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Public Utility Commission of Oregon  
PO Box 1088  
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**Re: UE 296– In the Matter PACIFICORP, dba PACIFIC POWER, 2016 Transition  
Adjustment Mechanism**

Attention Filing Center:

Attached for filing in the above-captioned docket is an electronic copy of the Joint Explanatory Brief in support of the Stipulation on Remand which was filed concurrently today.

Please contact this office with any questions.

Very truly yours,



Katherine McDowell

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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

In the Matter of:

PACIFICORP d/b/a PACIFIC POWER

2016 Transition Adjustment Mechanism

**UE 296**

**JOINT EXPLANATORY BRIEF**

**October 2019**

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1 **I. INTRODUCTION**

2 This brief explains and supports the Stipulation on Remand (Stipulation) among  
3 PacifiCorp, dba Pacific Power (PacifiCorp), Calpine Energy Solutions, LLC (Calpine  
4 Solutions), and Staff of the Public Utility Commission of Oregon (Staff) (collectively, the  
5 Stipulating Parties).<sup>1</sup> The Stipulation fully resolves the issues addressed in the decision of  
6 the Court of Appeals of the State of Oregon in Case No. A161359, issued on June 19, 2019,  
7 reversing and remanding Public Utility Commission of Oregon (Commission) Order No. 15-  
8 394 in Docket No. UE 296. The Commission issued this order in the 2016 Transition  
9 Adjustment Mechanism (TAM) for PacifiCorp. The TAM is PacifiCorp’s annual filing to  
10 update its net power costs in rates and to set transition adjustments for direct access  
11 customers.

12 Calpine Solutions opposed the method for calculating the opt-out charge for  
13 PacifiCorp’s five-year direct access program the Commission approved in this docket, and in  
14 Docket Nos. UE 307 and UE 323, for the 2017 and 2018 TAMs, respectively. With the  
15 Commission’s encouragement, however, the parties provisionally resolved this issue in  
16 Docket No. UE 339, the 2019 TAM. The Stipulation reflects this resolution, and makes it  
17 non-provisional for Docket No. 356, the 2020 TAM. As explained below, the Stipulating  
18 Parties have agreed that removing the non-provisional label of the calculation methodology is  
19 a reasonable resolution of this long-running dispute, and it reasonably resolves the remand  
20 from the Court of Appeals.

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<sup>1</sup> The parties in Court of Appeals Case No. A161359 are PacifiCorp, Calpine Solutions, and the Public Utility Commission of Oregon (Commission). The parties in Docket No. UE 296 are PacifiCorp, Calpine Solutions’ predecessor Noble Americas Energy Solutions LLC (Noble Solutions), Staff, the Oregon Citizens’ Utility Board (CUB), and the Industrial Customers of Northwest Utilities (ICNU), now the Alliance of Western Energy Consumers (AWEC). The parties to Docket No. UE 296 that are not parties to this Stipulation, CUB and AWEC, have communicated to the Stipulating Parties that they do not object to the Commission’s approval of this Stipulation.

1 **II. BACKGROUND**

2 On December 11, 2015, the Commission entered Order No. 15-394 in this docket,  
3 approving the 2016 opt-out charge for PacifiCorp’s five-year direct access program, set  
4 forth in Schedule 200, which included escalation at a rate of inflation for fixed generation  
5 costs in years six through ten of the program.<sup>2</sup> On February 5, 2016, Noble Americas  
6 Energy Solutions LLC (Noble Solutions), the predecessor of Calpine Solutions, appealed  
7 Order No. 15-394 to the Court of Appeals. On March 16, 2017, the parties to Case No.  
8 A161359 argued the case before the Court of Appeals, and on June 19, 2019, the Court of  
9 Appeals issued its decision.<sup>3</sup>

10 During the three-year period while the appeal from the Commission’s order  
11 approving the 2016 TAM was pending, the Commission resolved three subsequent annual  
12 TAM filings, for 2017, 2018, and 2019. As the following sequence demonstrates, over  
13 that time the parties were ultimately able to come to resolution on PacifiCorp’s calculation  
14 of the opt-out charge in the TAMs for 2019 and 2020.

