

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

vs.

PACIFICORP dba  
Pacific Power & Light Company

Respondent.

Docket UE-13\_\_\_\_

**PACIFICORP**

**EXHIBIT OF GREGORY N. DUVALL**

**PCAM Comparison Chart**

**January 2013**

Summary				
	PCAM	Deadband	Sharing	Earnings Review
Total	58	9	8	1
Total Sharing and Deadband			5	
Total Sharing, Deadband and Earnings Review			1	

Utility	State	PCAM	Deadband	Sharing	Earnings Review	Description
AEP Texas Central, AEP Texas North	TX	Yes				Full recovery of fuel and purchased power costs. Over-or-under recoveries are deferred, with interest, for recovery over a subsequent 12 month period.
Alabama Power*	AL	Yes				Full recovery of the company's electric procurement costs and any previous under- or over-recovered costs through the Energy Cost Recovery mechanism.
Appalachian Power	VA	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Arizona Public Service	AZ	Yes		Yes		APS has a Power Supply Adjuster that allows 90/10 sharing on all fuel and purchased power costs that are in excess of base rate, however, it excludes from the sharing mechanism the demand element of long term PPA's that were established through competitive procurement and renewable energy purchases.
Avista*	WA	Yes	Yes	Yes		The Company and its customers share on an equal basis any positive or negative differences between actual and base power supply costs between \$4 and \$10 million. Avista is responsible for 10% of any excess power costs greater than \$10 million with the customers bearing 90% of such excess costs.
Black Hills Power*	SD	Yes		Yes		Full recovery of projected fuel and purchased power costs subject to the following sharing mechanisms. Black Hills Power (BHP), through its fuel and purchased power adjustment clause (FPPAC), credits ratepayers 90% (and retains 10%) of the margins from renewable energy credit sales, and 65% of power marketing income (PMI) (retaining 35%), which is defined as the revenue from wholesale power and emission allowances sales, less certain expenses related to the operation of the wholesale business.
Cheyenne Light*	WY	Yes	Yes	Yes		If the Total Change from Base is more than \$1,000,000 for the current period (either as an increase in costs or a decrease in costs), \$1,000,000 is subtracted from the Total Change from Base, and the result is multiplied by 95 percent. This product is then the Delivered Power Cost to be Recovered from retail customers over the upcoming 12 months, or is the Delivered Power Cost to be Refunded to customers over the upcoming 12 months.
Cleveland Electric Illuminating, Ohio Edison, Toledo Edison	OH	Yes				Full recovery of all purchased power costs and any previous under- or over-recovered costs. (The company divested its generation assets following the implementation of retail competition.)
Colorado Electric*	CO	Yes				Black Hills Colorado Electric Utility Company (BHCE) is subject to an energy cost adjustment mechanism under which all fuel and purchased energy cost differences from the company's base energy cost rate are fully recovered from, or credited to, customers.
Columbus Southern, Ohio Power	OH	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs through quarterly fuel clauses established under the companies' Electric Security Plans.
Con. Edison, Orange & Rockland	NY	Yes				Full recovery of purchased power and any previous under- or over-recovered costs through Market Power Adjustment Clauses. (These subsidiaries no longer own generation.) In addition, each of the electric and gas utilities in New York operate under full revenue decoupling mechanisms.
Dayton Power & Light	OH	Yes				Full recovery of fuel and purchased power costs and any previous under- or over-recovered costs under the company's Electric Security Plan.
Detroit Edison*	MI	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Duke Energy Carolinas	NC	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Duke Energy Carolinas	SC	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs, implemented following hearings.

