

August 17, 2023

***VIA ELECTRONIC FILING***

Hon. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**RE: PacifiCorp Average System Cost Filing  
Exchange Period Effective October 1, 2023  
Docket No. ER23-\_\_\_\_ - \_\_\_\_**

Dear Secretary Bose:

Pursuant to Section 35.30 of the Federal Energy Regulatory Commission's ("Commission") regulations,<sup>1</sup> PacifiCorp submits its Average System Cost (ASC) filing for sales of electric power to the Bonneville Power Administration (BPA) for Fiscal Year (FY) 2024-2025, October 1, 2023 – September 30, 2025 (Exchange Period). BPA determined that PacifiCorp's FY 2024-2025 ASC rate is \$84.08/MWh.

**I. BACKGROUND**

BPA determined PacifiCorp's FY 2024-2025 ASC rate pursuant to its 2008 Average System Cost Methodology (2008 ASCM). PacifiCorp, in June 2022, uploaded its ASC calculations to BPA. BPA published its final FY 2024-2025 Average System Cost Final Report for PacifiCorp on July 28, 2023 (BPA's Final ASC Report). BPA adjusted PacifiCorp's submitted ASC of \$76.30/MWh to \$84.08/MWh.<sup>2</sup> The ASC rate is effective October 1, 2023.

**II. CONTENTS OF FILING**

Pursuant to 18 C.F.R. § 35.30(c), PacifiCorp submits the following:

1. This transmittal letter;
2. BPA's July 28, 2023, FY 2023-2024 Average System Cost Final Report for PacifiCorp, ASC-24-PA-01 (Exhibit 1);
3. Table showing Test Year ASC Loads and Effect of Rate Schedule Change by Month per 18 C.F.R. § 35.13(c) (Exhibit 2); and
4. Electronic copies of PacifiCorp's Appendix 1 and Forecast Models incorporating the results of BPA's Final Report ASC Report (Exhibits 3 and 4, respectively).

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<sup>1</sup> 18 C.F.R. § 35.30 (2022).

<sup>2</sup> U.S. Department of Energy, Bonneville Power Administration Proposed FY 2024-2025 Wholesale Power and Transmission Rates, BP-24 Attachment 5, at Appendix A-5, Docket No. EF23-7-000 (Filed July 28, 2023).

### III. SERVICE

PacifiCorp has served copies of this filing on the following individuals:

Paulina Cornejo, Residential Exchange Program Lead Bonneville Power Administration P.O. Box 3621 Portland, Oregon 97208-3621 <a href="mailto:ypcornejo@bpa.gov">ypcornejo@bpa.gov</a>	Scott K. Wilson, PSW-6 Western Power Customer Services Manager Bonneville Power Administration P.O. Box 3621 Portland, Oregon 97208-3621 <a href="mailto:skwilson@bpa.gov">skwilson@bpa.gov</a>
Ms. Jan Noriyuki Commission Secretary Idaho Public Utilities Commission 11331 W. Chinden Blvd. Bldg. 8 Suite 201-A Boise, ID 83714	Mark L. Johnson Executive Director and Secretary Washington Utilities and Transportation Commission 621 Woodland Square Loop SE Lacey, WA 98503
Oregon Public Utility Commission 201 High Street, Suite 100 Salem, OR 97301 <a href="mailto:PUC.FilingCenter@state.or.us">PUC.FilingCenter@state.or.us</a>	

### IV. COMMUNICATIONS

All communications regarding this filing should be forwarded to the persons listed below, and PacifiCorp requests that they be placed on the service list in this proceeding.<sup>3</sup>

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Please do not hesitate to contact me if you have any questions or if I can be of further assistance.

Respectfully Submitted,

/s/ Dustin Till  
Dustin Till  
Assistant General Counsel  
PacifiCorp

Attachments

<sup>3</sup> To the extent necessary, PacifiCorp respectfully requests waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b), to permit all of the persons listed to be placed on the official service list for this proceeding.

**Exhibit 1**

**BPA's July 28, 2023, FY 2023-2024 Average System Cost Final Report for PacifiCorp**

**FY 2024-2025**

**FINAL  
AVERAGE SYSTEM COST REPORT**

PacifiCorp

October 2022



**FY 2024-2025**  
**FINAL**  
**AVERAGE SYSTEM COST REPORT**  
**FOR**

**PacifiCorp**  
Docket Number: ASC-24-PA-01

PREPARED BY  
BONNEVILLE POWER ADMINISTRATION  
U.S. DEPARTMENT OF ENERGY

October 2022

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## 1 FILING DATA

Utility:           **PacifiCorp**  
825 NE Multnomah Street  
Portland, Oregon 97232  
<http://www.pacificorp.com>

### Parties to the Filing:

Investor-Owned Utilities (“IOUs”):  
    Avista Corporation ("Avista")  
    NorthWestern Energy (“NorthWestern”)  
    Idaho Power Company ("Idaho Power")  
    Portland General Electric (“PGE”)  
    Puget Sound Energy (“Puget”)

Consumer-Owned Utilities (“COUs”):  
    Clark County Public Utilities (“Clark PUD”)  
    Public Utility District No. 1 of Snohomish County (“Snohomish PUD”)

Average System Cost Base Period: Calendar Year (“CY”) 2021

Effective Exchange Period: Fiscal Years 2024-2025, October 1, 2023 - September 30, 2025

### Statement of Purpose:

Section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act (“Northwest Power Act” or “Act”), 16 U.S.C. § 839c(c), established the Residential Exchange Program (“REP”). Under the REP, any Pacific Northwest utility interested in participating in the REP may offer to sell power to Bonneville Power Administration (“BPA”) at the average system cost of the utility’s resources. In exchange, BPA offers to sell an “equivalent amount of electric power to such utility for resale to that utility’s residential users within the region” at a rate established pursuant to sections 7(b)(1) and 7(b)(3) of the Act. 16 U.S.C. §§ 839e(b)(1), 839e(b)(3); H.R. Rep. No. 976, Pt. I, 96th Cong., 2d Sess. 60 (1980). The cost benefits established by the REP are passed through directly to the exchanging utilities’ residential and farm consumers. 16 U.S.C. § 839c(c)(3). A utility participating in the REP will hereinafter be referred to as a “Utility” or “Exchanging Utility.”

The Northwest Power Act grants BPA’s Administrator the authority to determine Utilities’ average system cost(s) (“ASC”) based on a methodology established in a public consultation proceeding. 16 U.S.C. § 839c(c)(7). The Act specifically requires the Administrator to exclude from ASC three categories of costs:

(A) the cost of additional resources in an amount sufficient to serve any new large single load<sup>1</sup> of the Utility;

(B) the cost of additional resources in an amount sufficient to meet any additional load outside the region occurring after the effective date of this Act; and

(C) any costs of any generating facility which is terminated prior to initial commercial operation.

*Id.*

The Act limits eligibility for the REP to utilities and load located within the geographical area defined as the “Pacific Northwest” or “region.” See 16 U.S.C. § 839a(14)(A)-(B). Specifically, “region” is defined as follows:

the area consisting of the States of Oregon, Washington, and Idaho, the portion of the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin; and

any contiguous areas, not in excess of seventy-five air miles from the area referred to in subparagraph (A), which are a part of the service area of a rural electric cooperative customer served by the Administrator on December 5, 1980, which has a distribution system from which it serves both within and without such region.

