

Exhibit No. JRS-7
Docket UE-15____
Witness: Joelle R. Steward

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER & LIGHT
COMPANY,

Petition For a Rate Increase Based on a Modified
Commission Basis Report, Two-Year Rate Plan,
and Decoupling Mechanism.

Docket UE-15____

PACIFIC POWER & LIGHT COMPANY

EXHIBIT OF JOELLE R. STEWARD

Decoupling Mechanism Deferral

November 2015

Illustrative Example of Decoupling Mechanism Calculation

| Line No. | Calculation | Proposed Deferral Period | | | | | | | | | | | | Total | | | |
|---|-----------------------------------|--------------------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|--|--|
| | | July | August | September | October | November | December | January | February | March | April | May | June | | | | |
| SCH. 16 - Residential | | | | | | | | | | | | | | | | | |
| (1) | Base for 5/1/17 Jun-2015 | | | | | | | | | | | | | | | | |
| (2) | Avg Customers | 105,259 | 104,959 | 104,803 | 104,923 | 104,941 | 105,174 | 105,262 | 105,427 | 105,561 | 105,607 | 105,344 | 105,171 | 105,093 | | | |
| (3) | Decoupled Revenue per Customer * | \$ 817 | \$ 63.83 | \$ 58.75 | \$ 55.91 | \$ 60.58 | \$ 111.84 | \$ 108.06 | \$ 108.06 | \$ 99.56 | \$ 76.06 | \$ 56.79 | \$ 45.93 | \$ 37.67 | | | |
| (4) | Allowed Decoupled Revenue | \$ 86,045,829 | \$ 6,689,341 | \$ 6,164,483 | \$ 5,867,103 | \$ 6,371,426 | \$ 11,772,902 | \$ 11,332,601 | \$ 9,956,233 | \$ 8,932,397 | \$ 8,032,397 | \$ 5,982,605 | \$ 4,830,915 | \$ 3,958,371 | \$ 86,027,997 | | |
| (5) | Actual kWh | 1,569,786,637 | 134,400,000 | 107,000,000 | 95,100,000 | 115,900,000 | 199,000,000 | 194,200,000 | 166,400,000 | 134,600,000 | 100,500,000 | 91,100,000 | 97,000,000 | 97,000,000 | 1,547,200,000 | | |
| (6) | Decoupled Revenue per kWh Rate * | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | \$ 0.05481 | | |
| (7) | Actual Decoupled Revenue | \$ 86,045,829 | \$ 736,963 | \$ 586,067 | \$ 521,784 | \$ 635,909 | \$ 10,907,928 | \$ 10,648,822 | \$ 9,121,001 | \$ 7,377,925 | \$ 5,508,778 | \$ 4,993,529 | \$ 5,316,930 | \$ 84,807,772 | | | |
| (8) | Deferral - (Surcharge)/Sur-credit | | \$ 1,129,515 | \$ 677,622 | \$ (299,416) | \$ (654,320) | \$ (18,517) | \$ (864,973) | \$ (747,778) | \$ (835,232) | \$ (654,472) | \$ (473,827) | \$ 162,614 | \$ 1,358,559 | \$ (1,220,225) | | |
| (9) | Interest on Deferral | | \$ 1,530 | \$ 3,981 | \$ 1,441 | \$ (1,693) | \$ (1,802) | \$ (1,226) | \$ (3,359) | \$ (3,165) | \$ (3,157) | \$ (2,423) | \$ (1,070) | \$ 2,277 | \$ (8,666) | | |
| (10) | Cumulative Deferral | | \$ 1,131,044 | \$ 681,603 | \$ (297,975) | \$ (655,013) | \$ (203,119) | \$ (865,200) | \$ (751,137) | \$ (838,397) | \$ (657,629) | \$ (476,249) | \$ 161,544 | \$ 1,360,836 | \$ (1,228,892) | | |