Utility	State	PCAM	Deadband	Sharing	Earnings Review	Description
Duke Energy Indiana	IN	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs, implemented following hearings.
Duke Energy Ohio	OH	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs through the company's Electric Security Plan.
Entergy Arkansas	AR	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Entergy Gulf States	LA	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Entergy Louisiana	LA	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Entergy Mississippi	MS	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Entergy New Orleans	LA	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Entergy Texas	TX	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs in rate cases and interim hearings.
Florida Power & Light	FL	Yes				Full recovery, with the exception of the reward or punishment associated with the Generating Performance Incentive Factor, which provides a financial reward or penalty when a company's base load generating units' availability and heat rate vary from targets approved by the PSC. The reward or penalty is limited to a 25-basis-point ROE spread.
Georgia Power*	GA	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs, the capacity component is recovered in base rates.
Gulf Power*	FL	Yes				Full recovery, with the exception of the reward or punishment associated with the Generating Performance Incentive Factor, which provides a financial reward or penalty when a company's base load generating units' availability and heat rate vary from targets approved by the PSC. The reward or penalty is limited to a 25-basis-point ROE spread.
Idaho Power*	ID	Yes		Yes		Recovery of 95% of projected fuel and purchased power costs and previous under- or over-recovered costs. No deadband.
Indiana Michigan Power	IN	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs through a summer reliability tracking mechanism.
Interstate Power & Light*	IA	Yes				Full recovery of projected fuel and purchased power costs and previous under- or over-recovered costs. In addition, all DSM, energy efficiency, and required renewable resource costs are permitted to be recovered contemporaneously with the expenditure, through a separate adjustment mechanism.
Jersey Central Power & Light	NJ	Yes				Full recovery of all purchased power costs and any previous under- or over-recovered costs. (The company divested its generation assets following the implementation of retail competition.)
Kansas Gas & Electric Co.*	KS	Yes				The utilities use ECA mechanisms to recover variations in fuel and purchased power costs. The ECA is calculated monthly based on projected fuel and purchased power costs for that month, with any under- or over-recoveries reflected in the subsequent month. The major electric utilities in Kansas, Empire District Electric, Westar Energy (Westar), Kansas Gas & Electric (KG&E) and Kansas City Power & Light (KCP&L), currently utilize ECA mechanisms. Westar and KG&E adjust their ECA mechanisms quarterly. The utilities flow to ratepayers, through their ECA mechanisms, off-system sales (OSS) margins that vary from a base level, as well as the net cost of emission allowances.
Metropolitan Edison, Penn. Electric	PA	Yes				Full recovery of all purchased power costs and any previous under- or over-recovered costs. (The company divested its generation assets following the implementation of retail competition.)
Minnesota Power*	MN	Yes				Full recovery of projected fuel and purchased power costs and previous under- or over-recovered costs, with the exception of capacity or demand charges when such energy is purchased on an economic dispatch basis, revenues from the sale of SO <sub>2</sub> allowances, and the cost of fossil and nuclear fuel and the cost of steam from other sources recovered through inter-system sales.
Mississippi Power*	MS	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Northern States Power*	MN	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs.
Northern States Power*	WI	Yes	Yes			Recovery of projected fuel and purchased power costs outside of a ±2% deadband.