*Id.*

BPA conducted an ASC review to determine PacifiCorp’s ASC for fiscal years (“FY”) 2024-2025 based on BPA’s 2008 ASC Methodology (“2008 ASCM”). See 18 C.F.R. Part 301, *Sales of Electric Power to the Bonneville Power Administration, Revisions to Average System Cost Methodology*, 74 Fed. Reg. 47,052 (2009).

This FY 2024-2025 Final Average System Cost Report (“Final ASC Report”) describes BPA’s ASC review process and evaluation used to implement the 2008 ASCM and the results of BPA’s ASC Filing review.

For more information regarding the 2008 ASCM, please refer to the Federal Energy Regulatory Commission’s (FERC) final ruling and the *2008 ASCM*, available at [Federal Energy Regulatory Commission's Final Ruling and the 2008 ASCM](#), and the *Average System Cost Methodology Final Record of Decision (“2008 ASCM ROD”)*, June 30, 2008, available at [BPA’s Residential Exchange Program](#) website.

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<sup>1</sup> A new large single load (NLSL) is defined in section 3(13) of the Northwest Power Act, and determined by BPA as specified in power sales contracts with its Regional Power Sales customers. 16 U.S.C. §§ 839a(13) See section 2.6 of this report for more details.

General information regarding the ASC Review Process can be found at [BPA's Residential Exchange Program](#) website.

NOTE: If a filing Utility or an intervener wishes to preserve any issue related to an ASC Filing for subsequent administrative or judicial appeal, it must have raised such issue in its comments on the Draft ASC Report covering that ASC Filing. If a party fails to do so, the issue is waived for subsequent appeal. *See* Rules of Procedure for BPA's ASC Review Processes ("Rules of Procedure"), § 3.6.1.3.

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## 2 AVERAGE SYSTEM COST SUMMARY

### 2.1 PacifiCorp Background<sup>2</sup>

PacifiCorp, which includes PacifiCorp and its subsidiaries, serves approximately 1.8 million retail customers, including residential, commercial, industrial, and other customers in a 136,000 square-mile service territory in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho, and California. PacifiCorp owns, or has interests in, a number of thermal, hydroelectric, wind-powered, and geothermal generating facilities, as well as electric transmission and distribution assets. PacifiCorp also buys and sells electricity on the wholesale market with public and private utilities, energy marketing companies, and incorporated municipalities. PacifiCorp is subject to state and Federal regulation. PacifiCorp's subsidiaries support its electric utility operations by providing coal-mining and environmental remediation services. PacifiCorp is an indirect subsidiary of MidAmerican Energy Holdings Company ("MEHC"), based in Des Moines, Iowa, that owns subsidiaries principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc.

NorthWestern's Montana service territory covers approximately 107,600 square miles, which represents 73 percent of the state's land area. The company provides service to about 379,400 retail electric customers served by approximately 6,800 miles of transmission lines and 17,900 miles of distribution lines.

### 2.2 Base Period ASC

The 2008 ASCM requires Utilities participating in the ASC Review Process, both IOUs and COUs, to submit to BPA Base Period financial and operational information. The "Base Period" is defined as the calendar year of the most recent FERC Form 1 data for IOUs or the most recent audited financial statements (Annual Reports) for COUs. For purposes of the FY 2024-2025 filing period, the Base Period is CY 2021. Utilities submit Base Period data by individually populating an "Appendix 1," which is an Excel-based workbook used to calculate each Utility's Base Period ASC. Additionally, a Utility's ASC Filing consists of its Appendix 1, ASC Forecast Model (described in section 2.4 below), and supplemental information as required.

Table 2.2-1 summarizes PacifiCorp CY 2021 Base Period ASC based on (1) the information contained in PacifiCorp June 1, 2022, ASC Filing ("As-Filed"), and (2) as adjusted by BPA Staff proceeding their review (including errata filed by PacifiCorp). This table does not reflect the Exchange Period ASC, which is noted in subsequent tables.

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<sup>2</sup> Information stated in this section was sourced from PacifiCorp website and FERC Form 1.

**Table 2.2-1: CY 2021 Base Period ASC**  
(Results of Appendix 1 calculations)

	<b>June 1, 2022 As-Filed</b>	<b>October 28, 2022 Final ASC Report</b>
Production Cost	\$1,514,047,701	\$1,514,047,701
Transmission Cost	\$320,064,841	\$320,064,841
(Less) NLSL Costs	\$ \$0	\$0
<b>Contract System Cost (“CSC”)</b>	<b>\$1,834,112,543</b>	<b>\$1,834,112,543</b>
Total Retail Load (MWh)	21,261,783	21,261,783
(Less) NLSL	0	0
Total Retail Load (Net of NLSL)	21,261,783	21,261,783
Distribution Losses	1,005,895	1,005,895
<b>Contract System Load (“CSL”)</b>	<b>22,267,678</b>	<b>22,267,678</b>
<b>CY 2021 Base Period ASC (CSC/CSL)</b>	<b>\$82.37/MWh</b>	<b>\$82.37/MWh</b>

### 2.3 FY 2024-2025 Distribution Loss Factor

The 2008 ASCM requires a Utility to include with its ASC Filing a current distribution loss analysis as described in Endnote e. *See* 18 C.F.R. § 301, app. 1 n.e.

Losses are the distribution energy losses occurring between the transmission portion of the Utility’s system and the meters measuring firm energy load. *Id.* The distribution loss can be measured using one of the three methods outlined in Endnote e of the 2008 ASCM: (1) a loss study, (2) revenue grade meter readings, or (3) calculating a five-year average total system loss factor using data from the FERC Form 1 or a comparable data source. *Id.*

BPA Staff reviewed and accepted PacifiCorp’s As-Filed Appendix 1 Distribution Loss Factor calculations. For purposes of this Final ASC Report, BPA used a Distribution Loss Factor of 4.73 percent.

### 2.4 FY 2024-2025 Exchange Period ASC

BPA and interveners had the opportunity to review, evaluate, and comment on each Utility’s Appendix 1 historical costs and forecast loads submitted in the ASC Review Process. Once the Base Period ASC was determined, the cost data were escalated forward using the “ASC Forecast Model,” an Excel-based macro model, to the midpoint of the Exchange Period, which in this instance is October 1, 2024. For purposes of the FY 2024-2025 ASC Review Period, the Exchange Period is Fiscal Years 2024-2025, October 1, 2023 - September 30, 2025 (“Exchange Period”).

A Utility’s As-Filed Exchange Period ASC may increase or decrease by the time of the Final ASC Report because of adjustments made during the ASC Review Process, such as updates to BPA’s natural gas and market price forecasts, errata corrections, or other changes made by BPA. For all Utilities, BPA updated natural gas and market price forecasts to match natural gas and market price forecasts in the BP-24 Rate Proceeding. See the “Input” tab of the ASC Forecast Model for the Utility’s (1) As-Filed and (2) BPA-Adjusted models for additional details.

All other adjustments, if any, made during the review are explained in section 4 of this Final ASC Report.

Table 2.4-1 identifies PacifiCorp’s As-Filed and adjusted Exchange Period ASCs; the latter will be PacifiCorp’s ASC for the entire Exchange Period. The 2008 ASCM permits a Utility’s Exchange Period ASC to be adjusted if it (1) acquires or loses a major resource, as discussed in section 2.5, (2) gains or loses service territory, or (3) is subject to NLSL adjustments, as discussed in section 2.6.

