

November 21, 2014

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
3930 Fairview Industrial Dr. S.E.
Salem, OR 97302-1166

Attn: Filing Center

RE: Advice No. 14-014—Schedule 297—Energy Conservation Charge

In compliance with ORS 757.205 and OAR 860-022-0025, PacifiCorp d/b/a Pacific Power (Company) submits for filing proposed tariff sheets associated with Tariff P.U.C. OR No. 36, which sets forth all rates, tolls, charges, rules, and regulations applicable to electric service in Oregon. The Company respectfully requests an effective date of January 1, 2015.

First Revision of Sheet No. 297-1	Schedule 297	Energy Conservation Charge
First Revision of Sheet No. 297-2	Schedule 297	Energy Conservation Charge

Background

The purpose of this filing is to update Schedule 297 to reflect an annual rate decrease of approximately \$3.5 million based on the Energy Trust of Oregon's (ETO) updated forecast of funding levels for 2015 and 2016.

Current Funding Level

In October 2014, ETO updated its forecast of carry-over funds, which are funds in excess of acquisition budgets and reserve amounts based on current Schedule 297 rates. The updated assessment is part of an ongoing process to help ensure ETO funding requirements are aligned as closely as possible with the Schedule 297 collection rate. The most recent forecast indicates the ETO will have a carryover balance of approximately \$14 million at the end of 2014.

Future Funding Scenarios

Possible future funding requirements were established by reviewing the Oregon targets selected in the Company's 2013 integrated resource plan (IRP). The IRP targets for 2014 through 2016 are shown in Table 1 below. The funding analysis performed jointly by the Company and ETO reflects the ETO pursuing a 2014 target of 21.7 aMW, which slightly exceeds the 2014 target amount from the Company's 2013 IRP.

Table 1
Overall Energy Efficiency Targets from the 2013 IRP

	aMW (gross)
2014	21.5
2015	16.9
2016	16.6

While the Company's 2013 IRP target acquisition levels for 2015 and 2016 are lower than 2014, the ETO has completed a new Resource Assessment and adopted a Strategic Plan for 2015 through 2019. The ETO is also developing a 2015 budget and 2015 through 2016 action plan. These ETO activities provide additional insight on likely acquisition targets and funding levels for 2015 and 2016. These action plan targets are not intended to replace or supersede any targets generated by the 2015 IRP or any future IRPs. Targets used to help inform funding requirements are shown in Table 2.

Table 2
ETO Target for 2014 and ETO Action Plan Targets for 2015 and 2016

	aMW (gross)
2014	21.7
2015	22.1
2016	22.7

The ETO estimated the acquisition costs for 2015 and 2016 targets as part of the budget/action plan process and those funding requirements, in addition to the \$14 million carry-over forecasted for the end of 2014, are incorporated in the analysis which supports the rate revision requested.

Requested Decrease to Energy Conservation Charge

Estimated funding for the action plan targets combined with the estimated 2014 carry-over balance supports a rate decrease to Schedule 297. This rate adjustment will reduce the forecast carry-over and is intended to align collections with expenditures. Specifically, the Company requests the Energy Conservation Charge be reduced by \$3.5 million annually, effective January 1, 2015. With this rate adjustment, the Company is also proposing to modify the disbursement of funds to Pacific Power from four to five percent of annual collections to maintain the funding level needed to support ETO's activities.

The Company and ETO will regularly monitor actual acquisition costs, revenues, and the targets generated by Company's 2015 IRP to determine if additional rate adjustments are necessary.

To support the proposed rates and meet the requirements of OAR 860-022-0025, the Company submits proposed Schedule 297 along with the following attachments:

- Attachment A—Calculation of Proposed Energy Conservation Charge
- Attachment B—Estimated Effect of Proposed Price Change

As shown in Attachment B, this proposed rate change will affect approximately 588,000 customers and result in an overall rate decrease of approximately \$3.5 million or 0.3 percent. A typical residential customer using 900 kilowatt-hours per month will see a monthly bill decrease of \$0.34.


