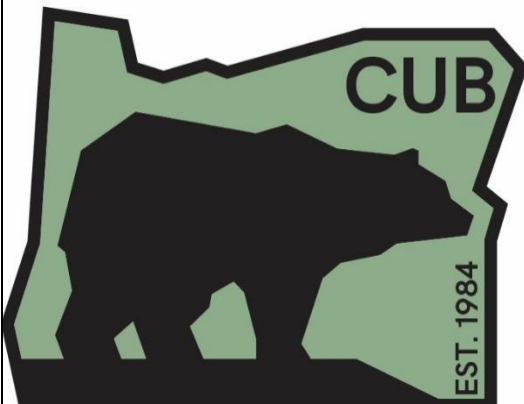


**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UE 399**

In the Matter of )  
 )  
PACIFICORP, dba PACIFIC POWER, )  
 )  
Request for a General Rate Revision. )  
 )  
\_\_\_\_\_ )

**OPENING TESTIMONY  
OF THE  
OREGON CITIZENS' UTILITY BOARD**

June 22, 2022



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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 399**

In the Matter of	)	
	)	
PACIFICORP, dba PACIFIC POWER,	)	OPENING TESTIMONY OF THE
	)	OREGON CITIZENS' UTILITY
Request for a General Rate Revision.	)	BOARD
	)	
_____	)	

1   **Q. Please state your name, occupation, and business address.**

2   **A.** My name is Bob Jenks. I am the Executive Director of the Oregon Citizens' Utility  
3       Board (CUB). My business address is 610 SW Broadway, Ste. 400, Portland, Oregon  
4       97205.

5   **Q. Please describe your educational background and work experience.**

6   **A.** My witness qualification statement is found in exhibit CUB/101.

7   **Q. What is the purpose of your testimony?**

8   **A.** My testimony responds to PacifiCorp's Direct Testimony filed in its ongoing General  
9       Rate Case (GRC). It is important that the rate hike associated with this case be put  
10      into proper context by looking at what is happening with other rate mechanisms.  
11      While GRCs used be the core ratemaking proceeding, today a GRC is just one of  
12      several rate cases that the Public Utility Commission of Oregon reviews. There are  
13      also automatic adjustment clauses like the Transition Adjustment Mechanism (TAM),  
14      the Renewable Adjustment Clause (RAC) and the Power Cost Adjustment  
15      Mechanism (PCAM). There are deferrals like the current ones for costs associated

1 with the COVID-19 pandemic and costs associated with the wildfires of 2020. And  
2 then there are issues like decommissioning coal plants. Revenues associated with  
3 decommissioning have been collected for decades, but PacifiCorp and its consultant  
4 believe that decommissioning is significantly underfunded and the difference between  
5 current funding and projected cost of decommissioning need to be added to rates  
6 soon.

7  
8 To understand how customers will be impacted by this case, it is important to look at  
9 what is happening in other cases. The increase in this case is very large, 9.1% for  
10 residential customers. This will be difficult for customers to absorb. However, when  
11 put into the context of all the other rates cases before this Commission, the rate hike  
12 could be more than double this amount. CUB is concerned that customers will be  
13 subjected to a difficult to manage rate shock.

14 **Q. What is rate shock?**

15 **A.** In the context of utilities, rate shock occurs when there is a sudden, large rate increase  
16 which is significant enough that customers find it difficult to adjust their budgets to  
17 absorb the increase. Many customers are already having difficulty absorbing rising  
18 gasoline prices, and will have a hard time absorbing an electric increase of more than  
19 15% or 20%.

20 **Q. Please describe the concern about rate shock from the various PacifiCorp**  
21 **rate cases.**

22 **A.** In this filing, the Company is proposing an increase of \$84.4 million, or 9.1%, for  
23 residential customers. In its TAM filing, UE 400, the Company is forecasting 2023

1 net power costs of \$1.684 billion, which is significantly higher than the 2022 forecast  
2 of \$1.364 billion. Approximately \$70 million of this increase is allocated to Oregon,  
3 with a residential increase of 5.2%. In combination, the two cases would raise  
4 residential rates by 14.3%. PacifiCorp is seeking another \$50 million, or 4%,  
5 increase in its Power Cost Adjustment Mechanism (PCAM). All three of these have  
6 a rate effective date of January 1, 2023. In combination, these three filings propose  
7 increasing residential rates by approximately 18%.

