



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

September 30, 2020

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

Attn: Filing Center

**RE: UE 379—Stipulation and Joint Testimony**

PacifiCorp d/b/a Pacific Power encloses for filing in this docket the following documents:

- The Stipulation between PacifiCorp, Staff of the Public Utility Commission of Oregon, and the Oregon Citizens' Utility Board; and
- Joint Testimony in Support of the Stipulation.

If you have questions about this filing, please contact Cathie Allen at (503) 813-5934.

Sincerely,

A handwritten signature in black ink, appearing to read "Etta Lockey", with a long, sweeping underline that extends to the right.

Etta Lockey  
Vice President, Regulation

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 379**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

2019 Power Cost Adjustment Mechanism

**STIPULATION**

**INTRODUCTION**

1. PacifiCorp d/b/a Pacific Power, Public Utility Commission of Oregon (Commission) Staff, and the Oregon Citizens' Utility Board (CUB) (collectively the Stipulating Parties) enter into this Stipulation to resolve all issues in docket UE 379, PacifiCorp's 2019 power cost adjustment mechanism (PCAM). The Alliance of Western Energy Consumers (AWEC) has intervened but is not signatory to this stipulation, however, AWEC does not oppose this stipulation. No other party has intervened in this proceeding.

**BACKGROUND**

2. The Commission approved PacifiCorp's PCAM in Order No. 12-493 in docket UE 246. The PCAM allows the recovery or refund of the difference between actual costs incurred to serve customers and the rates established in PacifiCorp's annual transition adjustment mechanism (TAM) filing. The amount recovered from or refunded to customers for a given year is subject to the following parameters:

- Asymmetrical Deadband – Any net power cost (NPC) difference between negative \$15 million and positive \$30 million is absorbed by the company.
- Sharing Mechanism – Any NPC difference above or below the deadband is shared 90 percent by customers and 10 percent by the company.

- Earnings Test – If the company’s earned return on equity (ROE) is within plus or minus 100 basis points of the allowed ROE, there is no recovery from or refund to customers.
- Amortization Cap – The amortization of deferred amounts are capped at six percent of the revenue for the preceding calendar year.<sup>1</sup>

3. On May 15, 2020, PacifiCorp filed its PCAM for calendar year 2019.

Attachment A to this Stipulation is a summary of the company’s PCAM calculation. On an Oregon-allocated basis, actual PCAM costs exceeded base PCAM costs established in the 2019 TAM (Docket UE 339), by approximately \$45.1 million.

4. Although the \$45.1 million exceeds the deadband, after application of the earnings test, there is no recovery for the 2019 PCAM.

5. The Stipulating Parties communicated via email beginning in July, 2020. These communications resulted in an agreement that no rate change is appropriate in this docket.<sup>2</sup>

#### **AGREEMENT**

6. The Stipulating Parties agree that PacifiCorp’s PCAM calculation for calendar year 2019, as set forth in the company’s initial filing and summarized above, complies with Order No. 12-493 and results in no change to existing rates.

7. The Stipulating Parties agree to submit this Stipulation to the Commission and request that the Commission approve the Stipulation as presented. The Stipulating Parties agree that this Stipulation will result in rates that meet the standard in ORS 756.040.

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<sup>1</sup> *In the Matter of PacifiCorp d/b/a Pacific Power’s Request for a General Rate Revision*, Docket UE 246, Order No. 12-493 at 15 (Dec. 20, 2012).

<sup>2</sup> Staff notes that there is an open issue regarding the treatment of actual wind generation for Energy Vision 2020 repowered and new wind projects in the PCAM proceeding, as set forth in the record in OPUC Docket No. UE 374, which this stipulation does not resolve. However, Staff is not seeking Commission resolution of this issue in this case.

8. This Stipulation will be offered in the record as evidence under OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor the Stipulation at hearing, if required, and recommend that the Commission issue an order adopting the Stipulation.

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

10. By entering into this Stipulation, no Settling Party approves, admits, or consents to the facts, principles, methods, or theories employed by any other Settling Party.

11. This Stipulation is not enforceable by any Settling Party unless and until adopted by the Commission in a final order. Each signatory to this Stipulation avers that they are signing this Stipulation in good faith and that they intend to abide by the terms of this Stipulation unless and until the Stipulation is rejected or adopted only in part by the Commission. The Settling Parties agree that the Commission has exclusive jurisdiction to enforce or modify the Stipulation. If the Commission rejects or modifies this Stipulation, the Settling Parties reserve the right to

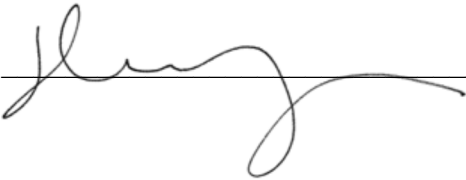
seek reconsideration or rehearing of the Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the Commission order under ORS 756.610.