**Table 2.4-1: Exchange Period FY 2024-2025 ASC (\$/MWh)  
With No Major Resource Additions or Removals**

<b>Date</b>	<b>June 1, 2022 As-Filed</b>	<b>October 28, 2022 Final ASC Report</b>
FY 2024-2025	\$76.3	\$84.08

## 2.5 ASC Major Resource Additions or Removals

Under the 2008 ASCM, a Utility’s ASC may be adjusted to reflect the addition or loss of a major resource if such resource meets (1) the criteria outlined in Section 301.4(c)(3) of the 2008 ASCM, (2) the materiality requirements, and (3) commences commercial operation (or ceases production) at any point between the end of the Base Period and the end of the Exchange Period. Such new or existing resource must be used to meet a Utility’s retail load during the Exchange Period.

Although the 2008 ASCM permits a Utility’s ASC to be adjusted to reflect major resources that come on-line during the Exchange Period, as part of the 2012 Residential Exchange Program Settlement Agreement, BPA Contract No. 11PB-12322 (“2012 REP Settlement”), all six regional IOUs agreed to waive this right: “Each IOU waives . . . the right to include in its ASC . . . the cost of any major resource addition forecasted to occur during the Exchange Period as allowed by the ASC Methodology.” 2012 REP Settlement, § 6.4. As a result of this waiver, the ASC reports do not include major resource additions that are scheduled to come on line during the Exchange Period for any IOU.<sup>3</sup>

A Utility must demonstrate that the proposed resource meets the materiality requirements set forth in the 2008 ASCM for a resource to be considered a major resource. Section 301.4(c) of the 2008 ASCM provides that only a resource that affects a Utility’s Base Period ASC by two

<sup>3</sup> The exchanging COUs did not make such a waiver and will be permitted to include major resource additions or removals during the Exchange Period under the rules of the 2008 ASCM.

and one-half percent (2.5%) or more will be considered a major resource. 18 C.F.R. § 301.4(c)(4). This is the materiality threshold. The 2008 ASCM also allows Utilities to submit stacks of individual resources that, when combined, meet the materiality threshold. *Id.* However, each individual resource in the stack must affect the Utility’s Base Period ASC of one-half percent (0.5%) or more. *Id.*, *see also* § 3.2.14 of this Final ASC Report.

For Utility’s with a major resource(s) projected to become commercially operational (or ceases production) after the Base Period but before the Exchange Period begins, BPA Staff calculate different sets of ASCs; one without inclusion of the Utility’s major resource(s), and another set reflecting the major resource(s). In order for the Utility’s Exchange Period ASC to include major resource adjustments at the commencement of the Exchange Period the Utility must submit to BPA a Major Resource Attestation by no later than the tenth (10th) business day after the Exchange Period begins.

Table 2.5-1 summarizes the major resource additions, prior to any NLSL adjustments, that are projected to become commercially operational, and major resources that will cease to be commercially operational, prior to the beginning of the Exchange Period January 1, 2022 - September 30, 2023.

PacifiCorp has no new major resources coming on line or being removed prior to the Exchange Period.

**Table 2.5-1: Major Resources Coming On Line or Being Removed  
Prior to the Exchange Period**

As-Filed FY 2024-2025 Exchange Period				
Resource	N/A			
Expected On Line or Removal Date				
ASC Delta* (\$/MWh)				

Final ASC Report FY 2024-2025 Exchange Period				
Resource	N/A			
Expected On Line or Removal Date				
ASC Delta* (\$/MWh)				

\*The Delta is the incremental change in the ASC as major resources come on line.

## 2.6 NLSL Adjustment

An NLSL is any load associated with a new facility, an existing facility, or an expansion of an existing facility that was not contracted for or committed to (“CF/CT”) prior to September 1, 1979, and which will result in an increase in power requirements of ten average megawatts (“aMW”) or more in a consecutive 12-month period. 16 U.S.C. § 839a(13)(A)-(B).



By law, NLSLs and associated resource costs in an amount sufficient to serve them are not included in Utilities' ASCs. See 16 U.S.C. § 839c(c)(7)(A). NLSLs are not determined in the ASC Review Process. Instead, NLSLs are identified through a separate process conducted by BPA's NLSL Staff, which are tasked with implementing BPA's NLSL policy. The ASC Review Process determines the cost of resources in an amount sufficient to serve the Utility's NLSL, in accordance with Endnote d of the 2008 ASCM and section 2.7 of this Final ASC Report, and then excludes these costs from the Utility's ASC<sup>4</sup>.

**Table 2.6-1: New Large Single Loads Under Review**

<b>As-Filed FY 2024-2025 NLSL Load Amount (MWh)</b>	
<b>NLSL(s)</b>	<b>Load</b>
N/A	N/A
<b>Final ASC Report FY 2024-2025 NLSL Load Amount (MWh)</b>	
<b>NLSL(s)</b>	<b>Load</b>
N/A	N/A

**Table 2.6-2: New Large Single Loads that Begin Taking Power  
Prior to the Exchange Period**

<b>As-Filed FY 2024-2025 Exchange Period</b>				
<b>Customer</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Expected Start Date				
<b>Final ASC Report FY 2024-2025 Exchange Period</b>				
<b>Customer</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Expected Start Date				

<sup>4</sup> The ASCM does not permit a Utility's ASC to increase as a result of excluding the cost of resources used to serve NLSLs. See 2008 Average System Cost Methodology, Final Record of Decision, at 93. In such cases, BPA will not remove a Utility's NLSL and associated costs.

**Table 2.6-3: New Large Single Loads that Begin Taking Power  
During the Exchange Period**

<b>As-Filed FY 2024-2025 Exchange Period</b>				
<b>Customer</b>	N/A	N/A	N/A	N/A
Expected Start Date				

<b>Final ASC Report FY 2024-2025 Exchange Period</b>				
<b>Customer</b>	N/A	N/A	N/A	N/A
Expected Start Date				

**2.7 NLSL Formula Rate**

Beginning with the FY 2014–2015 Exchange Period, BPA and Utilities agreed to use a formula rate calculation to remove resource costs from a Utility’s ASC when a NLSL occurs after the Base Period. The reason behind the use of a formula rate was that doing so would alleviate additional administrative and calculation issues surrounding NLSLs taking power during an Exchange Period.

Base Period NLSLs will remain constant throughout the duration of the Exchange Period (*see* FY 2012-2013 Final ASC Report, section 5.2.2).

For purposes of this Final ASC Report, one Utility identified potential new NLSLs taking power prior to or during the FY 2024-2025 Exchange Period. BPA Staff will review and evaluate the NLSL and, as necessary, calculate a new ASC using the inputs and formula method as defined below:

$$ASC = \frac{\text{Contract System Cost} - (\text{Cost of Serving New NLSL} * \text{Actual New NLSL MWh})}{\text{Contract System Load MWh} - \text{Actual New NLSL MWh}}$$

Tables 2.7-1 and 2.7-2 show the inputs necessary to calculate a Utility’s Exchange Period ASC using the above NLSL Formula Rate. The tables include the inputs Contract System Cost (\$), Cost of Serving NLSL (\$/MWh), and Contract System Load (MWh). A Utility’s Contract System Cost and Cost of Serving NLSL will change with each new major resource addition.

