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August 25, 2022

VIA ELECTRONIC FILING

Attention: Filing Center
Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

Re: Docket UE 399 – In the Matter of PACIFICORP, dba PACIFIC POWER, Request for a General Rate Revision

Attention Filing Center:

Attached for filing in the above-referenced docket is the Stipulating Parties' Second Partial Stipulation (Second Partial Stipulation).

Concurrently with this filing, PacifiCorp, dba Pacific Power, is filing a Motion to Admit First and Second Partial Stipulations and Request for Waiver.

The parties to this Second Partial Stipulation plan to offer supporting briefing in their prehearing briefs, due Friday, September 2, 2022.

Please contact this office with any questions.

Sincerely,

Katherine McDowell

Attachment

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 399

In the Matter of
PACIFICORP, d/b/a PACIFIC POWER,
Request for a General Rate Revision

SECOND PARTIAL STIPULATION

1 This Second Partial Stipulation resolves certain issues in PacifiCorp d/b/a Pacific
2 Power’s (PacifiCorp or Company) 2022 general rate case, docket UE 399, now pending before
3 the Public Utility Commission of Oregon (Commission).

PARTIES

4
5 1. The parties to this Second Partial Stipulation are PacifiCorp, Staff of the Public
6 Utility Commission of Oregon (Staff), the Oregon Citizens’ Utility Board (CUB), the Alliance of
7 Western Energy Consumers (AWEC), Calpine Energy Solutions, LLC (Calpine Solutions),
8 Walmart Inc. (Walmart), Vitesse, LLC (Vitesse), and the Klamath Water Users Association and
9 Oregon Farm Bureau Federation (KWUA/OFBF), together referred to as the Stipulating Parties.

10 A copy of this Second Partial Stipulation has been shared with all parties to this case, and no
11 party has objected to it.

BACKGROUND

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13 2. On March 1, 2022, PacifiCorp filed its 2022 general rate case, which included
14 direct testimony and exhibits on the issues contained in this Second Partial Stipulation.

15 3. On June 22, 2022, Staff and intervenors filed opening testimony. Staff and
16 AWEC filed testimony addressing the issues resolved by this Second Partial Stipulation.

17 4. On July 1, 2022, the parties to docket UE 399 convened a settlement conference.

1 No. 20-473, issued in the Company’s last general rate case. The expenses will be amortized over
2 five years in a separate tariff schedule. Removing this adjustment from base rates will result in
3 \$1.0 million reduction to the Oregon-allocated revenue requirement from the Company’s initial
4 filing. This resolves Issue A11 in AWEC/100.

5 11. Clean Fuels Revised Amortization Removal: The Stipulating Parties agree that
6 PacifiCorp will remove \$1.24 million in expenses associated with the Oregon Clean Fuels
7 Program Amortization from the Base Period. This includes the amortization amounts recorded in
8 the 12-month period ending in June 2021. The estimated Oregon-allocated revenue requirement
9 impact for this change is a \$1.28 million reduction from the Company’s initial filing. This
10 resolves Issue 1 in Staff/1600.

11 12. Long-Term Debt: The Stipulating Parties agree that PacifiCorp will update its
12 calculation of the cost of debt embedded in the revenue requirement to 4.717 percent. As a result,
13 the cost of long-term debt included in the Oregon-allocated revenue requirement will increase by
14 \$6.96 million from the Company’s initial filing.

15 13. Fuel Stock Inventory Update: The Stipulating Parties agree that PacifiCorp will
16 update its fuel stock inventory forecast and decrease the forecast by \$22.9 million to \$151.6
17 million. The estimated Oregon-allocated revenue requirement impact of this update is a \$525,000
18 reduction to the Company’s initial filing. This resolves Issues A9 and A10 in AWEC/100.

19 14. 30-Day Work Papers on Transition Adjustment Mechanism (TAM): The
20 Stipulating Parties agree that, as addressed in PacifiCorp’s TAM docket UE 400, the Company
21 will provide all Schedule 296 calculations used to calculate the Consumer Opt-Out Charge,
22 including all supporting work papers, within 30 days of filing the TAM. This change will not
23 result in any adjustment to PacifiCorp’s Oregon-allocated revenue requirement. The provision

1 of the TAM Guidelines addressing the 30-day work papers will be amended as follows: “Within
2 30 days of the Initial Filing, PacifiCorp will deliver to the Parties a sample calculation, including
3 all supporting work papers, of Schedule 296 as applicable to customers currently served under
4 rate schedules 30 and 48 (Primary). PacifiCorp may file a motion to waive this requirement of
5 the TAM Guidelines and would ensure that motion is served on Calpine Solutions, LLC on or
6 before PacifiCorp makes the initial filing in the TAM.”