It is respectfully requested that all formal data requests regarding this filing be addressed to:

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

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

Informal inquiries regarding this filing may be directed to Natasha Siores, Director of Regulatory Affairs & Revenue Requirement at (503) 813-6583.

Sincerely,


R. Bryce Dalley
Vice President, Regulation

Enclosures

ENERGY CONSERVATION CHARGE

Purpose

To fund or implement cost-effective energy conservation measures pursuant to the Oregon Renewable Energy Act, SB 838 (2007), Section 46.

Applicable

To all consumers located within Company's service territory except as provided below under Exemptions. Exempted consumers will not be charged under this schedule nor directly benefit from energy conservation measures funded by this schedule.

Exemptions

A consumer with load greater than one average megawatt is exempted from this charge. A consumer shall be considered to have a load greater than one average megawatt if during a twelve month review period the consumer has registered usage for the period greater than or equal to 8,760 megawatt-hours. The Company will review accounts and identify exempt consumers annually in January.

Consumers that receive Oregon Department of Energy approval of a request for eligibility for self-direction for a specific site pursuant to OAR 330-140-0010 and 330-140-0030(6) are also exempted from this charge.

Disbursement of Funds

Funds collected under this schedule will be distributed as follows:

1. 95% of the funds collected for energy conservation - Energy Trust of Oregon. (C)
2. 5% of the funds collected for energy conservation - Pacific Power with the following (C) provisions:
 - a. Use of funds distributed under this provision shall be established collaboratively with the Energy Trust of Oregon prior to expenditure for a twelve (12) month period as defined in the supplemental energy efficiency funding agreement between the Energy Trust of Oregon and the Company.
 - b. Funds collected under this provision shall be included in the Energy Trust of Oregon's performance metrics as established by the Commission.
 - c. Use of funds distributed under this provision for advertising will not be used for advertising established as Class C or Class D under OAR 860-026-0022.

(continued)

Energy Conservation Charge

The applicable adjustment rates are listed below by Delivery Service Schedule.

<u>Schedule</u>	<u>Adjustment Rate</u>
4	0.230 cents per kWh
5	0.230 cents per kWh
15	0.307 cents per kWh
23, 723	0.231 cents per kWh
28, 728	0.186 cents per kWh
30, 730	0.164 cents per kWh
41, 741	0.221 cents per kWh
47, 747	0.138 cents per kWh
48, 748	0.138 cents per kWh
50	0.269 cents per kWh
51, 751	0.428 cents per kWh
52, 752	0.310 cents per kWh
53, 753	0.153 cents per kWh
54, 754	0.201 cents per kWh

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**PACIFIC POWER
STATE OF OREGON
CALCULATION OF PROPOSED ENERGY CONSERVATION CHARGE
FORECAST 12 MONTHS ENDED DECEMBER 31, 2015**

