APPENDIX C - Recommendations

This appendix is a resource only and does not reflect the full intent or nuance of the recommendations.

Mechanism	Recommendation	Short description of recommended change
Multiyear Rate Plan	Maintain	▪ Full evaluation of structure if not determined in 2026 MYRPs
Revenue Decoupling	Modify	▪ Adjust carrying cost to after-tax cost of debt
Power Cost Adjustment Mechanism	Maintain	▪ Full evaluation of structure if not determined in 2026 MYRPs ▪ Adjust carrying cost to after-tax cost of debt
Purchased Gas Adjustment Mechanism	Modify	▪ Implement sharing mechanism (90/10 customer/shareholder)
Renewable Energy Credit Tracker	Eliminate	
Clean Energy Implementation Plan Tracker	Eliminate	
Colstrip Adjustment Tracker	Maintain	
Special Rate Adjustment – Mist Recall	Maintain	▪ Require additional narrative with adjustment filing
Tacoma LNG Tracker	Maintain	▪ Reevaluate with next rate proceeding
Transportation Electrification Plan Tracker	Eliminate	▪ Eliminate at end of 2026 or next available proceeding
Cost Recovery Mechanism (Pipeline Replacement)	Eliminate	▪ Validate no further adjustments pending
Low-Income Bill Assistance Recovery Mechanisms	Maintain/Modify	▪ Eliminate Cascade's carrying costs or restructure recovery mechanism to align with other utilities
Climate Commitment Act Cost Recovery Mechanism	Maintain	▪ Require utilities to demonstrate customer benefits associated with no-cost allowances are maximized over long-term (bill credits vs. program support)
Environmental Remediation Mechanism	Maintain	
Wildfire Prevention Tracker	Modify	▪ Restructure as a balancing account with capital investments incorporated back into base rates.

APPENDIX C - Recommendations

Mechanism	Recommendation	Short description of recommended change
		▪ Enhance reporting demonstrating the effectiveness of expenditures, risk reduction achieves, and program cost controls
Residential Rate Mitigation Mechanism	Maintain	
Participatory Funding Mechanisms	Modify	▪ Adjust carrying cost to after-tax cost of debt
Conservation, Energy Efficiency, and Demand Response Riders	Maintain	▪ Strengthen connection between annual updates to biennial conservation plan with cost recovery filings ▪ Disclose the percentage of funding used for administration of the program
Property Tax Tracker	Eliminate	
Adjustment for Property Sales	Eliminate	
Insurance Expense Balancing Account	Maintain	▪ Reevaluate at conclusion of next MYRP
Wildfire Balancing Account	Maintain	▪ Reevaluate at conclusion of next MYRP
BPA Residential Exchange Program	Maintain	
Accounting Deferrals	Maintain	▪ Require best estimate of expected deferral in the initial filing ▪ Require annual report on outstanding deferral balances/recovery
Tracker Mechanism Principles	Maintain	▪ Provide future policy guidance after receiving comments
Return on Equity	Evaluate	▪ Complete evaluation to determine if ROE adjustments are warranted to better match utility risk through formal proceedings
Other		▪ Modify cost recovery mechanism effective dates to both consolidate and avoid significant rate changes during peak heating and cooling seasons. ▪ Require more detailed information be provided for each adjustment mechanism during the initial filing. Cover letters do not contain adequate

Mechanism	Recommendation	Short description of recommended change
		information to describe the mechanism, the underlying cause for the adjustment, and in some cases the bill impacts. ▪ Periodically revisit each mechanism and the framework to adjust where warranted