8  
9 But that is not all the costs that customers are facing. There is also an extremely large  
10 deferral related to wildfires and a significant deferral related to COVID-19. In other  
11 utilities' recent GRCs, the rate effective date is used to begin charging customers for  
12 outstanding deferred accounts. Amortization of these could push the Company's  
13 residential rate hike above 20%. In addition, PacifiCorp is looking to begin  
14 collecting additional revenues for coal plant decommissioning.

15  
16 Finally, we note that the power cost forecasts in the TAM will be updated later in this  
17 case. Because natural gas prices, including gas futures, have climbed since the initial  
18 filing in that docket, the update will likely increase net power costs beyond the filed  
19 case.<sup>1</sup> Residential customers are facing a rate increase that could be greater than  
20 25%. This is significantly higher than the increase that occurred during the Western  
21 Power Crisis.<sup>2</sup>

---

<sup>1</sup> <https://www.marketwatch.com/investing/future/ng00>  
<https://www.cmegroup.com/markets/energy/natural-gas/natural-gas.quotes.html>

<sup>2</sup> OPUC Order No. 01-787

1

2 It is also important that while I am referring to rates and rate shock, customers pay  
3 bills. And electric bills are influenced by weather conditions. These increases are  
4 scheduled to go into effect in January, which is the coldest month of the year in  
5 Oregon<sup>3</sup> and has the highest heating bills. If Oregon experiences a colder than  
6 normal January, many customers will have real difficulty paying their bills.

7 **Q. How should the Commission consider rate shock?**

8 **A.** It is important for the Commission to consider the cumulative impact of all the  
9 PacifiCorp rate filings that are in front of it, in every one of these cases.  
10 Consideration of rate shock should not be limited to cases where the increase from  
11 that particular docket causes rate shock. As we go through each of these proceedings,  
12 CUB will be making some specific recommendations to address rate shock and try to  
13 bring down the size of the residential increase in January. Generally, these  
14 recommendations center on traditional ratemaking principles, but will be applied in  
15 the context of trying to reduce the rate impact. These measures include avoiding  
16 increasing the revenue requirement for items that are not *completely necessary* for  
17 providing service to customers in 2023, ensuring that rates are spread in a manner that  
18 can alleviate rate shock for individual classes of customers, delaying recovery of  
19 some costs beyond January 1, 2023, and spreading some costs over longer time  
20 periods. In addition, it might be necessary to look outside of traditional ratemaking to  
21 identify additional tools. For example, securitization<sup>4</sup> might be a tool to use for items

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<sup>3</sup> Weather Spark, <https://weatherspark.com/y/12756/Average-Weather-in-Oregon-Wisconsin-United-States-Year-Round#:~:text=The%20cold%20season%20lasts%20for,high%20of%2028%C2%B0F>.

<sup>4</sup> See UE 400, CUB Exhibit 102.

1       like the wildfire and COVID deferrals. Current practices such as limiting rate  
2       changes so they all fall on the same day in the middle of the heating season may not  
3       be appropriate.

4

5       Finally, as these cases progress and the size of the January rate hike comes into focus,  
6       we should consider what kind of public education/notification should be required. It  
7       is important to ensure that customers do not first get notice of this increase when they  
8       get record bills for January, but are told in advance that it is coming so customers  
9       who are able to prepare have the chance to do so. Similarly, Community Action  
10      Programs in PacifiCorp testimony should be altered so they can be prepared to  
11      manage an increase in their workloads when customers are not able to manage these  
12      increases.

13

14      Most importantly, we cannot ignore the impact this will have on customers.

15      **Q. Does this complete your testimony?**

16      **A.** Yes.

## 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



**BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON**

**UE 399**

**OPENING TESTIMONY OF THE  
OREGON CITIZENS' UTILITY BOARD**

**EXHIBIT 200**

## I. INTRODUCTION

1 **Q. Please state your name, occupation, and business address.**

2 **A.** My name is William Gehrke. I am an Economist employed by Oregon Citizens'  
3 Utility Board (CUB). My business address is 610 SW Broadway, Ste. 400 Portland,  
4 Oregon 97205.

5 **Q. Please describe your educational background and work experience.**

6 **A.** My witness qualification statement is found in exhibit CUB/201.

7 **Q. What is the purpose of your testimony?**

8 **A.** My testimony responds to issues raised in PacifiCorp's (PAC or the Company) Direct  
9 Testimony.

