regulatory process or authority that PacifiCorp expects to rely upon to file the application (e.g., a GRC).

(d) Please confirm that PacifiCorp can guarantee that the proposal to adjust non-NPC revenue requirements reflecting the direct assignment of Chehalis Gas Generation through Washington power cost rates will not cause PacifiCorp to recover more than 100% of Chehalis operating expenses and the return on Chehalis rate base across all jurisdictions during 2026.

(e) Please confirm that PacifiCorp can guarantee that the proposal to reallocate non-NPC revenue requirements of other specific generation resources will not cause PacifiCorp to recover more than 100% of costs for each of those resources across all jurisdictions during 2026.

(f) If the response to part (d) or part (e) is not an unconditional confirmation, please explain why it is reasonable for the Commission to approve a revenue requirement for Washington customers that may also be recovered in other jurisdictions.

Response to WUTC Data Request 1

(a) PacifiCorp is unaware of any legal authority that would prevent the Company from requesting a revised allocation methodology in a power cost only rate case (PCORC). As identified in the direct testimony of Company witness, Ramon J. Mitchell, Exhibit No. RJM-1CT, page 14, remaining with the Washington Inter-Jurisdictional Allocation Methodology (WIJAM) and removing coal from rates on December 31, 2025, would have resulted in a baseline net power costs (NPC) of $237.1 million. By contrast, the Washington 2026 Protocol results in a baseline NPC of $194.6 million.

In addition, waiting for the next general rate case (GRC), which would have the earliest effective date of April 3, 2026, would be too late to meet the requirement in Washington's Clean Energy Transformation Agreement (CETA) to remove coal from the utility's allocation of electricity. The Washington Utilities and Transportation Commission (WUTC) ordered PacifiCorp to file this PCORC to implement that change in Order 08/06 of Docket UE-230172. That change would be meaningless, and would not meet the requirements of CETA, without matching non-NPC costs associated with the assets used to set NPC effective January 1, 2026.

(b) PacifiCorp objects to this data request as outside the scope of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving any objection, the Company responds as follows:

PacifiCorp is planning to submit filings in the other jurisdictions before September 1, 2025.

(c) PacifiCorp objects to this data request as outside the scope of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving any objection, the Company responds as follows:

While it depends on the jurisdiction and the individual processes and ratemaking mechanisms approved in that jurisdiction, PacifiCorp will generally file for an approval of a cost allocation methodology, which will then be implemented in a subsequent GRC. PacifiCorp may request deferred accounting or specific treatment in various NPC mechanisms as the transition occurs.

(d) No. PacifiCorp already under- and over-recovers costs for specific resources. This has been true since Washington ordered PacifiCorp to produce a different allocation methodology, the West Control Area Inter-Jurisdictional Allocation Methodology (WCA), which the WUTC approved in 2006. This dynamic exists under the currently effective WIJAM, though it made progress towards resolving this issue. The Washington 2026 Protocol continues this progress towards ensuring there is no under- or over-allocation issues amongst states. Similarly, the Company intends to make proposals in all states that would result in no under- or over-allocation, however, the Company cannot provide certainty on the decisions that will be made by the state commissions.

(e) Please refer to the Company's response to subpart (d) above.

(f) Please refer to the Company's response to subpart (d) above.

PREPARER: Counsel / Ariel Son