**Table 2.7-1: NLSL Formula Rate Inputs:  
Contract System Cost and Cost of Serving NLSL**

<b>Inputs for both <i>Prior to</i> and <i>During</i> the Exchange Period</b>			
	<b>Resource Addition or Removal</b>	<b>Contract System Cost (\$)</b>	<b>Cost of Serving NLSL (\$/MWh)</b>
<i>None</i>	No new resources coming online.	\$1,859,423,283	\$64.31
<i>Prior to</i>	N/A	N/A	N/A
<i>During</i>	N/A	N/A	N/A

**Table 2.7-2: Formula Rate Input:  
Contract System Load**

<b>FY 2024-2025 Contract System Load (MWh)</b>
21,980,825

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### 3 FILING REQUIREMENTS

#### 3.1 ASC Review Process – FY 2024-2025

Utilities' ASCs are established in BPA's ASC Review Processes. The ASC Review Processes for FY 2024-2025 began on June 1, 2022, with the submittal of ASC Filings by the following eight Utilities; Avista, Clark PUD, Idaho Power, NorthWestern, PacifiCorp, Portland General, Puget, and Snohomish PUD. An "ASC Filing" consists of two Excel-based models developed by BPA; the Appendix 1 workbook, which is populated with supporting data and documentation provided by the Utility, and the ASC Forecast Model, an Excel Macro model that links with the Appendix 1 to escalate the costs and revenues forward to the Exchange Period.

Notice of the ASC Review Processes was provided on BPA's REP public website, BPA's REP Secure website and via email. The Utilities posted ASC Filings on BPA's REP Secure website by the June 1, 2022, filing deadline. BPA released the FY 2024-2025 ASC Forecast Model in mid-April, 2022; the model included updated data to be consistent with the BP-24 Rate Proceeding (see section 3.4). Each Utility was then required to run the Forecast Model with its associated As-Filed Appendix 1 to develop its As-Filed Exchange Period ASC; the Forecast Model was then uploaded to the REP Secure website. PacifiCorp posted its ASC Forecast Model on June 1, 2022.

Parties interested in reviewing a Utility's ASC had the opportunity to request access to the Utility's ASC Filing by contacting BPA. Parties wishing to formally intervene in a Utility's ASC proceeding could file an intervention by the date identified in BPA's ASC Review Process schedule. Parties (Interveners and filing Utilities) were afforded the opportunity to engage in the discovery process relating to Utilities' ASC Filings throughout a three-month period. BPA engaged in the discovery process through the entire ASC Review Process.

As part of BPA's BP-24 Settlement Process, REP-Utilities agreed to a condensed ASC Review Process for the FY 2024-2025 ASC Filing. See section 4 of this Final ASC Report. As such, Utilities were briefed on adjustments made to their As-Filed ASC Filings on October 12th, 2022, followed by publication of Draft ASC Reports on October 19th, 2022. Utilities had the opportunity to submit comments to their Draft ASC Reports by October 26th, 2022, to which no Utility provided.

This Final ASC Report reflects BPA Staff's findings following their initial review of PacifiCorp's ASC Filing and addresses the errata, issues and questions raised by the Utility, interveners, and/or BPA Staff during the ASC Review Process.

For details of the ASC Review Period and guidelines, please see the Rules of Procedure available at [BPA's Residential Exchange Program](#) website.

ASC Reports for each Utility are available at:

<https://www.bpa.gov/energy-and-services/power/residential-exchange-program/asc-utility-filings>

### **3.2 Explanation of Appendix 1 Schedules**

The Appendix 1 consists of a series of seven schedules and other supporting information that presents the data necessary to calculate a Utility's ASC. The schedules and supporting data include the following:

1. Schedule 1 – Plant Investment/Rate Base (“Rate Base”)
2. Schedule 1A – Cash Working Capital Calculation (“Cash Working Capital”)
3. Schedule 2 – Capital Structure and Rate of Return (“Rate of Return”)
4. Schedule 3 – Expenses
5. Schedule 3A – Taxes
6. Schedule 3B – Other Included Items (“Other Items”)
7. Schedule 4 – Average System Cost
8. Purchased Power and Sales for Resale (“3-Year PP & OSS Worksheet”)
9. Load Forecast
10. Distribution Loss Calculation (“Distribution Loss Calc”)
11. Distribution of Salaries and Wages (“Salaries”)
12. Ratios
13. New Resources – Individual and Grouped
14. Materiality for New Resource Additions – Individual and Grouped
15. New Large Single Loads (“NLSL Base New-Calc”)
16. Tiered Rates
17. Above-RHWM Base Calculation

#### **3.2.1 Schedule 1 – Plant Investment/Rate Base**

Schedule 1 of the Appendix 1 establishes the Utility's Rate Base, which is the value of property on which the Utility is permitted to earn a specific rate of return (calculated in Schedule 2), in accordance with rules set by the state's Public Utility Commission or other regulatory agency. The Rate Base computation begins with a determination of the Gross Electric Plant-In-Service's historical costs for Intangible, General, Production, Transmission, and Distribution Plant.

For Exchanging Utilities that provide electric, natural gas, and water services, only the portion of common plant allocated to electric service is included. These values (and all subsequent values) are entered into the Appendix 1 as line items based on FERC's Uniform System of Accounts. Each line item (Account) is functionalized to Production, Transmission, and/or Distribution/Other in accordance with the functionalizations prescribed in table 1 of the 2008 ASCM.

The Net Electric Plant-In-Service is determined next by entering and functionalizing depreciation and amortization reserves in the Appendix 1 and adjusting the above-calculated Gross Electric Plant-In-Service for the depreciation and amortization reserves.

Total “Rate Base” is then determined by adjusting Net Electric Plant for Cash Working Capital (calculated in Schedule 1A), Utility Plant, Property and Investments, Current and Accrued Assets, Deferred Debits, Current and Accrued Liabilities, and Deferred Credits.

### **3.2.2 Schedule 1A – Cash Working Capital**

Cash working capital is an estimate of investor-supplied cash used to finance operating costs during the time lag before revenues are collected. This approach (cash) ignores the lag in recovery of non-cash costs of service (depreciation), deferred taxes, and other items. The Cash Working Capital concept is widely used by State Commissions and is the basic premise of the Commission’s proposed working capital formula. The purpose of working capital is to compensate a Utility for funds used in day-to-day operations.<sup>5</sup>

Cash Working Capital is a ratemaking convention that is not included in FERC’s Uniform System of Accounts, but is part of all electric utility rate filings as a component of Rate Base. To determine the allowable amount of Cash Working Capital in Rate Base for a Utility, BPA allows one-eighth (1/8) of the functionalized costs of total production expenses, transmission expenses, and administrative and general expenses, less purchased power, fuel costs, and public purpose charges, into Rate Base. *See* 18 C.F.R. § 301, app. 1 n.f.

### **3.2.3 Schedule 2 – Capital Structure and Rate of Return**

Schedule 2 calculates the Utility’s rate of return (“ROR”) on the Utility’s Rate Base developed in Schedule 1.

