

February 27, 2019

**VIA ELECTRONIC FILING**

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02/27/19 16:33  
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**RE: Advice 19-01—Schedule 191—System Benefits Charge Adjustment**

Pacific Power & Light Company (Pacific Power), a division of PacifiCorp, submits the following revised tariff sheets under RCW 80.28.050, WAC 480-109-130, and WAC chapter 480-80. The company requests an effective date of April 1, 2019.

Eighth Revision of Sheet No. 191.1      Schedule 191      System Benefits Charge Adjustment

The company proposes to decrease the System Benefits Charge (SBC) collection rate, which is administered through Schedule 191 to better align the company's recovery of costs associated with acquiring and administering cost-effective conservation in its Washington service territory.

In August 2018, the company implemented an annual collection rate decrease of approximately \$1.75 million to account for uncertainty in costs and savings at the time of the annual rate update. As part of that rate change, the company also committed to review the collection rate after six months and provide that information to Commission staff. After reviewing the company's costs, the balancing account, and the collection rate for an additional six months, the company believes an additional rate decrease is appropriate. Accordingly, the company proposes an additional rate decrease of \$1.5 million annually. Attachment B provides an overview of the balance in the SBC deferred account based on current costs and Schedule 191 revenue projections.<sup>1</sup>

The current SBC collection rate is approximately \$12.3 million on an annual basis and was approved with an effective date of August 1, 2018. The SBC collection rate currently represents approximately 3.5 percent of Pacific Power's Washington electric revenues. The proposed rate adjustment will result in an overall average decrease of approximately 0.4 percent to Pacific Power's Washington customers. If approved, a residential customer using approximately 1,200 kWh per month will see a bill decrease of approximately \$0.44 per month. Attachment C provides the estimated impact of the proposed rate decrease. Attachment D is the company's proposed Schedule 191 tariff sheet, which lists the proposed rate changes by rate schedule.

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<sup>1</sup> The 2020-2021 biennial conservation target and business plan have not yet been established. The company's current analysis reflects 2019 forecast costs and assumes similar expenditures for 2020.