15 In Docket No. UE 307 for the 2017 TAM, the Commission entered Order No. 16-  
16 482 on December 20, 2016, approving the 2017 opt-out charge in PacifiCorp’s five-year  
17 direct access program.<sup>4</sup> This order re-affirmed the inclusion of an inflation escalator for  
18 fixed generation costs in years six through ten of the program.<sup>5</sup> The Commission also  
19 directed PacifiCorp to provide a historical time series of fixed generation costs, broken  
20 down by components, in the 2018 TAM.<sup>6</sup>

21 In Docket No. UE 323 for the 2018 TAM, the Commission entered Order No. 17-  
22 444 on November 1, 2017, approving the 2018 opt-out charge in PacifiCorp’s five-year

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<sup>2</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2016 Transition Adjustment Mechanism*, Docket No. UE 296, Order No. 15-394, at 12 (Dec. 11, 2015).

<sup>3</sup> *Calpine Energy Solutions LLC v. Public Util. Comm’n of Ore.*, 298 Or App 143, 445 P3d 308 (2019).

<sup>4</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2017 Transition Adjustment Mechanism*, Docket No. UE 307, Order No. 16-482, at 23 (Dec. 20, 2016).

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

1 direct access program.<sup>7</sup> This order continued the inclusion of an inflation escalator for  
2 fixed generation costs in years six through ten.<sup>8</sup> The record before the Commission  
3 included, inter alia: (1) PacifiCorp’s Exhibit 110, displaying a ten-year historical time  
4 series (2006-2015) of fixed generation costs broken down by components;<sup>9</sup> and (2)  
5 Calpine Solutions’ Exhibit 105, displaying a ten-year historical time series (2006-2015) of  
6 fixed generation costs, including such costs less incremental investment, broken down by  
7 component.<sup>10</sup> The Commission also directed PacifiCorp for the next TAM proceeding to  
8 demonstrate that its opt-out charge: (a) uses a modest inflation adjustor to forecast costs  
9 for years six through ten; (b) does not include incremental generation in years six through  
10 ten; and (c) accounts for depreciation.<sup>11</sup> The Commission indicated an expectation that  
11 the next opt-out charge would be somewhere between PacifiCorp’s 2018 opt-out charge  
12 and the alternative charge requested by Calpine Solutions.<sup>12</sup>

13 In Docket No. UE 339 for the 2019 TAM, the Commission entered Order No. 18-  
14 421 on October 26, 2018, approving a partial stipulation that included provisions  
15 addressing PacifiCorp’s 2019 opt-out charge for its five-year direct access program.<sup>13</sup>  
16 Specifically, the parties stipulated to a one-time, non-precedential adjustment, in which  
17 the opt-out charge in the 2019 TAM was calculated without applying inflation to fixed  
18 generation costs in years six through ten, instead holding those costs flat in nominal  
19 terms.<sup>14</sup> This had the effect of decreasing the opt-out charge relative to the calculation  
20 using the method approved for rates offered in the previous three election windows under

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<sup>7</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2018 Transition Adjustment Mechanism*, Docket No. UE 323, Order No. 17-444, at 20 (Nov. 1, 2017).

<sup>8</sup> *Id.*

<sup>9</sup> Docket No. UE 323, PAC/110, Wilding/1.

<sup>10</sup> Docket No. UE 323, Calpine Solutions/105, Higgins/2-3.

<sup>11</sup> Order No. 17-444 at 21.

<sup>12</sup> *Id.*

<sup>13</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2019 Transition Adjustment Mechanism*, Docket No. UE 339, Order No. 18-421, at 7, 8 (Oct. 26, 2018).

<sup>14</sup> *Id.* at 8.

1 Order No. 15-394, Order No. 16-482, and Order No. 17-444, by approximately  
2 \$1.41/MWh to \$1.61/MWh, depending on rate schedule.<sup>15</sup> The record before the  
3 Commission in Docket No. UE 339 included, inter alia: (1) PacifiCorp’s Exhibit 110,  
4 displaying an eleven-year historical time series (2006-2016) of fixed generation costs,  
5 including such costs less certain incremental investments that PacifiCorp asserted were  
6 responsive to the Commission’s directive in Order No. 17-444, broken down by  
7 component;<sup>16</sup> (2) Staff’s Exhibit 102, presenting a chart produced by PacifiCorp wherein  
8 PacifiCorp displayed its Oregon-allocated fixed generation costs less certain incremental  
9 generation over a ten-year period (2007-2016);<sup>17</sup> and (3) Calpine Solutions’ Exhibit 106,  
10 displaying an eleven-year historical time series (2006-2016) of fixed generation costs,  
11 including such costs less certain incremental investment that Calpine Solutions asserted  
12 were responsive to the Commission’s directive in Order No. 17-444, over assorted  
13 measurement periods and broken down by component.<sup>18</sup>