The 2008 ASCM requires IOUs to use the weighted cost of capital (“WCC”) from their most recent State Commission rate orders. The return on equity (“ROE”) used in the WCC calculation is grossed-up for federal income taxes at the marginal federal income tax rate using the formula described in Endnote b of the 2008 ASCM. *See* 18 C.F.R. § 301, app. 1 n.b. The 2008 ASCM requires a COU to use a rate of return equal to the COU’s weighted cost of debt.

### **3.2.4 Schedule 3 – Expenses**

This schedule represents operations and maintenance expenses for the production, transmission, and distribution of electricity. Each expense item is functionalized as outlined in table 1 of the 2008 ASCM. Also included in Schedule 3 are additional expenses associated with customer accounts, sales, administrative and general expense, conservation program expense, and depreciation and amortization expense associated with Electric Plant-in-Service. The sum of the items in Schedule 3 reflects the Total Operating Expenses for the Utility.

### **3.2.5 Schedule 3A – Taxes**

This schedule presents allowable ASC costs for federal employment tax and certain non-federal taxes, including property and unemployment taxes. COUs are allowed to include state taxes paid “in lieu” of property taxes. State income taxes, franchise fees, regulatory fees, and city/county taxes are accounted for in this Schedule, but are functionalized to Distribution/Other and therefore not included in ASC. Taxes and fees for each state listed are grouped together and entered as “combined” line items for Appendix 1 purposes.

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<sup>5</sup> James C. Bonbright *et al.*, *Principles of Public Utility Rates* 244 (2d ed. 1988).

Federal income taxes are included in ASC and are calculated, as applicable, in Schedule 2 – Capital Structure and Rate of Return. For this FY 2024-2025 ASC Review Process, BPA used a federal Income Tax Rate of 21%.

### **3.2.6 Schedule 3B – Other Included Items**

This schedule includes revenues from the disposition of plant, sales for resale, and other revenues, including electric revenues and revenues from transmission of electricity for others (wheeling). The revenues in this schedule are deducted from the total costs of each Utility.

### **3.2.7 Schedule 4 – Average System Cost (\$/MWh)**

This schedule summarizes the cost information calculated in Schedules 2 through 3B: Capital Structure and Rate of Return, Expenses, Taxes, and Other Included Items. The schedule also identifies the Contract System Cost and Contract System Load, as defined below, and calculates the Utility's Base Period ASC (\$/MWh).

#### Contract System Cost

CSC includes the Utility's costs for production and transmission resources, including power purchases and conservation measures, which are includable in and subject to the provisions of the 2008 ASCM. CSC does not include distribution costs or the cost of serving a Utility's NLSLs. CSC is the numerator in the ASC calculation.

#### Contract System Load (MWh)

CSL is the total regional retail load of a Utility, adjusted for distribution losses and NLSLs. CSL is the denominator in the ASC calculation.

### **3.2.8 Purchased Power and Sales for Resale**

Purchased Power is an account in Schedule 3 – Expenses, and includes all power purchases the Utility made during the year, including power exchanges. Sales for Resale is an account in Schedule 3B – Other Included Items, and includes power sales to purchasers other than ultimate consumers. Listed in the information for both accounts are the statistical classification codes for all transactions. See FERC Form 1, pages 310-311 for Sales for Resale, and pages 326-327 for Purchased Power, for identification of the classification codes.

### **3.2.9 Load Forecast**

Each IOU is required to provide a four-fiscal-year forecast of its total retail load beginning October 1 of the Base Year, as measured at the meter. For COUs, the total retail loads for this time period are forecast by BPA with the net requirements being computed consistent with the Tiered Rate Methodology ("TRM"). See the Tiered Rates tab in Appendix 1.

Additionally, each COU is required to provide a four-fiscal-year forecast of its qualifying residential and farm retail load, as measured at the retail meter. However, due to the 2012 REP Settlement Agreement, the IOUs are no longer required to submit residential and farm load forecasts.



The total retail load forecasts for all Utilities, and residential and farm load forecasts for the COUs, are adjusted for distribution losses. In addition, the total retail load forecasts are adjusted for any NLSL. The resulting load forecasts are the Contract System Load forecast and Exchange Load forecast, respectively.

### **3.2.10 Distribution Loss Calculation**

Each Utility is required to provide a current distribution loss factor as described in Endnote e of the 2008 ASCM. *See* 18 C.F.R. § 301, app. 1 n.e. The total retail and residential and farm load forecasts are adjusted for distribution losses (and NLSLs when appropriate).

### **3.2.11 Distribution of Salaries and Wages**

This supporting tab is used to determine the Labor Ratio calculations. It includes salaries and wages from relevant operations and maintenance of the electric plant.

### **3.2.12 Ratios**

The Ratios tab calculates all functionalization ratios by assigning costs included in the Utility's FERC Form 1 on a pro rata basis using values taken from the gross plant data (Schedule 1) for Production, Transmission, and Distribution/Other functions, and data taken from the salary and wage tab for Labor functions. For COUs, comparable information comes from the detailed salaries and wages data used in the Utilities' financial reports.

### **3.2.13 New Resources – Individual and Grouped**

The 2008 ASCM allows a Utility's ASC to adjust during the Exchange Period to reflect the addition or loss of a major resource, when adding or removing the resource results in a change of the Utility's Base Period ASC of two and one-half percent (2.5%) (the materiality threshold) or more. New resources are defined as any new production or new generating resource investments, new transmission investments, long-term generating contracts, pollution control and environmental compliance investments relating to generating resources, transmission resources or contracts, hydro relicensing costs and fees, and plant rehabilitation investments. *See* 18 C.F.R. § 301.4(c)(3)(i)-(vii). For major resource reductions, the change to ASC will become effective when the resource is sold, retired, or transferred. 18 C.F.R. § 301.4(c)(2)

See section 2.5 for a discussion of ASC Major Resource Additions or Removals.

To determine the effects of a major resource addition or reduction on a Utility's Exchange Period ASC, BPA performs one of the following calculations: (1) for major resources of all Exchanging Utilities that are expected to be on line, or be removed, prior to the start of the Exchange Period, BPA projects the costs of the resource forward to the midpoint of the Exchange Period; or (2) for major resources of COUs only that are expected to be on line, or be removed, during the Exchange Period, BPA calculates the resource cost as if the resource came on line, or was removed, at the midpoint of the Exchange Period. Under the REP Settlement, IOUs no longer include major resource additions that come on line during the Exchange Period. *See* section 2.5.

Each resource that satisfies the minimum materiality threshold of one-half percent (0.5%) may be entered individually in the “New Resources – Individual” tab. Resources that do not independently meet the two and one-half percent (2.5%) materiality requirement may be grouped together with other resources within “New Resources – Grouped” tab to meet the two and one-half percent (2.5%) materiality requirement. The grouping and timing of materiality for new resource additions is discussed in section 3.2.14 of this Report.

### **3.2.14 Materiality for New Resource Additions – Individual and Grouped**

The 2008 ASCM states:

Major resource additions or reductions that meet the criteria identified in paragraph (c)(3) of this section will be allowed to change a Utility’s ASC within an Exchange Period provided that the major resource addition or reduction results in a 2.5 percent or greater change in a Utility’s Base Period ASC. Bonneville will allow a Utility to submit stacks of individual resources that, when combined, meet the 2.5 percent or greater materiality threshold, provided, however, that each resource in the stack must result in a change to the Utility’s Base Period ASC of 0.5 percent or more.