Line No.	Description	Sch No.	Test Period MWh	Exempt MWh ¹	Adjusted MWh	Present Net Revenues ² (\$000)	Net Average Rates ¢/kWh	Estimated Exempt Revenues (\$000)	Adjusted Net Revenues (\$000)	Proposed ECC Schedule 297		
										Spread %	Revenues (\$000)	Rate ¢/kWh
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
					(3) - (4)		(6) / (3)	(4) * (7)	(6) - (8)			(11) / (5)
Residential												
1	Residential	4	5,253,064	0	5,253,064	\$595,800	11.342	\$0	\$595,800	2.03%	\$12,082	0.230
2	Total Residential		5,253,064	0	5,253,064	\$595,800		\$0	\$595,800		\$12,082	
Commercial & Industrial												
3	Gen. Svc. < 31 kW	23	1,121,146	12,066	1,109,080	\$127,169	11.343	\$1,369	\$125,801	2.03%	\$2,562	0.231
4	Gen. Svc. 31 - 200 kW	28	2,014,017	15,705	1,998,312	\$184,322	9.152	\$1,437	\$182,885	2.03%	\$3,717	0.186
5	Gen. Svc. 201 - 999 kW	30	1,343,078	79,240	1,263,838	\$108,240	8.059	\$6,386	\$101,854	2.03%	\$2,073	0.164
6	Large General Service >= 1,000 kW	48	3,046,739	2,537,440	509,299	\$204,158	6.701	\$170,031	\$34,127	2.03%	\$703	0.138
7	Partial Req. Svc. >= 1,000 kW	47	61,069	49,238	11,831	\$6,278	10.281	\$5,062	\$1,216	2.03%	\$16	0.138
8	Agricultural Pumping Service	41	228,528	0	228,528	\$24,809	10.856	\$0	\$24,809	2.03%	\$505	0.221
9	Total Commercial & Industrial		7,814,577	2,693,689	5,120,888	\$654,977		\$184,284	\$470,692		\$9,576	
Lighting												
10	Outdoor Area Lighting Service	15	9,214	0	9,214	\$1,394	15.126	\$0	\$1,394	2.03%	\$28	0.307
11	Street Lighting Service	50	8,768	0	8,768	\$1,161	13.241	\$0	\$1,161	2.03%	\$24	0.269
12	Street Lighting Service HPS	51	19,319	0	19,319	\$4,072	21.076	\$0	\$4,072	2.03%	\$83	0.428
13	Street Lighting Service	52	565	0	565	\$86	15.244	\$0	\$86	2.03%	\$2	0.310
14	Street Lighting Service	53	9,518	0	9,518	\$715	7.517	\$0	\$715	2.03%	\$15	0.153
15	Recreational Field Lighting	54	1,246	0	1,246	\$123	9.874	\$0	\$123	2.03%	\$3	0.201
16	Total Public Street Lighting		48,630	0	48,630	\$7,551		\$0	\$7,551		\$153	
17	Total Sales to Ultimate Consumers		13,116,271	2,693,689	10,422,582	\$1,258,328		\$184,284	\$1,074,044		\$21,811	
18	Employee Discount		16,508		16,508	(\$462)		\$0	(\$462)	2.03%	(\$9)	
19	Total Sales with Employee Discount		13,116,271	2,693,689	10,422,582	\$1,257,866		\$184,284	\$1,073,582		\$21,802	

¹ MWh for the test period based on historic MWh for currently exempt customers.

² Excludes effects of the Low Income Bill Payment Assistance Charge (Sch. 91), BPA Credit (Sch. 98), Klamath Dam Removal Surcharges (Sch. 199), Public Purpose Charge (Sch. 290) and Energy Conservation Charge (Sch. 297).

Energy Conservation Charge

**PACIFIC POWER
ESTIMATED EFFECT OF PROPOSED PRICE CHANGE
ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS
DISTRIBUTED BY RATE SCHEDULES IN OREGON
FORECAST 12 MONTHS ENDING DECEMBER 31, 2015**

