

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of  
  
PACIFICORP d/b/a PACIFIC POWER &  
LIGHT COMPANY,  
  
Petitioner,  
  
For An Accounting Order Authorizing the  
Company to utilize deferred accounting for  
costs associated with all Demand Response  
Programs.

DOCKET UE-220848  
  
ORDER 03  
  
GRANTING PETITION TO AMEND  
ORDER 02

**BACKGROUND**

- 1 On December 16, 2022, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition seeking an Accounting Order under WAC 480-07-370(3) authorizing PacifiCorp to defer the costs associated with the Company’s irrigation, commercial, and industrial demand response (DR) programs, implemented under Schedule 106, to track and preserve them for later ratemaking treatment (Petition).
- 2 On January 26, 2023, at its regularly scheduled Open Meeting, the Commission issued Order 01 in this Docket, approving PacifiCorp’s petition and authorizing the Company to track the costs of its commercial, industrial, and irrigation programs for later ratemaking consideration.
- 3 On May 19, 2023, PacifiCorp filed a petition to amend the deferral amount detailed in Order 01 in this Docket to include the costs of a residential DR program. The Commission issued Order 02 authorizing the Company to defer costs associated with the requested residential demand response program for later ratemaking consideration.
- 4 On November 20, 2024, PacifiCorp filed a petition to amend Order 02 in this docket to include the costs of its Wattsmart Battery Demand Response Program in the deferral recording demand response program costs. The company also requested the Commission’s authorization to establish and maintain a balancing account for all demand response programs approved or accepted by the Commission under Schedule

106. PacifiCorp would seek amortization of the deferred amounts through Schedule 191 in future Commission proceedings. Additionally, PacifiCorp requested that it be allowed to accrue interest on the unamortized balance at the quarterly rate published by the Federal Energy Regulatory Commission (FERC).

- 5 On March 5, 2025, after discussions with Commission staff (Staff), PacifiCorp filed a revised petition. In its revised petition, the Company requests that the Commission amend Order 02 to authorize the deferral of costs related to all of its demand response programs with no interest accrual on the deferred balance. This modification means that the Company would not need to request an update to the order each time the Company rolls out a new demand response program. PacifiCorp indicates that the recovery of demand response program costs administered under Schedule 106 would still be requested through Schedule 191's rates.

### DISCUSSION

- 6 Staff reviewed the Company's petition (as revised) and believes that deferring the costs of DR programs implemented in Schedule 106 complies with RCW 80.28.410, noting that the Company identified DR in its Electric Integrated Resource Plan<sup>1</sup> and selected these programs through PacifiCorp's request for proposals.<sup>2</sup> Staff recommends that the Commission amend Order 02 in Docket UE-220848 to globally authorize deferred accounting treatment for all DR programs with no interest accruing on the deferred balance rather than amending Order 02 to include the additional DR program costs every time the Company rolls out a new program. As discussed below, Staff supports cost recovery, once the Commission deems those costs prudent, through Schedule 191 and notes that rate recovery is not being requested at this time.
- 7 Staff further recommends that: (1) PacifiCorp no longer file each DR program in Docket UE-220848, and (2) the Commission not approve the new DR programs themselves in this docket.
- 8 Staff further agrees that tracking these deferred costs in FERC Account 186 until a future Commission proceeding is in the public interest because it allows for sufficient time to review the DR programs for prudence. Staff supports cost-recovery for any

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<sup>1</sup> Docket UE-200420, *PacifiCorp's Final 2021 IRP, Volume II, Appendix 0*, pg. 248-249, Figure 0.1, September 1, 2021.

<sup>2</sup> Docket UE-210088 *Demand Response Request for Proposals*, Informational Filing, February 9, 2021.

deferred costs under the Company's Schedule 191. This schedule, through which PacifiCorp recovers conservation costs, provides recovery for appropriate costs and does not allow for recovery of interest on the unamortized balance. Staff thus recommends that the Commission authorize PacifiCorp to defer all DR program costs while not accruing interest on the unamortized balance.

9 We agree with Staff and the Company that it is reasonable to defer all DR program costs while not accruing interest on the unamortized balance. It is also reasonable to recover prudent DR costs through Schedule 191.

10 We also agree with Staff that this is not the appropriate proceeding to approve DR programs. The proposed program development strategy for DR is outlined in the Company's Clean Energy Implementation Plan (CEIP) and is currently under consideration in the Company's CEIP docket.<sup>3</sup> PacifiCorp should include details about current and future DR programs in its biennial CEIP updates. Additionally, the Company should continue to share program details with the appropriate advisory groups, seeking feedback before implementing new DR programs, and provide annual updates within their Annual DR Report in UE-220550.

### FINDINGS AND CONCLUSIONS

11 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.

12 (2) PacifiCorp is an electric company and a public service company subject to Commission jurisdiction.

13 (3) The Commission has jurisdiction over the subject matter of this proceeding and over PacifiCorp.

14 (4) WAC 480-07-370(3) allows companies to file petitions including that for which PacifiCorp seeks approval.

15 (5) Staff has reviewed the updated Petition filed March 5, 2025, in Docket UE-220848.

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<sup>3</sup> Docket UE-210829, PacifiCorp's 2023 Biennial Clean Energy Implementation Plan.

- 16 (6) Staff recommends the Commission issue Order 03 authorizing PacifiCorp to utilize deferred accounting treatment for costs associated with all demand response programs.
- 17 (7) Staff recommends the Commission order PacifiCorp to not accrue interest on the unamortized deferred balance of its demand response programs.
- 18 (8) This matter came before the Commission at its regularly scheduled meeting on April 10, 2025.
- 19 (9) After reviewing PacifiCorp's Petition filed in Docket UE-220848 and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition is consistent with the public interest and should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 20 (1) PacifiCorp d/b/a Pacific Power & Light Company's Petition to defer the costs associated with all of its demand response programs under Schedule 106 is granted.
- 21 (2) PacifiCorp d/b/a Pacific Power & Light Company's is ordered to not accrue interest on the unamortized balance of its deferred demand response program costs.
- 22 (3) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs on any matter that may come before it. Nor shall this Order granting the Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted, or to the possible recovery of the amounts deferred to the regulatory asset.
- 23 (4) The Commission retains jurisdiction to effectuate the provisions of this Order.

24 The Commissioners, having determined that this Order to be consistent with the public interest, directed the Executive Director and Secretary to enter this Order.

DATED at Lacey, Washington, and effective April 10, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFF KILLIP  
Executive Director and Secretary