18 C.F.R. § 301.4(c)(4).

Under the 2008 ASCM, a Utility may group or stack new resources that individually result in a change in a Utility’s Base Period ASC by one-half percent (0.5%) or more to meet the two and one-half percent (2.5%) materiality threshold. A stacked group of resources will not be added to the Utility’s ASC until the last resource in that stack comes on line. The grouping of resources together, therefore, has a significant impact on the timing of when a Utility’s ASC is changed as a result of a new resource addition.

BPA Staff made materiality determinations for all new resources submitted by each Utility in its Draft ASC Report. To make these determinations, BPA used the following instructions:

- The Utility must have included the costs and operating characteristics for each new resource addition.
- The Utility must have submitted the resource additions (individual and/or grouped) that met the materiality test(s) given the Utility’s Base Period costs.
- BPA Staff reviewed each new resource addition submitted by the Utility to determine the adequacy of costs and operating characteristics.
- For the Draft ASC Report, BPA Staff calculated the materiality of a Utility’s resources using the Utility’s adjusted Base Period ASC and forecast natural gas prices used in BPA’s BP-24 Rate Proceeding. BPA Staff removed all resources and/or groups of resource additions that did not meet the materiality test(s).
- BPA Staff did not unilaterally regroup resources.

- The BP-24 Rate Proceeding’s natural gas price forecast was the basis for the natural gas fuel costs used to calculate the materiality for new resource additions in both the Draft and Final ASC Reports.
- The Utility has the option to recommend a “regrouping” of resource additions that meet the materiality test(s).
- Utilities must have submitted the regrouped resource additions in their comments on the Draft ASC Reports.
- Only resources that were reviewed by BPA Staff and participants were used in the regrouping process.

The final grouping of new resources was determined after considering the filing Utilities’ and other parties’ comments on the Draft ASC Report based on the foregoing instructions.

The materiality determinations provided in this Final ASC Report are based on the Utility’s Base Period ASC and reflect the natural gas price forecast from the BP-24 Rate Proceeding.

### **3.2.15 New Large Single Loads**

This tab calculates the cost of resources in an amount sufficient to serve an NLSL, which BPA must exclude from a Utility’s ASC pursuant to Northwest Power Act section 5(c)(7). An NLSL is any load associated with a new facility, an existing facility, or an expansion of an existing facility which was not CF/CT prior to September 1 1979, and which will result in an increase in power requirements of ten (10) aMW or more in a consecutive 12-month period. 16 U.S.C. § 839a(13)(A)–(B). By law, BPA must exclude from a Utility’s ASC the load associated with an NLSL and an amount of resource costs sufficient to serve such NLSL. *See* 16 U.S.C. § 839c(c)(7)(A). To determine the amount of resource costs to exclude from a Utility’s ASC, BPA follows the methodology described in Endnote d of the 2008 ASCM. *See* 18 C.F.R. § 301, app. 1 n.d. Base Period NLSLs will remain constant throughout the duration of the Exchange Period (*see* FY 2012-2013 Final ASC Report, section 5.2.2).

### **3.2.16 Tiered Rates**

All exchanging COUs have the right to purchase power at BPA’s Tier 1 rate by executing Contract High Water Mark (“CHWM”) Contracts with BPA. By signing the CHWM Contract, the Utility agrees to limit the resources it will exchange in the REP. Under the CHWM Contract, the COU agrees to exclude from its ASC the cost of resources necessary to serve the COU’s Above-RHWM load. The CHWM Contracts require the cost of serving Above-RHWM loads to be calculated using a methodology similar to Endnote d of the 2008 ASCM. See section 3.3 of this Final ASC Report for details.

Data input into this tab are used to calculate the cost of Tier 1 Power Purchases from BPA, and are sourced from BPA’s Power Rates group. For background information and details, see <http://www.bpa.gov/news/pubs/PastRecordsofDecision/2009/TRM-12S-A-02.pdf>.

### 3.2.17 Above-RHWM Base Calculation

The Above-RHWM Base Calc tab calculates the cost of resources in an amount sufficient to serve a COU's Above-RHWM load. Under the TRM and CHWM Contracts, BPA must exclude from a Utility's ASC any Above-RHWM load and an amount of resource costs sufficient to serve such Above-RHWM load. To determine the amount of resource costs to exclude from a Utility's ASC, BPA follows the methodology described in Exhibit D of the Utility's CHWM Contract.

The associated Above-RHWM Ratios tab calculates the functionalization ratios used to allocate the total amount of materials and supplies cost, general plant and general plant depreciation expense, administrative and general costs, federal and state employment taxes, and property taxes that are to be included in the total costs of resources used to meet a Utility's Above-RHWM load.

### 3.3 Rate Period High Water Mark ASC Calculation Under the Tiered Rate Methodology

CHWM Contracts require that the cost of resources used to meet Above-RHWM loads be calculated using a methodology similar to Endnote d of the 2008 ASCM. BPA uses the following method to determine the ASC of a COU that is participating in the REP.

- $$\text{RHWM ASC} = \frac{\text{Contract System Cost} - \text{NewRes\$}}{\text{Contract System Load} - \text{NewResMWh}}$$
- NewRes\$ is the forecast cost of resources used to serve a customer's Above-RHWM Load. The costs included in NewRes\$ will be determined using a methodology similar to Appendix 1, Endnote d, of BPA's 2008 ASCM and as described below.
- NewResMWh is the forecast generation from resources used to serve a customer's Above-RHWM Load. For this Final ASC Report, the NewResMWh has been set equal to the customer's Above-RHWM Load.
- For calculating both NewRes\$ and NewResMWh, Existing Resources for CHWMs specified in Attachment C, Column D, of the TRM (*see* TRM-12S-A-03, September 2009, Attachment C) and purchases of power at Tier 1 rates from BPA are excluded.

A number of considerations are used in calculating the cost of serving Above-RHWM Loads using Endnote d of the 2008 ASCM:

- Types of resources to serve Above-RHWM Loads may be different from those resources used in the NLSL resource cost calculation and will be recognized in calculating RHWM ASC:
  - Power purchases less than five years in duration.
- Total output of new resources may exceed Above-RHWM Load:
  - RHWM ASC does not specify removal of costs associated with this excess.

RHWM ASC calculation methodology:

- Set NewResMWh equal to Above-RHWM Load.
- $\text{NewRes\$} = \text{NewResMWh} \times \text{Fully Allocated Cost}$  (calculated using Endnote d).
- If output of material new resources fails to meet Above-RHWM Load, meet deficit with short-term (“ST”) market purchases at utility-specific market price.
- If output of new resources exceeds Above-RHWM Load, reduce ST market purchases by excess to the extent possible in Contract System Cost calculation.
- Sell any remaining surplus at utility-specific Sales for Resale price in the Contract System Cost calculation.

### 3.4 ASC Forecast

Once the Base Period ASC is calculated, BPA Staff use the ASC Forecast Model to escalate forward the Base Period ASC to the midpoint of the Exchange Period. The ASC Forecast Model uses IHS Global Insight’s (an international economic and market forecasting company) forecast of cost increases for capital costs and fuel (except natural gas), operations and maintenance (“O&M”), and general and administrative (“G&A”) expenses; BPA’s forecast of market prices for purchases to meet load growth and to estimate short-term and non-firm power purchase costs and sales revenues; BPA’s forecast of natural gas prices; and BPA’s estimates of the rates it will charge for its PF rate and other products. For both the Draft and Final ASC Reports, BPA updates the escalators in the ASC Forecast Model to be consistent with the escalators used in the BP-24 rate proceeding. For additional background on the determination of Exchange Period ASCs, see the 2008 ASCM, 18 C.F.R. § 301.4.

