

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFICORP DBA PACIFIC POWER &
LIGHT COMPANY,

2022 Power Cost Adjustment Mechanism
Annual Report.

DOCKET UE-23_____

PACIFICORP’S PETITION TO
EXTEND THE AMORTIZATION OF
THE PCAM SURCHARGE

I. INTRODUCTION

1 In accordance with WAC 480-07-370(3), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) petitions the Washington Utilities and Transportation Commission (Commission) for an order extending the amortization period for surcharges on Schedule 97, Power Cost Adjustment Mechanism (PCAM) Adjustment, from 12 to 24 months. The Company petitions the Commission to order these changes become effective on January 1, 2024.

II. BACKGROUND

2 PacifiCorp is an electric utility and public service company doing business in the state of Washington under RCW 80.04.010, and its public utility operations, retail rates, service, and accounting practices are subject to the Commission’s jurisdiction. PacifiCorp also provides retail electricity service under the name Pacific Power in Oregon and California and under the name Rocky Mountain Power in Idaho, Utah, and Wyoming. The Company’s principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232.

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PacifiCorp’s name and address:

Washington Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
washingtondockets@pacificorp.com

Ajay Kumar
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Ajay.kumar@pacificorp.com

In addition, PacifiCorp respectfully requests that all data requests be addressed to:

By e-mail (preferred) datarequest@pacificorp.com

By regular mail Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

III. SCHEDULE 97 PCAM ADJUSTMENT

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In May of 2015, the Commission authorized PacifiCorp to implement a PCAM that allows for rate adjustments to account for changes in net power costs (NPC) outside of a band for recovery in base rates. Under the current terms of the PCAM, the Company and its customers share any differences between actual and base NPC, and the Company tracks these differences in a deferral account. A cumulative balance (including monthly interest) in this deferral account greater than \$17m or less than -\$17m produces a Schedule 97 price change.¹

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As described in the direct testimony of Jack Painter, filed concurrently with this petition, the 2022 PCAM results in a surcharge of approximately \$71.5 million. Under the current terms of the PCAM that require a one-year amortization, this would produce a

¹ *Wash. Util. & Transp. Comm’n v. Pac. Power & Light Co.*, Docket No. UE-140762, Order 09 at ¶29 (May 26, 2015) (hereinafter “2015 PCAM Order”).

Schedule 97 price change that would increase overall rates by approximately 18.2 percent.

6 The Commission has noted that “gradualism in rate change” and “stability of rates” are factors to be considered in rate changes.² Current circumstances and market conditions notwithstanding, an approximately 18.2 percent increase in rates would have an adverse impact on rate stability for customers.

7 Instead of the required one-year amortization, the Company proposes a price change for Schedule 97 that reflects a 2-year amortization of the surcharge. PacifiCorp’s proposal recognizes a need to balance rate stability while also preventing intergenerational cost subsidization.

8 A 2-year amortization will result in an approximately 9.5 percent overall increase in rates (net of the proposed decrease in Schedule 99 - Production Tax Credit Tracker Adjustment). Over the course of PacifiCorp’s proposed amortization period, the inclusion of interest will lead to a total of \$77.3 million for recovery. Workpaper 4 shows the calculation of this increase. Workpaper 4 also shows that the Company proposes to spread the PCAM deferral across customer rate schedules consistent with the spread of the base price increase that the Commission ordered in docket UE-210402 (the Company’s recent Power Cost Only Rate Case).

IV. CONCLUSION

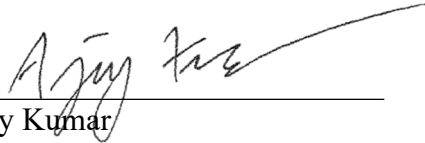
9 The Company respectfully requests the Commission issue an order that extends the amortization period for the PCAM surcharges on Schedule 97 from 12 to 24 months,

² *Wash. Util. & Transp. Comm’n v. Puget Sound Energy, Inc.*, Docket No. UE-072300, Order 12 at ¶68 (October 8, 2008) (Discussing the factors that are considered in determining the rate spread in a general rate case).

effective January 1, 2024. Workpaper 4 shows that the Company's proposed price change would result in an approximately \$37.2 million, or 9.5 percent overall increase in rates, effective January 1, 2024. Workpaper 4 shows that this would increase the monthly bill for the average residential customer using 1,200 kilowatt-hours per month by \$11.09.

Respectfully submitted this 15th day of June, 2023.

By:



Ajay Kumar
Assistant General Counsel
OSB# 183903
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Phone: (503) 813-5161
ajay.kumar@pacificorp.com

Attorney for PacifiCorp