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Northern States Power*	ND	Yes				Automatic fuel and purchased power (energy only) adjustments are permitted. Fuel and purchased power cost adjustments are implemented monthly, and there is generally a two-month lag for recovery.
Northern States Power*	SD	Yes				Full recovery of projected fuel and purchased power costs.
NSTAR Electric	MA	Yes				Full recovery of fuel and purchased power costs and any previous under- or over-recovered costs. (Rates are completely market-based.)
Pacific Gas & Electric	CA	Yes				Full recovery of the company's electric procurement costs and any previous under- or over-recovered costs through the Energy Resource Recovery Account (ERRA).
Portland General Electric*	OR	Yes	Yes	Yes	Yes	Recovery of 90% of projected fuel and purchased power costs outside an asymmetric deadband. The asymmetric deadband is equal to plus or minus \$15/\$30 million. The Company is also subject to an earnings review.
Progress Energy Carolina	NC	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs. The law limits the annual increase in rates related to the recovery of purchased power costs to 2% of a utility's total retail revenues. Interest is included only for over-collections.
Progress Energy Carolina	SC	Yes				Full recovery of fuel and purchased power costs and any previous under- or over-recovered costs, implemented following hearings.
Progress Energy Florida	FL	Yes				Full recovery, with the exception of the reward or punishment associated with the Generating Performance Incentive Factor, which provides a financial reward or penalty when a company's base load generating units' availability and heat rate vary from targets approved by the PSC. The reward or penalty is limited to a 25-basis-point ROE spread.
Public Service Company of Colorado*	CO	Yes	Yes	Yes	Yes	Recovery of 50% of the first \$15 million above the baseline included in rates, 75% of the next \$15 million, and 100% of any fuel costs exceeding \$30 million.
Public Service Company of Oklahoma	OK	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs, implemented following hearings.
Puget Sound Energy	WA	Yes	Yes	Yes	Yes	Puget has a deadband and sharing bands that are structured as follows: \$20 million deadband 100 percent of costs to the Company, excess costs between \$20-\$40 million are split 50/50 between the Company and customers, excess costs between \$40-\$120 million are split 10 percent to the Company and 90 percent to customers, and any excess power costs above \$120 million the Company is responsible for 5 percent of those costs. The Company's share of costs/benefits will not exceed \$40 million (+/-) calculated per the sharing bands. If the cap is exceeded sharing thereafter is 99 percent of costs/benefits to customers and 1 percent to Company.
San Diego Gas & Electric*	CA	Yes				Full recovery of the company's electric procurement costs and any previous under- or over-recovered costs through the Energy Resource Recovery Account (ERRA).
Savannah Power*	GA	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs, the capacity component is recovered in base rates.
Southwestern Public Service*	TX	Yes				Full recovery of projected fuel and purchased power costs and any previous under- or over-recovered costs in rate cases and interim hearings.
Southwestern Public Service*	NM	Yes				Commission rules provide for automatic fuel adjustment clauses; the fuel and purchased power cost adjustment clause (FPPCAC) for an electric utility is calculated monthly (a variance from monthly reporting may be sought), and includes a balancing account in which there is approximately a two-month collection lag.
SWEPCO	TX	Yes				Full recovery of fuel and purchased power costs. Over-or-under recoveries are deferred, with interest, for recovery over a subsequent 12 month period.
Tampa Electric Co.*	FL	Yes				Full recovery, with the exception of the reward or punishment associated with the Generating Performance Incentive Factor, which provides a financial reward or penalty when a company's base load generating units' availability and heat rate vary from targets approved by the PSC. The reward or penalty is limited to a 25-basis-point ROE spread.

Utility	State	PCAM	Deadband	Sharing	Earnings Review	Description
Upper Peninsula Power*	MI	Yes				The Power Supply Cost Recovery (PSCR) and Gas Cost Recovery (GCR) clauses require utilities to annually file projected costs, and a forward-looking PSCR or GCR supply factor is established at the beginning of the 12-month collection period. Full recovery of prudently expended amounts is required. For electric utilities, the capacity and energy components of purchased power costs are recoverable through the PSCR clause. In addition, for Detroit Edison (DE), Consumers Energy (CE), and Upper Peninsula Power (UPP) transmission costs flow through the PSCR.
Westar Energy Inc.*	KS	Yes				The utilities use ECA mechanisms to recover variations in fuel and purchased power costs. The ECA is calculated monthly based on projected fuel and purchased power costs for that month, with any under- or over-recoveries reflected in the subsequent month. The major electric utilities in Kansas, Empire District Electric, Westar Energy (Westar), Kansas Gas & Electric (KG&E) and Kansas City Power & Light (KCP&L), currently utilize ECA mechanisms. Westar and KG&E adjust their ECA mechanisms quarterly. The utilities flow to ratepayers, through their ECA mechanisms, off-system sales (OSS) margins that vary from a base level, as well as the net cost of emission allowances.
Wisconsin Electric*	WI	Yes	Yes			Recovery of projected fuel and purchased power costs outside of a $\pm 2\%$ deadband.
Wisconsin Power & Light*	WI	Yes	Yes			Recovery of projected fuel and purchased power costs outside of a $\pm 2\%$ deadband.
Wisconsin Public Service Company*	WI	Yes	Yes			Recovery of projected fuel and purchased power costs outside of a $\pm 2\%$ deadband.

\*Utilities included in the current cost of capital peer group analysis [Exhibit No. \_\_\_(SCH-3)].