#### 3.4.1 Forecast Contract System Cost

Forecast Contract System Cost includes a Utility’s forecast costs for production and transmission resources, including power purchases and conservation measures, which are includable in and subject to the provisions of the 2008 ASCM. BPA escalates Base Period costs to the midpoint of the Exchange Period to calculate Exchange Period ASCs. *See* 18 C.F.R. § 301.4(a).

#### 3.4.2 Forecast of Sales for Resale and Power Purchases

BPA does not normalize short-term purchases and sales for resale. The short-term purchases and sales for resale for the Base Period are used as the starting values for the forecast. Utilities are then allowed to include new plant additions and use utility-specific forecasts for the (1) price of long-term purchased power contracts, and (2) long-term sales for resale price contracts to value purchased power expenses and sales for resale revenue. *See* 18 C.F.R. § 301.4(b).

#### 3.4.3 Forecast Contract System Load and Exchange Load

As a part of its ASC Filing, each IOU is required to provide a four-fiscal-year forecast of its total retail load, as measured at the meter. For the COUs only, total retail forecast loads, as determined by BPA under the TRM, will be provided through the end of the Exchange Period.

In addition, for the COUs, qualifying residential and farm retail loads, as measured at the retail meter, are required. The IOUs' qualifying residential and farm retail loads for REP benefits are determined in a separate process as described in the 2012 REP Settlement.

Each Utility is required to submit a current distribution loss study as described in the 2008 ASCM, Appendix 1, Endnote e. The total retail and the residential and farm load forecasts are adjusted for distribution losses (and NLSLs when appropriate). The resulting load forecasts are the Contract System Load forecast and Exchange Load forecast, respectively.

#### **3.4.4 Load Growth Not Met by New Resource Additions**

All load growth not met by new resource additions is met by purchased power at the forecast utility-specific short-term purchased power price. To calculate the cost of serving load growth not served by new resource additions, BPA uses the method outlined in the 2008 ASCM. See 18 C.F.R. § 301.4(e).

## 4 REVIEW OF THE ASC FILING

Pursuant to the 2008 ASCM, the Rules of Procedure for ASC Review Processes and section 5(c) of the Northwest Power Act, BPA is responsible for reviewing all costs, revenues, and loads used to establish ASCs for the REP. BPA Staff began the FY 2024-2025 ASC Review Process of PacifiCorp's ASC Filing in June 2022. With the exception of one errata correction, BPA Staff did not raise any issues with PacifiCorp's ASC Filing. No other party raised issues.

This Final ASC Report summarizes BPA Staff's review of PacifiCorp's ASC Filing and any comments received during the Draft ASC Report comment period.

BPA Staff's ASC determinations are limited to specific findings on issues identified for comment, with the exception of ministerial or mathematical errors or deviations due to changes in functionalizations. There may be additional issues BPA has not identified for comment in this Final ASC Report. Acceptance of a Utility's treatment of an item without comment does not signify a decision as to the proper interpretation to be applied either in subsequent ASC Filings or universally under the 2008 ASCM. Similarly, further experience under the 2008 ASCM may result in BPA adopting a modified or different interpretation of the 2008 ASCM in future ASC reviews.

On September 14<sup>th</sup>, 2022, BPA Staff and Utilities held a virtual meeting to discuss settling FY 2024-2025 Exchange Period ASCs and Exchange Loads as part of BPA's BP-24 Rate Case Proceedings Settlement. At that meeting, BPA Staff shared proposed final ASCs and exchange loads that would serve as inputs to determining each utility's FY 2025-2025 Exchange Period REP benefits, and would be included in BPA's BP-24 Settlement proposal published on September 21<sup>st</sup>, 2022. Utilities had an opportunity to contest proposed ASCs and Exchange Loads by October 6<sup>th</sup>, 2022; however, no Utility submitted comments or contested BPA's proposal. Additionally, the following language accompanied the proposal:

Bonneville, the Parties to this proceeding, and the Exchanging Utility acknowledge that this Final ASC reflects a compromise in their positions with respect to the FY 2024-2025 ASC Review, and that acceptance of the settlement does not create or imply any agreement with any position of any other Party, Bonneville, or the Exchanging Utility. Bonneville, the Parties, and the Exchanging Utility agree not to assert in any forum that anything in this ASC Report, or that any action taken or not taken with regard to this ASC Report, creates or implies: (1) agreement to any particular or individual treatment of costs, expenses, or revenues; (2) agreement to any particular interpretation of Bonneville's statutes; (3) agreement to any interpretation of the 2008 ASC Methodology; or (4) any basis for supporting any ASC for any period after the end of FY 2025.

Bonneville, the Parties to this proceeding, and the Exchanging Utility agree that this Final ASC establishes no precedent and that Bonneville and the Parties will not be prejudiced or bound thereby in any future ASC proceeding. Bonneville, the Parties to this proceeding, and the Exchanging Utility will not be deemed to have approved, accepted, agreed or consented to any concept, theory or principle underlying or supposed to underlie any of the matters provided for in this Final ASC Report.

Table 4-1 summarizes any direct adjustments BPA made to PacifiCorp’s Appendix 1 in this Final ASC Report as a result of BPA Staff’s review and evaluation. Supporting arguments may be found in the Errata, Resolved Issues and/or Unresolved Issues sections listed in table 4-1.

Although a Utility’s state, county, or municipal regulatory bodies, or the Commission, may allow a particular functionalization to a specific account, BPA is not required to follow that treatment when calculating ASCs under the 2008 ASCM. Rather, BPA is tasked with making an independent determination of the appropriateness of inclusion or exclusion of particular costs, the reasonableness of the costs included in Contract System Costs, the appropriateness of Contract System Loads, and the functionalization method used in the calculation of any cost in conformance with the 2008 ASCM. *See* Rules of Procedure, § 3.2.2.

**Table 4-1: Summary of ASC Errata Corrections and Issues**

<b>Appendix 1 Schedule</b>	<b>Adjustment</b>
<b>Schedule 1 – Plant Investment/Rate Base</b>	No direct adjustments.
<b>Schedule 1A – Cash Working Capital</b>	No direct adjustments.
<b>Schedule 2 – Capital Structure and Rate of Return</b>	No direct adjustments.
<b>Schedule 3 – Expenses</b>	No direct adjustments.
<b>Schedule 3A – Taxes</b>	No direct adjustments.
<b>Schedule 3B – Other Included Items</b>	No direct adjustments.
<b>Schedule 4 – Average System Cost</b>	Errata Corrections: 4.1.1
<b>Appendix 1 Supporting Worksheets</b>	<b>Adjustment</b>
<b>3-Year PP &amp; OSS</b>	No direct adjustments.
<b>Load Forecast</b>	No direct adjustments.
<b>New Resource Additions – Individual</b>	No direct adjustments.
<b>Materiality - Individual</b>	No direct adjustments.
<b>NLSL Calculation</b>	No direct adjustments.
<b>Wind Resources</b>	No direct adjustments.
<b>Tiered Rates</b>	No direct adjustments.
<b>ASC Forecast Model</b>	<b>Adjustment</b>
<b>Natural Gas Updates</b>	Nat_Gas_Mkt_Prices_Tab
<b>Market Price Updates</b>	Nat_Gas_Mkt_Prices_Tab



#### **4.1 Errata Corrections Filed by Utility**

Following review of PacifiCorp's reported NLSL MWh total on Schedule 4 cell F46, BPA Staff and PacifiCorp agreed to revise the value.