14 On April 1, 2019, PacifiCorp made its initial filing in the 2020 TAM, Docket No.  
15 UE 356, in which PacifiCorp proposed to calculate the opt-out charge for its five-year  
16 direct access program using the same method agreed to by the parties in the 2019 TAM,  
17 *i.e.*, holding Schedule 200 flat in nominal terms for years six through ten.<sup>19</sup> As in the  
18 2019 TAM, PacifiCorp proposed this as a non-precedential adjustment for the 2020 TAM  
19 only, in the interest of minimizing contested issues.<sup>20</sup> On June 10, 2019, Calpine  
20 Solutions filed testimony supporting this treatment for the 2020 opt-out charge to  
21 eliminate a potentially contentious issue.<sup>21</sup> The record before the Commission in the 2020

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<sup>15</sup> *Id.* at 19.

<sup>16</sup> Docket No. UE 339, PAC/110, Wilding/1.

<sup>17</sup> Docket No. UE 339, Staff/102, Gibbens/14.

<sup>18</sup> Docket No. UE 339, Calpine Solutions/106, Higgins/1-20.

<sup>19</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2020 Transition Adjustment Mechanism*, Docket No. UE 356, PAC/100, Wilding/37-38.

<sup>20</sup> *Id.*

<sup>21</sup> Docket No. UE 356, Calpine Solutions/100, Townsend/8-9.

1 TAM includes, inter alia, PacifiCorp’s Exhibit 408, displaying an eleven-year historical  
2 time series (2006-2016) of fixed generation costs, before and after removing incremental  
3 investment, broken down by component.<sup>22</sup>

4 On June 19, 2019, with the 2020 TAM docket still pending, the Court of Appeals  
5 issued its decision in Noble Solutions’ appeal from Order No. 15-394 in this docket for the  
6 2016 TAM.<sup>23</sup> The Court concluded there was not substantial evidence in the 2016 TAM  
7 record to support the Commission’s determination that the 2016 opt-out charge in  
8 PacifiCorp’s five-year direct access program was reasonable.<sup>24</sup> Specifically, the Court  
9 found there was insufficient evidence in the record that fixed generation costs would still  
10 increase at the rate of inflation in years six through ten after accounting for the removal of  
11 incremental generation.<sup>25</sup> Therefore, the Court reversed and remanded to the  
12 Commission.<sup>26</sup>

13 After the Court of Appeals issued its remand order, PacifiCorp, Calpine Solutions,  
14 and Staff engaged in discussions regarding the scope and issues on remand.<sup>27</sup> Based on  
15 these discussions, the Stipulating Parties concluded that they could resolve the issues on  
16 remand through the Stipulation without additional litigation.<sup>28</sup>

17 In the 2020 TAM, Docket No. UE 356, the parties have reached a full settlement  
18 of all issues, including the consumer opt-out charge for direct access customers, in the  
19 2020 TAM Stipulation filed on September 23, 2019.<sup>29</sup> Accordingly, the Administrative  
20 Law Judge has granted a motion to suspend the procedural schedule in that docket.<sup>30</sup>

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<sup>22</sup> Docket No. UE 356, PAC/408, Wilding/1.

<sup>23</sup> *Calpine Energy Solutions LLC v. Public Util. Comm’n of Ore.*, 298 Or App 143 (2019).

<sup>24</sup> *Id.* at 145, 160-161.

<sup>25</sup> *Id.* at 161.

<sup>26</sup> *Id.* at 162, 163.

<sup>27</sup> Docket No. UE 296, Stipulation on Remand, ¶ 11.

<sup>28</sup> *Id.*

<sup>29</sup> Docket No. UE 356, Stipulation at ¶ 23 (Sep. 23, 2019) (hereinafter “2020 TAM Stipulation”).

<sup>30</sup> Docket No. UE 356, ALJ Ruling: Motion Granted, Procedure Schedule Suspended (Aug. 1, 2019).