12. This Stipulation may be executed in counterparts and each signed counterpart constitutes an original document.

This Stipulation is entered into by each Settling Party on the date entered below such Settling Party's signature.

PACIFICORP

STAFF of the PUBLIC UTILITY  
COMMISSION OF OREGON

By:  \_\_\_\_\_

By: \_\_\_\_\_

Date: 9/30/2020 \_\_\_\_\_

Date: \_\_\_\_\_

OREGON CITIZENS' UTILITY BOARD

By: \_\_\_\_\_

Date: \_\_\_\_\_

seek reconsideration or rehearing of the Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the Commission order under ORS 756.610.

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PACIFICORP

STAFF of the PUBLIC UTILITY  
COMMISSION OF OREGON

By: \_\_\_\_\_

By: /s/ Sommer Moser \_\_\_\_\_

Date: \_\_\_\_\_

Date: 9/30/2020 \_\_\_\_\_

OREGON CITIZENS' UTILITY BOARD

By: \_\_\_\_\_

Date: \_\_\_\_\_

seek reconsideration or rehearing of the Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the Commission order under ORS 756.610.

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PACIFICORP

STAFF of the PUBLIC UTILITY  
COMMISSION OF OREGON

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

OREGON CITIZENS' UTILITY BOARD

By:  \_\_\_\_\_

Date: 9/30/20 \_\_\_\_\_

**ATTACHMENT A**



Oregon Power Cost Adjustment Mechanism  
 January 1, 2019 - December 31, 2019  
 Attachment A - Power Cost Adjustment Mechanism Calculation