7 15. Correction to Interest Calculation: The Stipulating Parties agree that PacifiCorp
8 will correct the calculation of the amount of interest synchronization to a reduction in overall
9 Oregon-allocated revenue requirement of \$1.3 million from the Company’s initial filing. This
10 resolves Issue 1 in Staff/200.

11 16. Update of Jurisdictional Load Factors: The Stipulating Parties agree that
12 PacifiCorp will remove the anticipated generation offset previously included as a reduction to
13 Utah’s jurisdictional load factors. The estimated Oregon revenue requirement impact for this
14 change is a \$2.05 million reduction from the Company’s initial filing. This resolves Issue A17 in
15 AWEC/100.

16 17. Update to Commission Fees: The Stipulating Parties agree that the Company’s
17 Commission fee will be updated to reflect the latest approved fee of 0.43 percent as approved by
18 Order No. 22-062. The estimated Oregon revenue requirement impact for this change is a
19 \$93,000 increase to the Company’s initial filing. This resolves Issue 4 in Staff/200.

20 18. Oregon Corporate Activity Tax (OCAT): The Stipulating Parties agree that the
21 OCAT will be moved from FERC Account 409.11 (State Income Tax) to FERC Account 408
22 (Taxes Other than Income). The estimated Oregon revenue requirement impact for this change is
23 a \$276,000 reduction from the Company’s initial filing.

1 19. Jim Bridger Units 1 and 2 Depreciable Lives: The Stipulating Parties agree that
2 Oregon’s depreciable lives for Jim Bridger Unit 1, Unit 2 and Common Lives will be extended to
3 December 31, 2029, reflecting the conversion of Units 1 and 2 to natural gas-fired resources in
4 2024 consistent with PacifiCorp’s acknowledged 2021 Integrated Resource Plan. The
5 Company’s calculation of updated depreciation rates reflects a revenue requirement reduction of
6 approximately \$12 million, and the Stipulating Parties agree this is a reasonable approximation
7 of new rates for purposes of extending the lives. PacifiCorp will confirm the final revenue
8 requirement impact in its compliance filing. The Stipulating Parties further agree that: (a) all
9 components of the depreciation rates will be updated in the Company’s next depreciation study;
10 (b) coal specific assets retired as part of the gas conversion project will be fully depreciated at
11 the time of retirement, and remaining assets at Units 1 and 2 are used and useful for purposes of
12 natural gas fired generation providing energy to Oregon customers; and (c) the agreement to
13 extend the depreciable lives of Jim Bridger Units 1 and 2 is not designed to address the Oregon
14 exit dates or operational lives for these units.

15 20. Entire Agreement: The Stipulating Parties agree that this agreement represents a
16 compromise among competing interests and a resolution of all contested issues in this docket
17 which are contained in this agreement.

18 21. This Second Partial Stipulation will be offered into the record of this proceeding
19 as evidence pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this
20 Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor this Second
21 Partial Stipulation at the hearing, and recommend that the Commission issue an order adopting
22 the settlements contained herein. The Stipulating Parties also agree to cooperate in drafting and
23 submitting joint testimony or a brief in support of the Second Partial Stipulation in accordance

1 with OAR 860-001-0350(7).

2 22. If this Second Partial Stipulation is challenged, the Stipulating Parties agree that
3 they will continue to support the Commission’s adoption of the terms of this Second Partial
4 Stipulation. The Stipulating Parties agree to cooperate in any hearing and put on such a case as
5 they deem appropriate to respond fully to the issues presented, which may include raising issues
6 that are incorporated in the settlements embodied in this Second Partial Stipulation.

7 23. The Stipulating Parties have negotiated this Second Partial Stipulation as an
8 integrated document. If the Commission rejects all or any material part of this Second Partial
9 Stipulation or adds any material condition to any final order that is not consistent with this
10 Second Partial Stipulation, each Party reserves its right, pursuant to OAR 860-001-0350(9), to
11 present evidence and argument on the record in support of the Second Partial Stipulation or to
12 withdraw from the Second Partial Stipulation. The Stipulating Parties agree that in the event the
13 Commission rejects all or any material part of this Second Partial Stipulation or adds any
14 material condition to any final order that is not consistent with this Second Partial Stipulation,
15 the Stipulating Parties will meet in good faith within 15 days and discuss next steps. A
16 Stipulating Party may withdraw from the Second Partial Stipulation after this meeting by
17 providing written notice to the Commission and other Stipulating Parties. The Stipulating Parties
18 shall be entitled to seek rehearing or reconsideration pursuant to OAR 860-001-0720 in any
19 manner that is consistent with the agreement embodied in this Second Partial Stipulation.

