

April 5, 2016

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-1166

Attn: Filing Center

RE: Advice No. 16-06—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.

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

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

The Company respectfully requests an effective date of May 5, 2016.

Background

The purpose of this filing is to update Schedule 297, Energy Conservation Charge, to reflect an annual rate increase of approximately \$9.75 million based on the Energy Trust of Oregon's (ETO) updated forecast of funding levels for 2016 and 2017, the disbursement of funds to Pacific Power to support ETO's activities, and funding for the Company's proposed Irrigation Load Control Program Pilot.

During 2015 and early 2016, the ETO continued to monitor expenditures, carry-over funds and update program forecasts as previously described in Advice 14-014, which had resulted in a decrease to Schedule 297 rates effective January 1, 2015. This effort was part of an ongoing process designed to align collections with forecasted ETO expenditures as closely as possible, and to reduce carry-over funds to approximately three percent of program expenditures. The ETO carry-over funds have decreased from approximately \$15 million at the beginning of 2015 to approximately \$7.5 million at the end of 2015.

Future funding requirements were established collaboratively by the Company and the ETO and included a comparison of current ETO program forecasts with Oregon targets selected in the Company's 2015 integrated resource plan (IRP). The Company's IRP targets for 2016 through 2018 are shown in Table 1 below.

Table 1
Oregon Energy Efficiency Targets from the 2015 IRP

	aMW (gross)
2016	19.2
2017	17.6
2018	16.1

While the Company's 2015 IRP target acquisition levels for 2017 and 2018 are lower than 2016, the ETO has adopted a Strategic Plan for 2015 through 2019, and, therefore, the ETO is updating its 2014 Resource Assessment (which will support inputs for the 2017 IRP) and has updated program forecasts for 2016 and for the next two years. These activities provide additional insight on likely acquisition levels and funding requirements for the next three years. The ETO forecasts are provided to inform funding levels and are not intended to replace or supersede any targets generated by the 2015 IRP or any subsequent IRP. Forecasts to help inform the funding requirements are provided in Table 2 below.

Table 2
ETO Forecasts for 2016-2018

	aMW (gross)
2016	24.0
2017	24.6
2018	23.9

The ETO estimated acquisition costs for 2016 through 2018 as part of its planning process and those funding requirements, in addition to the \$7.5 million carried over from the end of 2015, are incorporated into the analysis, which supports the rate revision requested.

The Company estimates that an additional \$6.4 million in funds must be collected by the end of 2016 in order to cover ETO funding requirements. In order to collect this amount by the end of December, the Company proposes to increase the collection rate in Schedule 297 by an annualized amount of \$9.6 million.

In this filing, the Company also includes a modification to Schedule 297 to include the disbursement of funds to Pacific Power to provide the funding to support the Irrigation Load Control Program Pilot. The Irrigation Load Control Program Pilot was proposed in the Company's Advice No. 16-04, filed on March 4, 2016, and is currently anticipated to be addressed on the April 21, 2016, Public Utility Commission of Oregon public meeting. The requested funding amount to be collected through Schedule 297 is \$150,000. The Company is seeking to collect the funding amount through Schedule 297 for administrative ease and efficiency and due to the relationship between this conservation pilot program and cost-effective energy efficiency funding. The Company proposes no changes to the annual collection amount

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for Pacific Power-retained funds. Based on the proposed collection amounts, the percentage allocations among the three funding tracks in Schedule 297 have been updated to appropriately distribute collected funds.

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

Attachment A—Target Annual Revenues and 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 increase of approximately \$9.75 million or 0.8 percent. A typical residential customer using 900 kilowatt-hours per month will see a monthly bill increase of \$0.94.

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 Erin Apperson, Manager, Regulatory Affairs at (503) 813-6422.

Sincerely,



R. Bryce Dalley
Vice President, Regulation

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, and to fund the irrigation load control program detailed in Schedule 105.