| SCH. 24 - Small General Service (<100 KW) | | | | | | | | | | | | | | | | | |
| (1) | Avg Customers | 19,046 | 19,681 | 19,704 | 19,753 | 19,728 | 19,753 | 19,763 | 19,811 | 19,767 | 19,760 | 19,831 | 19,887 | 19,924 | | | |
| (2) | Decoupled Revenue per Customer * | \$ 1,651 | \$ 135.30 | \$ 156.03 | \$ 144.88 | \$ 131.09 | \$ 127.37 | \$ 164.21 | \$ 158.68 | \$ 142.83 | \$ 128.48 | \$ 119.97 | \$ 115.43 | \$ 126.31 | | | |
| (3) | Allowed Decoupled Revenue | \$ 31,436,797 | \$ 2,662,748 | \$ 3,071,403 | \$ 2,854,649 | \$ 2,589,427 | \$ 2,512,828 | \$ 3,245,340 | \$ 3,143,520 | \$ 2,823,305 | \$ 2,538,786 | \$ 2,379,063 | \$ 2,295,465 | \$ 2,516,678 | \$ 32,633,214 | | |
| (4) | Actual kWh | 536,266,600 | 47,300,000 | 52,800,000 | 48,400,000 | 43,400,000 | 41,500,000 | 53,900,000 | 50,300,000 | 45,800,000 | 41,000,000 | 38,600,000 | 39,200,000 | 45,100,000 | 547,300,000 | | |
| (5) | Decoupled Revenue per kWh Rate * | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | \$ 0.05862 | | |
| (6) | Actual Decoupled Revenue | \$ 31,436,797 | \$ 2,772,801 | \$ 3,095,220 | \$ 2,837,285 | \$ 2,544,177 | \$ 2,432,796 | \$ 3,159,703 | \$ 2,948,666 | \$ 2,684,869 | \$ 2,403,485 | \$ 2,262,793 | \$ 2,297,966 | \$ 2,643,833 | \$ 32,083,593 | | |
| (7) | Deferral - (Surcharge)/Sur-credit | | \$ 110,053 | \$ 23,817 | \$ (17,365) | \$ (45,250) | \$ (80,033) | \$ (85,637) | \$ (194,855) | \$ (138,437) | \$ (135,301) | \$ (116,270) | \$ 2,501 | \$ 127,156 | \$ (59,622) | | |
| (8) | Interest on Deferral | | \$ 149 | \$ 331 | \$ 42 | \$ (108) | \$ (231) | \$ (333) | \$ (497) | \$ (717) | \$ (560) | \$ (525) | \$ (313) | \$ 178 | \$ (2,585) | | |
| (9) | Cumulative Deferral | | \$ 110,202 | \$ 24,147 | \$ (17,323) | \$ (45,338) | \$ (80,264) | \$ (85,970) | \$ (195,352) | \$ (139,153) | \$ (135,861) | \$ (116,796) | \$ 2,188 | \$ 127,334 | \$ (552,206) | | |
| SCH. 36 - Large General Service (>100 KW, <1,000 KW) | | | | | | | | | | | | | | | | | |
| (1) | Avg Customers | 1,086 | 1,095 | 1,096 | 1,097 | 1,097 | 1,097 | 1,098 | 1,102 | 1,100 | 1,096 | 1,095 | 1,094 | 1,098 | | | |
| (2) | Decoupled Revenue per Customer * | \$ 43,138 | \$ 3,205.90 | \$ 3,511.86 | \$ 3,927.03 | \$ 4,211.60 | \$ 4,011.74 | \$ 4,154.40 | \$ 3,782.65 | \$ 3,483.28 | \$ 3,288.83 | \$ 3,202.69 | \$ 3,082.18 | \$ 3,275.47 | | | |
| (3) | Allowed Decoupled Revenue | \$ 46,841,116 | \$ 3,510,455 | \$ 3,848,996 | \$ 4,307,949 | \$ 4,603,283 | \$ 4,400,883 | \$ 4,561,530 | \$ 4,168,486 | \$ 3,831,605 | \$ 3,604,555 | \$ 3,371,904 | \$ 3,596,469 | \$ 47,313,063 | | | |
| (4) | Actual kWh | 928,614,078 | 73,800,000 | 78,900,000 | 86,900,000 | 87,100,000 | 86,500,000 | 91,500,000 | 79,600,000 | 72,700,000 | 69,600,000 | 68,400,000 | 69,300,000 | 77,500,000 | 941,800,000 | | |