1 **III. DISCUSSION**

2 **A. Issue on Remand**

3 The Court of Appeals concluded that the record in Docket No. UE 296 lacked  
4 substantial evidence to support the Commission’s determination in Order No. 15-394 that the  
5 2016 opt-out charge in PacifiCorp’s five-year direct access program was reasonable.  
6 Specifically, the Court found that there was insufficient evidence that fixed generation costs  
7 would still increase at the rate of inflation in years six through ten after accounting for the  
8 removal of incremental generation.<sup>31</sup> In other words, there was insufficient evidence in the  
9 record to support the reasonableness of the particular calculation methodology for the opt-out  
10 charge approved by the Commission for 2016. Based on this evidentiary deficiency, the  
11 Court reversed and remanded.<sup>32</sup>

12 In 2018, while the appeal was pending, PacifiCorp provisionally changed its approach  
13 to calculating the opt-out charge, removing the inflation adjustment in years six through ten.  
14 The parties agreed in the stipulation in that case that the change was a one-time, non-  
15 precedential adjustment and did not prejudice any party’s arguments in the then-pending  
16 appeal.<sup>33</sup> In the Stipulation on Remand, PacifiCorp has now agreed to remove this “non-  
17 precedential” language in the 2020 TAM. Calpine Solutions agrees that this resolution  
18 adequately addresses its concerns and constitutes a reasonable resolution of issues that might  
19 have otherwise been raised in a remand proceeding from the Court of Appeals. This obviates  
20 the need for the Commission to review the reasonableness of PacifiCorp’s previous opt-out  
21 charge calculation on remand.

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<sup>31</sup> *Calpine Energy Solutions*, 298 Or App at 145, 160-161.

<sup>32</sup> *Id.* at 163.

<sup>33</sup> Order No. 18-421, Appendix A, at 8.

1 **B. Terms of the Stipulation.**

2 In the Stipulation, the Stipulating Parties agree that PacifiCorp will calculate the 2020  
3 opt-out charge for PacifiCorp’s five-year direct access program in the 2020 TAM in Docket  
4 No. UE 356 by holding fixed generation costs flat in nominal terms in years six through ten,  
5 without an inflation escalator.<sup>34</sup> This calculation matches the stipulated approach in both the  
6 2019 TAM and the 2020 TAM.<sup>35</sup>

7 In addition, the Stipulating Parties agree that PacifiCorp will not refer to this  
8 calculation as being “non-precedential” in the 2020 TAM.<sup>36</sup> PacifiCorp agrees to change the  
9 description of the 2020 opt-out charge calculation as “non-precedential” through additional  
10 testimony or a stipulation filed in the 2020 TAM.<sup>37</sup> That language is reflected in the 2020  
11 TAM Stipulation.<sup>38</sup>

12 Finally, the Stipulating Parties agree that the opt-out charge calculation under this  
13 Stipulation results in rates that are reasonable.<sup>39</sup>

14 **C. Request for Official Notice.**

15 Pursuant to Oregon Administrative Rules (OAR) 860-001-0460(1)(d), the Stipulating  
16 Parties request the Commission take official notice in this docket of the following testimony  
17 and exhibits,<sup>40</sup> which were filed in PacifiCorp’s subsequent TAM dockets and cited in the  
18 Stipulation:

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<sup>34</sup> Stipulation, ¶ 12.

<sup>35</sup> *Id.*; 2020 TAM Stipulation at ¶ 23.

<sup>36</sup> Stipulation at ¶ 13.

<sup>37</sup> *Id.*

<sup>38</sup> 2020 TAM Stipulation at ¶ 23.

<sup>39</sup> *Id.* at ¶ 14.

<sup>40</sup> Stipulation, ¶ 15.

- 1 • PacifiCorp’s Exhibit 110 in Docket No. UE 323, which displays a ten-year historical  
2 time series (2006-2015) of fixed generation costs broken down by components, and  
3 the associated testimony by PacifiCorp’s witness, Michael G. Wilding;<sup>41</sup>  
4
- 5 • Calpine Solutions’ Exhibit 105 in Docket No. UE 323, which displays a ten-year  
6 historical time series (2006-2015) of fixed generation costs, including such costs less  
7 incremental investment, broken down by component, and the associated testimony by  
8 Calpine Solutions’ witness, Kevin C. Higgins;<sup>42</sup>  
9
- 10 • PacifiCorp’s Exhibit 110 in Docket No. UE 339, which displays an eleven-year  
11 historical time series (2006-2016) of fixed generation costs, including such costs less  
12 certain incremental investments that PacifiCorp asserted were responsive to the  
13 Commission’s directive in Order No. 17-444, broken down by component, and the  
14 associated testimony by PacifiCorp’s witness, Mr. Wilding;<sup>43</sup>  
15
- 16 • Staff’s Exhibit 102 in Docket No. UE 339, which displays a chart produced by  
17 PacifiCorp wherein PacifiCorp presented its Oregon-allocated fixed generation costs  
18 less certain incremental generation over a ten-year period (2007-2016);<sup>44</sup> and  
19
- 20 • Calpine Solutions’ Exhibit 106 in Docket No. UE 339, which displays an eleven-year  
21 historical time series (2006-2016) of fixed generation costs, including such costs less  
22 certain incremental investment that Calpine Solutions asserted were responsive to the  
23 Commission’s directive in Order No. 17-444, over assorted measurement periods and  
24 broken down by component, and the associated testimony by Calpine Solutions’  
25 witness, Mr. Higgins.<sup>45</sup>  
26
- 27 • PacifiCorp’s Exhibit 408 in Docket No. UE 356, displaying an eleven-year historical  
28 time series (2006-2016) of fixed generation costs, before and after removing  
29 incremental investment, broken down by component, and the associated testimony by  
30 PacifiCorp’s witness, Mr. Wilding.<sup>46</sup>  
31