(N)
(N)

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. 96.1% of the funds collected for energy conservation - Energy Trust of Oregon. (C)
2. 3.4% of the funds collected for energy conservation - Pacific Power with the following provisions: (C)
 - 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.
3. 0.5% of the funds collected for the irrigation load control program described in Schedule 105. (N)
(N)

(continued)

ENERGY CONSERVATION CHARGE
Energy Conservation Charge

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

<u>Schedule</u>	<u>Adjustment Rate</u>
4	0.334 cents per kWh
5	0.334 cents per kWh
15	0.441 cents per kWh
23, 723	0.329 cents per kWh
28, 728	0.268 cents per kWh
30, 730	0.237 cents per kWh
41, 741	0.319 cents per kWh
47, 747	0.198 cents per kWh
48, 748	0.198 cents per kWh
50	0.386 cents per kWh
51, 751	0.613 cents per kWh
52, 752	0.440 cents per kWh
53, 753	0.218 cents per kWh
54, 754	0.286 cents per kWh

(I)

(I)

ATTACHMENT A

Pacific Power
State of Oregon
Calculation of Target Annual Revenues from Schedule 297 Energy Conservation Charge
Dollars in Thousands

(1)	Energy Conservation Charge (ECC) Collections for 2016 at Present Rates	\$	21,900
(2)	Energy Trust Allocation (95%) at Present Rates	\$	20,805
(3)	Pacific Power Retained Funds (5%) at Present Rates	\$	1,095
(4)	Proposed Increase to Energy Trust Allocation for May-December 2016	\$	6,400
(5)	<i>Annualized Increase</i>	\$	9,600
(6)	Load Control Program Costs	\$	150
(7)	Total Proposed Annualized Increase to ECC	\$	9,750
(8)	Proposed Annualized ECC	\$	31,650
(9)	Energy Trust Allocation: 96.1%	\$	30,405
(10)	Load Control Program Costs Allocation: 0.5%	\$	150
(11)	Pacific Power Retained Funds: 3.4%	\$	1,095

**PACIFIC POWER
STATE OF OREGON
CALCULATION OF PROPOSED ENERGY CONSERVATION CHARGE
FORECAST 12 MONTHS ENDED DECEMBER 31, 2016**

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	5,283,998	0	5,283,998	\$610,587	11.555	\$0	\$610,587	2.89%	\$17,649	0.334
2	Total Residential		5,283,998	0	5,283,998	\$610,587		\$0	\$610,587		\$17,649	
Commercial & Industrial												
3	Gen. Svc. < 31 kW	23	1,149,043	12,810	1,136,233	\$130,952	11.397	\$1,460	\$129,492	2.89%	\$3,738	0.329
4	Gen. Svc. 31 - 200 kW	28	2,026,408	15,846	2,010,562	\$187,562	9.256	\$1,467	\$186,095	2.89%	\$5,388	0.268
5	Gen. Svc. 201 - 999 kW	30	1,306,642	82,215	1,224,427	\$106,934	8.184	\$6,728	\$100,206	2.89%	\$2,902	0.237
6	Large General Service >= 1,000 kW	48	3,036,760	2,515,896	520,864	\$206,557	6.802	\$171,128	\$35,429	2.89%	\$1,031	0.198
7	Partial Req. Svc. >= 1,000 kW	47	52,208	45,001	7,207	\$5,300	10.152	\$4,568	\$732	2.89%	\$14	0.198
8	Agricultural Pumping Service	41	226,662	0	226,662	\$25,005	11.032	\$0	\$25,005	2.89%	\$723	0.319
9	Total Commercial & Industrial		7,797,723	2,671,768	5,125,955	\$662,310		\$185,352	\$476,958		\$13,797	
Lighting												
10	Outdoor Area Lighting Service	15	9,154	0	9,154	\$1,396	15.250	\$0	\$1,396	2.89%	\$40	0.441
11	Street Lighting Service	50	8,783	0	8,783	\$1,172	13.344	\$0	\$1,172	2.89%	\$34	0.386
12	Street Lighting Service HPS	51	19,674	0	19,674	\$4,169	21.190	\$0	\$4,169	2.89%	\$121	0.613
13	Street Lighting Service	52	407	0	407	\$62	15.233	\$0	\$62	2.89%	\$2	0.440
14	Street Lighting Service	53	9,364	0	9,364	\$707	7.550	\$0	\$707	2.89%	\$20	0.218
15	Recreational Field Lighting	54	1,211	0	1,211	\$120	9.909	\$0	\$120	2.89%	\$3	0.286
16	Total Public Street Lighting		48,593	0	48,593	\$7,626		\$0	\$7,626		\$221	
17	Total Sales to Ultimate Consumers		13,130,314	2,671,768	10,458,546	\$1,280,523		\$185,352	\$1,095,171		\$31,666	
18	Employee Discount		16,605		16,605	(\$471)		\$0	(\$471)	2.89%	(\$14)	
19	Total Sales with Employee Discount		13,130,314	2,671,768	10,458,546	\$1,280,052		\$185,352	\$1,094,700		\$31,652	

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).