20 24. By entering into this Second Partial Stipulation, no Stipulating Party shall be
21 deemed to have approved, admitted, or consented to the facts, principles, methods, or theories
22 employed by any other Stipulating Party in arriving at the terms of this Second Partial
23 Stipulation, other than those specifically identified in the body of this Second Partial Stipulation.

1 No Stipulating Party shall be deemed to have agreed that any provision of this Second Partial
2 Stipulation is appropriate for resolving issues in any other proceeding, except as specifically
3 identified in this Second Partial Stipulation.

4 25. The Stipulating Parties agree to make best efforts to provide each other any and
5 all news releases that any Stipulating Party intends to make about the Second Partial Stipulation
6 two business days in advance of publication. This provision is not binding on the Commission
7 itself.

8 26. This Second Partial Stipulation is not enforceable by any Stipulating Party unless
9 and until adopted by the Commission in a final order. Each signatory to this Second Partial
10 Stipulation acknowledges that they are signing this Second Partial Stipulation in good faith and
11 that they intend to abide by the terms of this Second Partial Stipulation unless and until the
12 Second Partial Stipulation is rejected or adopted only in part by the Commission. The
13 Stipulating Parties agree that the Commission has exclusive jurisdiction to enforce or modify the
14 Second Partial Stipulation.

15 27. This Second Partial Stipulation may be executed in counterparts and each signed
16 counterpart shall constitute an original document. The Stipulating Parties further agree that any
17 electronically-generated signature of a Stipulating Party is valid and binding to the same extent
18 as an original signature.

19 28. This Second Partial Stipulation may not be modified or amended except by
20 written agreement among all Stipulating Parties who have executed it.

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22 ////

23 ////

**PUBLIC UTILITY COMMISSION OF
OREGON STAFF**

By: /s/ Johanna Riemenschneider

Date: August 24, 2022

**OREGON CITIZENS' UTILITY
BOARD**

By: _____

Date: _____

WALMART INC.

By: _____

Date: _____

**OREGON FARM BUREAU
FEDERATION**

By: _____

Date: _____

PACIFICORP

By: _____

Date: _____

**ALLIANCE OF WESTERN ENERGY
CONSUMERS**

By: _____

Date: _____

CALPINE ENERGY SOLUTIONS, LLC

By: _____

Date: _____

VITESSE, LLC

By: _____

Date: _____

**KLAMATH WATER USERS
ASSOCIATION**

By: _____

Date: _____

**PUBLIC UTILITY COMMISSION OF
OREGON STAFF**

By: _____

Date: _____

**OREGON CITIZENS' UTILITY
BOARD**

By: /s/ Michael Goetz _____

Date: August 25, 2022 _____

WALMART INC.

By: _____

Date: _____

**OREGON FARM BUREAU
FEDERATION**

By: _____

Date: _____

PACIFICORP

By: _____

Date: _____

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Date: _____

PACIFICORP

By: Jelle J. J. J.

Date: Aug 25, 2022

ALLIANCE OF WESTERN ENERGY CONSUMERS

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CALPINE ENERGY SOLUTIONS, LLC

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FEDERATION**

By: _____

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PACIFICORP

By: _____

Date: _____

**ALLIANCE OF WESTERN ENERGY
CONSUMERS**

By:  _____

Date: 8/25/2022 _____

CALPINE ENERGY SOLUTIONS, LLC

By: _____

Date: _____

VITESSE, LLC

By: _____

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**KLAMATH WATER USERS
ASSOCIATION**

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PUBLIC UTILITY COMMISSION OF OREGON STAFF

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CALPINE ENERGY SOLUTIONS, LLC

By:  _____

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Date: _____

PUBLIC UTILITY COMMISSION OF OREGON STAFF

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Date: _____

OREGON CITIZENS' UTILITY BOARD

By: _____

Date: _____

WALMART INC.

By: _____

Date: _____

OREGON FARM BUREAU FEDERATION

By: Paul S. S. [Signature]

Date: 8-25-2022

PACIFICORP

By: _____

Date: _____

ALLIANCE OF WESTERN ENERGY CONSUMERS

By: _____

Date: _____

CALPINE ENERGY SOLUTIONS, LLC

By: _____

Date: _____

VITESSE, LLC

By: _____

Date: _____

KLAMATH WATER USERS ASSOCIATION

By: Paul S. S. [Signature]

Date: 8-26-2022