32 OAR 860-001-0460 permits the Commission to take official notice of “[d]ocuments and  
33 records in the files of the Commission that have been made a part of the files in the regular

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<sup>41</sup> Docket No. UE 323, PAC/110, Wilding/1, PAC/100, Wilding/36-37, PAC/400, Wilding/56-59, PAC/800, Wilding/53-55.

<sup>42</sup> Docket No. UE 323, Calpine Solutions/105, Higgins/2-3, Calpine Solutions/100, Higgins/30-36, Calpine Solutions/200, Higgins, 16-21.

<sup>43</sup> Docket No. UE 339, PAC/110, Wilding/1, PAC/100, Wilding/47-54.

<sup>44</sup> Docket No. UE 339, Staff/102, Gibbens/14.

<sup>45</sup> Docket No. UE 339, Calpine Solutions/106, Higgins/1-20, Calpine Solutions/100, Higgins/20-32.

<sup>46</sup> Docket No. UE 356, PAC/408, Wilding/1, PAC/100, Wilding/35-38, PAC/400, Wilding/65.

1 course of performing the Commission’s duties[.]”<sup>47</sup> These exhibits fit that definition, as they  
2 were all filed by parties in previous TAM proceedings before the Commission.<sup>48</sup> Further,  
3 these exhibits constitute relevant evidence under OAR 860-001-0450, as they make the  
4 existence of a fact at issue (the reasonableness of the stipulated methodology for calculating  
5 the 2019 opt-out charge) “more . . . probable than it would be without the evidence;” the  
6 exhibits are of the “type commonly relied upon” by this Commission and the parties before  
7 it; and their probative value is not “substantially outweighed by the danger of unfair  
8 prejudice, confusion of the issues, or unfair delay.”<sup>49</sup>

9 **D. The Stipulation Will Result in Just and Reasonable Rates.**

10 The Commission has adopted stipulations that are supported by sufficient evidence in  
11 the record, appropriately resolve the issues in a case, and result in just and reasonable rates.<sup>50</sup>  
12 When evaluating rates, the Commission examines “the reasonableness of the overall  
13 rates[.]”<sup>51</sup> Here, the Stipulation satisfies these standards.

14 Under the Administrative Procedures Act, Commission orders must be supported by  
15 substantial evidence.<sup>52</sup> Substantial evidence in the record supports the stipulated method for

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<sup>47</sup> OAR 860-001-0460(1)(d).

<sup>48</sup> See Order No. 17-444, at 3 n.4 (granting request under OAR 860-001-0460(1)(d) to take official notice of comments filed by a party in a separate docket); Order No. 15-394, at 3 n.7 (same).

<sup>49</sup> OAR 860-001-0450(1).

<sup>50</sup> See *In the Matter of Portland General Electric Co., Request for a General Rate Revision*, Docket No. UE 335, Order No. 19-129, at 11 (Apr. 12, 2019) (approving stipulations that were “supported by sufficient evidence in the record[.]”); *In the Matter of PacifiCorp, dba Pacific Power, 2010 Transition Adjustment Mechanism*, Docket No. UE 207, Order No. 09-432, at 6 (Oct. 30, 2009) (“The Commission concludes that the Stipulation is an appropriate resolution of all primary issues in this docket.”); *In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 210, Order No. 10-022, at 6 (Jan. 26, 2010) (“When considering a stipulation, we have the statutory duty to make an independent judgment as to whether any given settlement constitutes a reasonable resolution of the issues.”); *In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate*, Docket No. UE 217, Order No. 10-473, at 7 (Dec. 14, 2010) (“We have reviewed the Stipulation, and find that it will result in rates that are fair, just, and reasonable.”).