ATTACHMENT B

Schedule 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, 2016

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)	
							(5) + (6)			(8) + (9)	(8) - (5)	(11)/(5)	(10) - (7)	(13)/(7)	
Residential															
1	Residential	4	484,847	5,283,998	\$602,714	\$20,026	\$622,740	\$602,714	\$25,522	\$628,236	\$0	0.0%	\$5,495	0.9%	1
2	Total Residential		484,847	5,283,998	\$602,714	\$20,026	\$622,740	\$602,714	\$25,522	\$628,236	\$0	0.0%	\$5,495	0.9%	2
Commercial & Industrial															
3	Gen. Svc. < 31 kW	23	76,799	1,149,043	\$125,299	\$8,278	\$133,577	\$125,299	\$9,391	\$134,690	\$0	0.0%	\$1,114	0.8%	3
4	Gen. Svc. 31 - 200 kW	28	9,753	2,026,408	\$183,692	\$7,610	\$191,302	\$183,692	\$9,258	\$192,950	\$0	0.0%	\$1,649	0.9%	4
5	Gen. Svc. 201 - 999 kW	30	888	1,306,642	\$105,457	\$3,485	\$108,942	\$105,457	\$4,379	\$109,836	\$0	0.0%	\$894	0.8%	5
6	Large General Service >= 1,000 kW	48	203	3,036,760	\$214,051	(\$6,775)	\$207,276	\$214,051	(\$6,463)	\$207,588	\$0	0.0%	\$313	0.2%	6
7	Partial Req. Svc. >= 1,000 kW	47	7	52,208	\$5,439	(\$129)	\$5,310	\$5,439	(\$125)	\$5,314	\$0	0.0%	\$4	0.2%	7
8	Agricultural Pumping Service	41	7,969	226,662	\$26,155	(\$649)	\$25,506	\$26,155	(\$427)	\$25,728	\$0	0.0%	\$222	0.9%	8
9	Total Commercial & Industrial		95,619	7,797,723	\$660,093	\$11,819	\$671,912	\$660,093	\$16,014	\$676,107	\$0	0.0%	\$4,195	0.6%	9
Lighting															
10	Outdoor Area Lighting Service	15	6,475	9,154	\$1,174	\$250	\$1,424	\$1,174	\$262	\$1,436	\$0	0.0%	\$12	0.9%	10
11	Street Lighting Service	50	230	8,783	\$975	\$221	\$1,196	\$975	\$231	\$1,206	\$0	0.0%	\$10	0.9%	11
12	Street Lighting Service HPS	51	746	19,674	\$3,446	\$807	\$4,253	\$3,446	\$844	\$4,290	\$0	0.0%	\$36	0.9%	12
13	Street Lighting Service	52	26	407	\$53	\$10	\$63	\$53	\$11	\$64	\$0	0.0%	\$1	0.8%	13
14	Street Lighting Service	53	248	9,364	\$588	\$133	\$721	\$588	\$139	\$727	\$0	0.0%	\$6	0.8%	14
15	Recreational Field Lighting	54	107	1,211	\$101	\$21	\$122	\$101	\$22	\$123	\$0	0.0%	\$1	0.8%	15
16	Total Public Street Lighting		7,832	48,593	\$6,337	\$1,443	\$7,780	\$6,337	\$1,510	\$7,847	\$0	0.0%	\$67	0.9%	16
17	Total Sales before Emp. Disc. & AGA		588,298	13,130,314	\$1,269,144	\$33,288	\$1,302,432	\$1,269,144	\$43,045	\$1,312,189	\$0	0.0%	\$9,757	0.8%	17
18	Employee Discount				(\$468)	(\$13)	(\$481)	(\$468)	(\$17)	(\$485)	\$0		(\$4)		18
19	Total Sales with Emp. Disc		588,298	13,130,314	\$1,268,676	\$33,276	\$1,301,951	\$1,268,676	\$43,028	\$1,311,704	\$0	0.0%	\$9,753	0.8%	19
20	AGA Revenue				\$2,439		\$2,439	\$2,439		\$2,439	\$0		\$0		20
21	Total Sales		588,298	13,130,314	\$1,271,115	\$33,276	\$1,304,390	\$1,271,115	\$43,028	\$1,314,143	\$0	0.0%	\$9,753	0.8%	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