Line No.	Description	Sch No.	No. of Cust	MWh	Present Revenues (\$000)			Proposed Revenues (\$000)			Change				Line No.
					Base Rates	Adders ¹	Net Rates	Base Rates	Adders ¹	Net Rates	Base Rates (\$000)	% ²	Net Rates (\$000)	% ²	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
						(5) + (6)			(8) + (9)	(8) - (5)	(11)/(5)	(10) - (7)	(13)/(7)		
Residential															
1	Residential	4	484,343	5,253,064	\$590,538	\$19,341	\$609,879	\$590,538	\$17,344	\$607,882	\$0	0.0%	(\$1,996)	-0.3%	1
2	Total Residential		484,343	5,253,064	\$590,538	\$19,341	\$609,879	\$590,538	\$17,344	\$607,882	\$0	0.0%	(\$1,996)	-0.3%	2
Commercial & Industrial															
3	Gen. Svc. < 31 kW	23	76,950	1,121,146	\$122,039	\$8,103	\$130,142	\$122,039	\$7,692	\$129,731	\$0	0.0%	(\$410)	-0.3%	3
4	Gen. Svc. 31 - 200 kW	28	10,093	2,014,017	\$181,322	\$7,297	\$188,619	\$181,322	\$6,717	\$188,039	\$0	0.0%	(\$580)	-0.3%	4
5	Gen. Svc. 201 - 999 kW	30	857	1,343,078	\$107,279	\$3,337	\$110,616	\$107,279	\$3,034	\$110,313	\$0	0.0%	(\$303)	-0.3%	5
6	Large General Service ≥ 1,000 kW	48	203	3,046,739	\$213,796	(\$8,823)	\$204,973	\$213,796	(\$8,935)	\$204,861	\$0	0.0%	(\$112)	-0.1%	6
7	Partial Req. Svc. ≥ 1,000 kW	47	7	61,069	\$6,481	(\$184)	\$6,297	\$6,481	(\$186)	\$6,295	\$0	0.0%	(\$3)	-0.1%	7
8	Agricultural Pumping Service	41	7,942	228,528	\$26,065	(\$668)	\$25,397	\$26,065	(\$751)	\$25,314	\$0	0.0%	(\$82)	-0.3%	8
9	Total Commercial & Industrial		96,052	7,814,577	\$656,982	\$9,061	\$666,043	\$656,982	\$7,571	\$664,553	\$0	0.0%	(\$1,490)	-0.2%	9
Lighting															
10	Outdoor Area Lighting Service	15	6,579	9,214	\$1,175	\$252	\$1,427	\$1,175	\$247	\$1,422	\$0	0.0%	(\$5)	-0.4%	10
11	Street Lighting Service	50	246	8,768	\$967	\$222	\$1,189	\$967	\$218	\$1,185	\$0	0.0%	(\$4)	-0.3%	11
12	Street Lighting Service HPS	51	736	19,319	\$3,362	\$807	\$4,169	\$3,362	\$792	\$4,154	\$0	0.0%	(\$14)	-0.4%	12
13	Street Lighting Service	52	26	565	\$73	\$15	\$88	\$73	\$15	\$88	\$0	0.0%	(\$0)	-0.4%	13
14	Street Lighting Service	53	249	9,518	\$595	\$137	\$732	\$595	\$135	\$730	\$0	0.0%	(\$2)	-0.3%	14
15	Recreational Field Lighting	54	105	1,246	\$103	\$23	\$126	\$103	\$23	\$126	\$0	0.0%	(\$0)	-0.3%	15
16	Total Public Street Lighting		7,941	48,630	\$6,275	\$1,456	\$7,731	\$6,275	\$1,429	\$7,704	\$0	0.0%	(\$27)	-0.3%	16
17	Total Sales before Emp. Disc. & AGA		588,336	13,116,271	\$1,253,795	\$29,857	\$1,283,652	\$1,253,795	\$26,344	\$1,280,139	\$0	0.0%	(\$3,513)	-0.3%	17
18	Employee Discount				(\$459)	(\$14)	(\$473)	(\$459)	(\$13)	(\$472)	\$0		\$2		18
19	Total Sales with Emp. Disc		588,336	13,116,271	\$1,253,336	\$29,843	\$1,283,179	\$1,253,336	\$26,332	\$1,279,668	\$0	0.0%	(\$3,511)	-0.3%	19
20	AGA Revenue				\$2,439		\$2,439	\$2,439		\$2,439	\$0		\$0		20
21	Total Sales		588,336	13,116,271	\$1,255,775	\$29,843	\$1,285,618	\$1,255,775	\$26,332	\$1,282,107	\$0	0.0%	(\$3,511)	-0.3%	21

¹ Excludes effects of the Low Income Bill Payment Assistance Charge (Sch. 91), BPA Credit (Sch. 98), Klamath Dam Removal Surcharges (Sch. 199), Public Purpose Charge (Sch. 290). INCLUDES effects of Energy Conservation Charge (Sch. 297).

² Percentages shown for Schedules 48 and 47 reflect the combined rate change for both schedules