<sup>51</sup> *In the Matters of The Application of Portland General Electric Co. for an Investigation into Least Cost Plant Retirement et al.*, Docket Nos. DR 10 et al., Order No. 08-487, at 7-8 (Sept. 30, 2008).

<sup>52</sup> ORS 183.450(5) (“No . . . order [shall] be issued except upon consideration of the whole record or such portions thereof as may be cited by any party, and as supported by, and in accordance with, reliable, probative,

1 calculating the opt-out charge for PacifiCorp’s five year direct access program in the 2020  
2 TAM, including evidence previously filed by the parties in this docket as well as the  
3 testimony and exhibits that are the subject of the request for official notice above. These  
4 documents support a range of calculations for the opt-out charge, including the compromise  
5 approach taken in the Stipulation.

6 The Commission has previously resolved a case on remand based on a stipulation  
7 between the parties to the appeal.<sup>53</sup> The Stipulation here and the foregoing evidence  
8 appropriately resolve the issue on remand regarding the sufficiency of the evidence  
9 supporting the calculation of the opt-out charge. The Stipulation is a reasonable resolution of  
10 the disputed issues regarding the opt-out charge calculation, and the record contains  
11 sufficient evidence in support of the opt-out calculation methodology in the 2020 TAM, to  
12 which the parties have now agreed.

13 Finally, the Stipulating Parties agree that the Stipulation will result in just and  
14 reasonable rates.<sup>54</sup> The Stipulation is the result of several years of litigation, as well as  
15 collaborative workshops and settlement discussions. The opt-out charge applies to  
16 PacifiCorp’s direct access customers participating in the company’s five-year program and is  
17 a projection of Schedule 200 fixed generation costs for years through six through ten,

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and *substantial evidence*.”) (emphases added); ORS 183.482(8)(c) (“Substantial evidence exists to support a finding of fact when the record, viewed as a whole, would permit a reasonable person to make that finding.”). *See also Calpine Solutions*, 298 Or App at 161-162 (quoting same); *In the Matters of Pacific Power & Light Co. (dba PacifiCorp), Request for a General Rate Increase in the Company’s Oregon Annual Revenues*, Docket No. UE 170, *et al.*, Order No. 06-379, at 4 (July 10, 2006) (explaining that the Commission must determine on reconsideration whether its decision ordering an adjustment to PacifiCorp’s revenue requirement “was reasonable and supported by substantial evidence[.]”); *In the Matters of The Application of Portland General Electric Company for an Investigation into Least Cost Plan Plant Retirement*, Docket No. DR 10, *et al.*, Order No. 08-487, at 23-24 (Sept. 30, 2008) (explaining that a court reviews a Commission order “to ensure that it . . . is supported by substantial evidence[.]”).

<sup>53</sup> *See In the Matter of Quest Corp., fka US West Communications, Inc., Application for an Increase in Revenues*, Docket No. UT 125, Order No. 07-497, at 2-4 (Nov. 15, 2007) (adopting stipulation resolving remand from the Court of Appeals, where court remanded to develop rates in compliance with applicable federal requirements, and where stipulating parties agreed that revised rates complied with these requirements).

<sup>54</sup> Stipulation, ¶ 14.

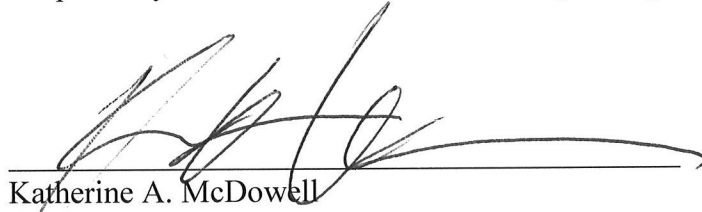
1 brought forward for payment by program participants in years one through five.<sup>55</sup> The  
2 stipulated approach, whereby PacifiCorp holds fixed generation costs flat in nominal terms in  
3 years six through ten, constitutes a reasonable compromise projection of those out-year costs  
4 for the 2020 TAM.

5 **IV. CONCLUSION**

6 For the reasons set forth above, the Stipulating Parties respectfully request that the  
7 Commission adopt the Stipulation.

8 Dated: October 8, 2019.

Respectfully submitted on behalf of the Stipulating Parties.



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Attorneys for PacifiCorp

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<sup>55</sup> Order No. 16-482, at 22.