Line No.	Reference	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
<b>Actual:</b>														
1	Total Company Adjusted Actual NPC (2.1)	\$ 131,540,281	\$ 165,154,527	\$ 136,294,942	\$ 107,602,901	\$ 112,620,252	\$ 124,164,655	\$ 167,860,313	\$ 177,632,068	\$ 152,222,400	\$ 126,774,673	\$ 124,909,292	\$ 129,351,204	\$ 1,656,127,508
2	Actual Allocated PTC (4.1)	(3,487,444)	(2,951,365)	(1,816,786)	(2,536,684)	(1,780,817)	(1,345,285)	(1,073,516)	(1,161,531)	(2,294,136)	(5,116,609)	(5,175,044)	(7,474,271)	(36,213,490)
3	Actual EIM Costs (5.1)	223,975	223,975	223,975	223,975	223,975	223,975	223,975	223,975	223,975	223,975	223,975	223,975	2,687,695
4	Actual Other Revenues (6.1)	(761,558)	(637,191)	(635,506)	(1,084,085)	(877,447)	(1,028,624)	(989,101)	(855,439)	(930,079)	(922,779)	(640,797)	(696,289)	(10,058,895)
5	Total PCAM Adjusted Actual Costs Sum Lines 1 - 4	127,515,254	161,789,945	134,066,625	104,206,106	110,185,962	122,014,720	166,021,670	175,839,073	149,222,159	120,959,259	119,317,425	121,404,618	1,612,542,818
6	Actual System Retail Load (8.1)	4,799,736	4,474,747	4,479,477	4,083,700	4,234,177	4,582,946	5,288,590	5,153,136	4,404,692	4,431,700	4,434,088	4,936,316	55,303,306
7	Actual PCAM Costs \$/MWh Line 5 / Line 6	\$ 26.57	\$ 36.16	\$ 29.93	\$ 25.52	\$ 26.02	\$ 26.62	\$ 31.39	\$ 34.12	\$ 33.88	\$ 27.29	\$ 26.91	\$ 24.59	\$ 29.16
<b>Base:</b>														
8	Total Company Base NPC (3.1)	\$ 124,011,813	\$ 115,143,234	\$ 120,747,988	\$ 107,182,649	\$ 113,237,311	\$ 120,861,832	\$ 152,621,725	\$ 143,627,146	\$ 112,462,222	\$ 108,902,959	\$ 111,519,174	\$ 121,770,203	\$ 1,452,088,256
9	Adjustment for Direct Access (3.3)	(1,215,147)	(1,125,682)	(934,060)	(588,545)	(321,443)	(688,170)	(1,387,038)	(1,335,521)	(827,099)	(734,577)	(697,591)	(669,223)	(10,524,095)
10	Base Allocated PTC (2.2)	(3,122,145)	(3,122,145)	(3,122,145)	(3,122,145)	(3,122,145)	(3,122,145)	(3,122,145)	(3,122,145)	(3,122,145)	(3,122,145)	(3,122,145)	(3,122,145)	(37,465,734)
11	Base EIM Costs (3.4)	232,182	232,182	232,182	232,182	232,182	232,182	232,182	232,182	232,182	232,182	232,182	232,182	2,786,190
12	Base Other Revenues (6.2)	(997,601)	(997,601)	(997,601)	(997,601)	(997,601)	(997,601)	(997,601)	(997,601)	(997,601)	(997,601)	(997,601)	(997,601)	(11,971,208)
13	Total PCAM Base Costs Sum Lines 8 - 12	118,909,103	110,129,989	115,926,365	102,706,542	109,028,305	116,286,100	147,347,124	138,404,062	107,747,561	104,280,820	106,934,020	117,213,417	1,394,913,409
14	Base System Retail Load (8.1)	4,851,164	4,220,608	4,377,254	4,113,656	4,295,331	4,473,053	5,148,822	4,931,687	4,319,834	4,253,283	4,378,320	4,861,392	54,224,405
15	Base PCAM Costs \$/MWh Line 8 / Line 14	\$ 24.51	\$ 26.09	\$ 26.48	\$ 24.97	\$ 25.38	\$ 26.00	\$ 28.62	\$ 28.06	\$ 24.94	\$ 24.52	\$ 24.42	\$ 24.11	\$ 25.72
16	System PCAM Unit Cost Differential \$/MWh Line 7 - Line 15	\$ 2.06	\$ 10.06	\$ 3.45	\$ 0.55	\$ 0.64	\$ 0.63	\$ 2.77	\$ 6.06	\$ 8.94	\$ 2.78	\$ 2.49	\$ 0.48	\$ 3.43
17	Oregon Retail Load (8.1)	1,205,721	1,191,205	1,128,880	958,561	966,202	993,709	1,098,239	1,142,671	979,445	1,053,953	1,102,892	1,267,185	13,088,664
<b>Deferral:</b>														
18	Monthly PCAM Differential - Above or (Below) Base Line 16 * Line 17	\$ 2,478,580	\$ 11,986,891	\$ 3,889,291	\$ 527,549	\$ 618,380	\$ 622,671	\$ 3,047,382	\$ 6,922,857	\$ 8,751,815	\$ 2,926,172	\$ 2,741,345	\$ 612,170	\$ 45,125,103
19	Oregon Situs Resource True-Up (7.1)	14,200	(29,408)	(71,229)	(10,465)	1,295	6,077	41,785	54,723	11,303	616	689	(2,626)	16,958
20	Total Monthly PCAM Differential - Above or (Below) Base Line 18 + Line 19	2,492,780	11,957,482	3,818,062	517,084	619,675	628,748	3,089,167	6,977,580	8,763,118	2,926,788	2,742,035	609,544	45,142,061
21	Cumulative PCAM Differential - Above or (Below) base	2,492,780	14,450,262	18,268,324	18,785,408	19,405,083	20,033,831	23,122,997	30,100,577	38,863,695	41,790,483	44,532,517	45,142,061	
22	Positive Deadband - ABOVE Base Order. 12-493	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
23	Negative Deadband - BELOW Base Order. 12-493	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
24	Amount Deferrable - ABOVE Deadband	-	-	-	-	-	-	-	100,577	8,763,118	2,926,788	2,742,035	609,544	15,142,061
25	Amount Deferrable - BELOW Deadband	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Total Incremental Deferrable Line 24 + Line 25	-	-	-	-	-	-	-	100,577	8,763,118	2,926,788	2,742,035	609,544	15,142,061
27	Total Incremental Deferral After 90%/10% Sharing Band Line 26 * 90%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,519	\$ 7,886,806	\$ 2,634,109	\$ 2,467,831	\$ 548,590	\$ 13,627,855
<b>Energy Balancing Account:</b>														
28	Monthly Interest Rate Note 1	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%
29	Beginning Balance Prior Month Line 32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,807	\$ 8,003,233	\$ 10,696,534	\$ 13,240,133	\$ -
30	Incremental Deferral Line 27	-	-	-	-	-	-	-	90,519	7,886,806	2,634,109	2,467,831	548,590	13,627,855
31	Interest Line 28 * (Line 29 + 50% x Line 30)	-	-	-	-	-	-	-	287	25,621	59,192	75,768	85,828	246,696
32	Ending Balance Σ Lines 29:31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,807	\$ 8,003,233	\$ 10,696,534	\$ 13,240,133	\$ 13,874,551	\$ 13,874,551
<b>Earnings Test:</b>														
33	Earned Return on Equity (9.1)													9.34%
34	Allowed Return on Equity UE 246													9.80%
35	100bp ROE Revenue Requirement													\$ 23,833,022
36	Allowed Deferral After Earning Test													-
37	Total Deferred													\$ -