##### **4.1.1 Schedule 4 – Average System Cost**

###### **1. Cell F46:**

Delete value: 896,078

Insert value: 571,191

#### **4.2 Decision on Draft Report Resolved Issues**

BPA Staff did not raise any issues PacifiCorp's ASC Filing. No other party raised issues.

#### **4.3 Decision on Identification and Analysis of Unresolved Issues**

There were no unresolved issues identified in PacifiCorp's Draft ASC Report.

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## **5 GENERIC ISSUES**

There are no generic issues to report for this ASC Filing.

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## 6 FY 2024-2025 ASC

PacifiCorp's As-Filed CY 2021 Base Period ASC was \$82.37/MWh. As a result of adjustments made during the ASC Review Process, PacifiCorp's CY 2021 Base Period ASC increased to \$82.37/MWh.

PacifiCorp's As-Filed Exchange Period ASC for FY 2024-2025 was \$76.30/MWh. As a result of adjustments made during the ASC Review Process, PacifiCorp's Exchange Period ASC for FY 2024-2025 increased to \$84.08/MWh. PacifiCorp does not have any major resources coming on line or being removed prior to the FY 2024-2025 Exchange Period.

The Exchange Period ASC does not reflect any changes in NLSL status. See section 2.7 for potential adjustments to Exchange Period ASCs.

## 7 REVIEW SUMMARY

This Final ASC Report is BPA's determination of PacifiCorp's FY 2024-2025 Base Period and Exchange Period ASCs based on the information and data provided by PacifiCorp, including comments, if any, received in response to the Draft ASC Report, and based on the professional review, evaluation, and judgment of BPA Staff.

In accordance with the 2008 ASCM and general accepted accounting principles, BPA found no issues to report; errata corrections were completed. The information and analysis contained herein properly establish PacifiCorp's ASC for FY 2024-2025.

## 8 APPROVAL ON BEHALF OF THE BONNEVILLE POWER ADMINISTRATION

I have examined PacifiCorp's ASC Filing, as amended, and the administrative record of the ASC Review Process. Based on this review and the foregoing analysis of the issues, I certify that the calculated ASC conforms to the 2008 ASCM and generally accepted accounting principles, and fairly represents PacifiCorp's ASC.

Issued in Portland, Oregon, this 28<sup>th</sup> day of October, 2022.

BONNEVILLE POWER ADMINISTRATION

By: \_\_\_\_\_  
Vice-President for Northwest Requirements Marketing

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**Exhibit 2**

**Table showing Test Year ASC Loads and Effect of Rate Schedule Change by Month  
per 18 C.F.R. § 35.13(c)**



**PacifiCorp Average System Cost Filing**  
**Exchange Period Effective October 1, 2023**  
**Submitted Pursuant to 18 C.F.R. 35.30c**

**ATTACHMENT 2**

**Effective Date of New Rate:**           **October 1, 2023**  
**Previous ASC Rate:**                   **\$77.61 /MWh**  
**ASC per BPA's Final Report :**       **\$84.08 /MWh**

<u>Month</u>	<u>ASC Eligible Load (MWh)</u>	<u>Revenues @ Previous Rate</u>	<u>Revenues @ New Rate</u>
<b>REVENUES FOR RATE PERIOD PRECEDING EFFECTIVE DATE OF RATE CHANGE</b>			
<b>FY-2022:</b>			
October-21	479,576	\$37,219,893	\$40,322,750
November-21	594,881	\$46,168,714	\$50,017,594
December-21	764,867	\$59,361,328	\$64,310,017
January-22	795,010	\$61,700,726	\$66,844,441
February-22	647,803	\$50,275,991	\$54,467,276
March-22	620,923	\$48,189,834	\$52,207,206
April-22	535,705	\$41,576,065	\$45,042,076
May-22	517,879	\$40,192,589	\$43,543,266
June-22	542,264	\$42,085,109	\$45,593,557
July-22	649,514	\$50,408,782	\$54,611,137
August-22	590,010	\$45,790,676	\$49,608,041
September-22	478,903	\$37,167,662	\$40,266,164
Total	7,217,335	\$560,137,369	\$606,833,527
<b>FY-2023:</b>			
October-22	504,805	\$39,177,916	\$42,444,004
November-22	634,689	\$49,258,213	\$53,364,651
December-22	805,159	\$62,488,390	\$67,697,769
January-23	796,175	\$61,791,142	\$66,942,394
February-23	648,946	\$50,364,699	\$54,563,380
March-23	621,913	\$48,266,668	\$52,290,445
April-23	536,570	\$41,643,198	\$45,114,806
May-23	518,405	\$40,233,412	\$43,587,492
June-23	542,883	\$42,133,150	\$45,645,603
July-23	650,383	\$50,476,225	\$54,684,203
August-23	590,829	\$45,854,239	\$49,676,902
September-23	479,540	\$37,217,099	\$40,319,723
Total	7,330,297	\$568,904,350	\$616,331,372
<b>REVENUES FOR RATE PERIOD IMMEDIATELY AFTER EFFECTIVE DATE OF RATE CHANGE</b>			
<b>FY-2024:</b>			
October-23	505,437	\$39,226,966	\$42,497,143
November-23	635,607	\$49,329,459	\$53,441,837
December-23	806,160	\$62,566,078	\$67,781,933
January-24	796,311	\$61,801,697	\$66,953,829
February-24	680,915	\$52,845,813	\$57,251,333
March-24	623,995	\$48,428,252	\$52,465,500
April-24	532,413	\$41,320,573	\$44,765,285
May-24	515,010	\$39,969,926	\$43,302,041
June-24	548,850	\$42,596,249	\$46,147,308
July-24	662,108	\$51,386,202	\$55,670,041
August-24	602,361	\$46,749,237	\$50,646,513
September-24	481,315	\$37,354,857	\$40,468,965
Total	7,390,482	\$573,575,308	\$621,391,727
<b>FY-2025:</b>			
October-24	501,563	\$38,926,304	\$42,171,417
November-24	636,610	\$49,407,302	\$53,526,169
December-24	808,652	\$62,759,482	\$67,991,460
January-25	798,144	\$61,943,956	\$67,107,948
February-25	660,235	\$51,240,838	\$55,512,559
March-25	625,669	\$48,558,171	\$52,606,250
April-25	532,925	\$41,360,309	\$44,808,334
May-25	515,289	\$39,991,579	\$43,325,499
June-25	548,710	\$42,585,383	\$46,135,537
July-25	661,862	\$51,367,110	\$55,649,357
August-25	601,996	\$46,720,910	\$50,615,824
September-25	480,999	\$37,330,332	\$40,442,396
Total	7,372,654	\$572,191,677	\$619,892,748

**Exhibits 3 and 4**

**Electronic copies of PacifiCorp's Appendix 1 and Forecast Models incorporating the results of BPA's Final Report ASC Report**

**(Submitted separately in Excel Format)**