| (5) | Decoupled Revenue per kWh Rate * | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | \$ 0.05044 | | |
| (6) | Actual Decoupled Revenue | \$ 46,841,116 | \$ 3,722,617 | \$ 3,979,871 | \$ 4,383,406 | \$ 4,615,440 | \$ 4,363,230 | \$ 4,393,495 | \$ 4,015,180 | \$ 3,667,131 | \$ 3,510,761 | \$ 3,450,230 | \$ 3,495,628 | \$ 3,909,252 | \$ 47,506,240 | | |
| (7) | Deferral - (Surcharge)/Sur-credit | | \$ 212,161 | \$ 130,875 | \$ 75,457 | \$ 12,157 | \$ (37,653) | \$ (168,035) | \$ (153,305) | \$ (164,475) | \$ (93,795) | \$ (56,718) | \$ 123,724 | \$ 312,783 | \$ 193,177 | | |
| (8) | Interest on Deferral | | \$ 287 | \$ 753 | \$ 459 | \$ 222 | \$ (17) | \$ (330) | \$ (664) | \$ (640) | \$ (574) | \$ (332) | \$ 13 | \$ 759 | \$ (65) | | |
| (9) | Cumulative Deferral | | \$ 212,449 | \$ 131,628 | \$ 75,916 | \$ 12,379 | \$ (37,670) | \$ (168,364) | \$ (153,969) | \$ (165,114) | \$ (94,369) | \$ (37,050) | \$ 123,737 | \$ 313,542 | \$ 193,112 | | |
| SCH. 40 - Irrigation | | | | | | | | | | | | | | | | | |
| (1) | Avg Customers | 5,225 | 5,216 | 5,221 | 5,210 | 5,189 | 5,170 | 5,170 | 5,147 | 5,137 | 5,140 | 5,164 | 5,181 | 5,191 | | | |
| (2) | Decoupled Revenue per Customer * | \$ 1,849 | \$ 340.23 | \$ 384.40 | \$ 185.52 | \$ 55.10 | \$ 8.71 | \$ 4.94 | \$ 4.94 | \$ 5.11 | \$ 37.08 | \$ 119.28 | \$ 182.66 | \$ 213.34 | | | |
| (3) | Allowed Decoupled Revenue | \$ 9,659,914 | \$ 1,774,627 | \$ 2,006,953 | \$ 1,631,300 | \$ 966,581 | \$ 285,929 | \$ 45,054 | \$ 25,411 | \$ 26,239 | \$ 190,584 | \$ 615,944 | \$ 946,352 | \$ 1,107,426 | \$ 9,622,399 | | |
| (4) | Actual kWh | 160,874,872 | 33,600,000 | 35,700,000 | 27,700,000 | 16,700,000 | 4,700,000 | 700,000 | 400,000 | 400,000 | 3,200,000 | 11,000,000 | 22,400,000 | 28,100,000 | 184,600,000 | | |
| (5) | Decoupled Revenue per kWh Rate * | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | \$ 0.06005 | | |
| (6) | Actual Decoupled Revenue | \$ 9,659,914 | \$ 2,017,550 | \$ 2,143,647 | \$ 1,663,278 | \$ 1,002,770 | \$ 282,217 | \$ 42,032 | \$ 24,018 | \$ 24,018 | \$ 192,148 | \$ 660,507 | \$ 1,345,033 | \$ 1,687,296 | \$ 11,084,516 | | |
| (7) | Deferral - (Surcharge)/Sur-credit | | \$ 242,923 | \$ 136,694 | \$ 31,978 | \$ 36,189 | \$ (3,712) | \$ (3,021) | \$ (1,393) | \$ (2,220) | \$ 1,564 | \$ 44,564 | \$ 398,681 | \$ 579,870 | \$ 1,462,117 | | |
| (8) | Interest on Deferral | | \$ 329 | \$ 844 | \$ 416 | \$ 137 | \$ 93 | \$ (14) | \$ (10) | \$ (7) | \$ (4) | \$ 65 | \$ 661 | \$ 1,867 | \$ 4,376 | | |
| (9) | Cumulative Deferral | | \$ 243,252 | \$ 137,538 | \$ 32,393 | \$ 36,326 | \$ (3,619) | \$ (3,035) | \$ (1,403) | \$ (2,227) | \$ 1,560 | \$ 44,628 | \$ 399,342 | \$ 581,737 | \$ 1,466,493 | | |

* Proposed rates for this filing. All other values are for illustrative purposes