Notes:  
 Note 1: 7.621% annual interest rate based on Oregon approved rate of return

Docket No. UE 379  
Joint Stipulating Parties/100  
Witnesses: Webb-Gibbens-  
Jenks

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**PACIFICORP**

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**Stipulating Parties' Joint Testimony of  
David G. Webb, Scott Gibbens, and Bob Jenks**

**September 2020**

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Joint Testimony Supporting Stipulation ..... 1

1 **Q. Please state your names, business addresses, and present positions.**

2 A. My name is David G. Webb. My business address is 825 NE Multnomah Street,  
3 Suite 600, Portland, Oregon 97232. My title is Manager, Net Power Costs. My  
4 witness qualifications are set forth in PAC/100, Webb/1.

5 My name is Scott Gibbens. My business address is 201 High Street SE,  
6 Suite 100, Salem Oregon 97301. I am employed as a Senior Economist in the  
7 Energy Rates, Finance and Audit Division of the Public Utility Commission of  
8 Oregon (Commission). My Witness Qualification Statement is found in Exhibit  
9 Joint Stipulating Parties/101.

10 My name is Bob Jenks. My business address is 610 SW Broadway, Suite  
11 400, Portland, Oregon 97205. I am the Executive Director of the Oregon  
12 Citizens' Utility Board (CUB). My Witness Qualification Statement is found in  
13 Exhibit Joint Stipulating Parties/102.

14 **JOINT TESTIMONY SUPPORTING STIPULATION**

15 **Q. What is the purpose of this Joint Testimony?**

16 A. Commission Staff, PacifiCorp, and CUB, collectively the Stipulating Parties,  
17 jointly provide this testimony in support of the Stipulation, filed concurrent with  
18 this Joint Testimony. The Stipulating Parties request that the Commission issue  
19 an order approving the Stipulation and implementing its terms.

20 **Q. Which parties to docket UE 379 have joined in the Stipulation?**

21 A. All parties to docket UE 379 agreed that PacifiCorp's actual net power costs  
22 (NPC) would not result in a change in rates to customers. After settlement  
23 communications, Staff, CUB and PacifiCorp executed the Stipulation on

1 September 29, 2020. The Alliance of Western Energy Consumers (AWEC) has  
2 intervened but is not signatory to this stipulation, however, AWEC does not  
3 oppose this stipulation. No other party has intervened in this proceeding.

4 **Q. Does the Stipulation provide resolution that no rate change should occur in**  
5 **docket UE 379?**

6 A. Yes. The Stipulating Parties agree that the company's power cost adjustment  
7 mechanism (PCAM) for calendar year 2019, as set forth in its initial filing,  
8 complies with Order No. 12-493 and results in no change to PacifiCorp's rates.  
9 The Stipulation does not resolve whether for purposes of the PCAM, actual wind  
10 generation for PacifiCorp's EV 2020 repowered and new wind projects should be  
11 adjusted to match the forecasted wind generation from the TAM. However, this  
12 issue has no impact on the outcome in this case. As such, Commission approval of  
13 the Stipulation will result in just and reasonable rates and an efficient resolution  
14 of this proceeding.

15 **Q. What is the purpose of PacifiCorp's PCAM?**

16 A. In Order No. 12-493, the Commission approved a PCAM to allow PacifiCorp to  
17 recover the difference between actual NPC incurred to serve customers and the  
18 base NPC established in the company's annual transition adjustment mechanism  
19 (TAM) filing. The amount received from or refunded to customers for a given  
20 year is subject to deadbands, sharing bands, an earnings test, and an amortization  
21 cap.<sup>1</sup> PacifiCorp filed its 2019 PCAM for calendar year 2019, on May 15, 2020.

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<sup>1</sup> *In the Matter of PacifiCorp d/b/a Pacific Power's Request for a General Rate Revision*, Docket No. UE 246, Order No. 12-493 at 15 (Dec. 20, 2012).

1 **Q. What was the variance between actual PCAM costs and base PCAM costs for**  
2 **calendar year 2019?**

3 A. The actual PCAM costs exceeded base PCAM costs for calendar year 2019 by  
4 approximately \$45.1 million on an Oregon allocated basis.

5 **Q. Did the PCAM variance exceed the deadband for 2019?**

6 A. Yes.

7 **Q. Did PacifiCorp meet the PCAM earnings test parameters for 2019?**

8 A. No. PacifiCorp's earned return on equity (ROE) for 2019 was 9.34 percent which  
9 is below PacifiCorp's authorized ROE of 9.8 percent, but still within 100 basis  
10 points of the authorized ROE. Therefore PacifiCorp does not meet the  
11 requirements of the earnings test for the PCAM.

12 **Q. What is the rate impact resulting from the 2019 PCAM?**

13 A. After the application of the earnings test identified in Order No. 12-493,  
14 PacifiCorp's 2019 PCAM results in no change to rates.

15 **Q. Does this conclude your joint stipulating parties testimony?**

16 A. Yes.

Docket No. UE 379  
Joint Stipulating Parties/101  
Witnesses: Webb-Gibbens-  
Jenks

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**PACIFICORP**

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**Exhibit Accompanying Joint Testimony  
Witness Qualifications of Scott Gibbens**

**September 2020**

Docket No. UE 379

WITNESS QUALIFICATION STATEMENT

NAME: Scott Gibbens

EMPLOYER: Public Utility Commission of Oregon

TITLE: Senior Economist  
Energy Rates, Finance and Audit

ADDRESS: 201 High St. SE Ste. 100  
Salem, OR 97301-3612

EDUCATION: Bachelor of Science, Economics, University of Oregon  
Masters of Science, Economics, University of Oregon

EXPERIENCE: I have been employed at the Oregon Public Utility Commission (Commission) since August of 2015. My current responsibilities include analysis and technical support for electric power cost recovery proceedings with a focus in model evaluation. I also handle analysis and decision making of affiliated interest and property sale filings, rate spread and rate design, as well as operational auditing and evaluation. Prior to working for the OPUC I was the operations director at Bracket LLC. My responsibilities at Bracket included quarterly financial analysis, product pricing, cost study analysis, and production streamlining. Previous to working for Bracket, I was a manager for US Bank in San Francisco where my responsibilities included coaching and team leadership, branch sales and campaign oversight, and customer experience management.



Docket No. UE 379  
Joint Stipulating Parties/102  
Witnesses: Webb-Gibbens-  
Jenks

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**PACIFICORP**

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**Exhibit Accompanying Joint Testimony  
Witness Qualifications of Bob Jenks**

**September 2020**

## WITNESS QUALIFICATION STATEMENT

**NAME:** Bob Jenks

**EMPLOYER:** Oregon Citizens' Utility Board of Oregon

**TITLE:** Executive Director

**ADDRESS:** 610 SW Broadway, Suite 400  
Portland, OR 97205

**EDUCATION:** Bachelor of Science, Economics  
Willamette University, Salem, OR

**EXPERIENCE:** Provided testimony or comments in a variety of OPUC dockets, including UE 88, UE 92, UM 903, UM 918, UE 102, UP 168, UT 125, UT 141, UE 115, UE 116, UE 137, UE 139, UE 161, UE 165, UE 167, UE 170, UE 172, UE 173, UE 207, UE 208, UE 210, UE 233, UE 246, UE 283, UG 152, UM 995, UM 1050, UM 1071, UM 1147, UM 1121, UM 1206, UM 1209, UM 1355, UM 1635, UM 1633, and UM 1654. Participated in the development of a variety of Least Cost Plans and PUC Settlement Conferences. Provided testimony to Oregon Legislative Committees on consumer issues relating to energy and telecommunications. Lobbied the Oregon Congressional delegation on behalf of CUB and the National Association of State Utility Consumer Advocates.

Between 1982 and 1991, worked for the Oregon State Public Interest Research Group, the Massachusetts Public Interest Research Group, and the Fund for Public Interest Research on a variety of public policy issues.

**MEMBERSHIP:** National Association of State Utility Consumer Advocates  
Board of Directors, OSPIRG Citizen Lobby  
Telecommunications Policy Committee, Consumer Federation of America  
Electricity Policy Committee, Consumer Federation of America  
Board of Directors (Public Interest Representative), NEEA