10 **Q. How is your testimony organized?**

11 **A.** My testimony addresses the following issues:

- II. Transition Adjustment Mechanism (TAM) Guidelines Changes
- III. Power Cost Adjustment Mechanism Changes
- IV. Residential Rate Design
- V. BPA Residential Exchange
- VI. Residential Basic Charge
- VII. Coal Decommissioning Costs
- VIII. Green Tariff Program
- IX. COVID-19 Deferral
- X. Rate Mitigation Adjustment

## II. TAM GUIDELINES CHANGES

12 **Q. Please summarize your position on this topic.**

13 **A.** CUB recommends that the Commission reject the Company's proposed changes for a  
14 rate-year update for the TAM on March 1<sup>st</sup> of each year.

15 **Q. What changes did PacifiCorp propose to the TAM?**

1    **A.** PacifiCorp proposes to update Schedule 201 rates during the rate year with a filing  
2       that occurs on March 1<sup>st</sup>.<sup>1</sup>

3    **Q. Why does PacifiCorp propose to make this change to the TAM?**

4    **A.** PacifiCorp makes this proposal for two reasons. The first reason is that PacifiCorp  
5       wants to incorporate the latest costs and short-term contracts associated with the  
6       Western Power Pool's Western Resource Adequacy Program (WRAP). The second  
7       reason is that the Company believes its proposed spring rate-year update will allow it  
8       to reflect updated hydrologic conditions and result in a more accurate forecast.

9    **Q. What is CUB's position on proposed change?**

10   **A.** PAC's proposed changes for a mid-year rate-year update of TAM costs is  
11       unnecessary and would be unduly burdensome on the Public Utility Commission of  
12       Oregon (Commission) and stakeholders.

13   **Q. Why does CUB oppose the Company's proposed change?**

14   **A.** PacifiCorp's proposal would increase the frequency of TAM rate changes for  
15       customers, and it would add an additional burden on the Commission's regulatory  
16       process. If the Commission allowed utilities to perform mid-year updates for the  
17       power cost proceedings of Idaho Power, Portland General Electric and PacifiCorp,  
18       parties will be constantly reviewing power costs updates. The rate-year update would  
19       also increase the volatility of customer prices.

20   **Q. In an average year, what price changes do residential customers experience**  
21       **on their PacifiCorp bill?**

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<sup>1</sup> UE 399 – PAC/400/Wilding/4.

1    **A.** The Company typically updates its retail prices on January 1<sup>st</sup> of each calendar year.  
2       TAM rates are updated on January 1<sup>st</sup> of each year. PCAM rates are updated on  
3       January 1<sup>st</sup> of each year. In a year with general rate case proceeding, PacifiCorp  
4       typically files for a rate effective date of January 1<sup>st</sup>. In a regular year, CUB believes  
5       that it is good regulatory policy to perform rate changes on January 1<sup>st</sup> of each year to  
6       minimize price changes for residential customers. This provides customers greater  
7       certainty over their utility costs which helps customers manage their energy burden.

8    **Q. What is the impact of a rate-year update?**

9    **A.** The Company's proposal for a rate-year update provides PAC the opportunity for  
10     less regulatory scrutiny for power costs changes. The Company proposed to have the  
11     rate-year update to occur annually on March 1<sup>st</sup> with a rate effective date of April 1<sup>st</sup>.<sup>2</sup>  
12     There are only 23 business days between the filing day of the mid-year update.  
13     PacifiCorp's proposal provides limited time for consumer advocates or Commission  
14     Staff to review the filing. Additionally, there would be limited to no time to for  
15     parties to write testimony or litigate any issues a party may have with the rate-year  
16     update.

17   **Q. Has CUB objected to a power cost update in the past?**

18   **A.** Yes. In Portland General Electric's 2022 Annual Power Cost Update, CUB and  
19     AWEC objected to several items of Portland General Electric's November 1<sup>st</sup> update  
20     in 2021.<sup>3</sup> Portland General Electric accepted AWEC and CUB's adjustments to the  
21     November update. If consensus had not been reached between parties, the issue

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<sup>2</sup> UE 399 – PAC/400/Wilding/5.

<sup>3</sup> *In the Matter of Portland General Electric Company, 2022 Annual Power Cost Update Tariff (Schedule 125)*, OPUC Docket UE 391, CUB and AWEC's Opposition and Comments on the November 1st Update of Schedule 125.

1 would have been a contested issue at a public meeting. It is reasonable to assume that  
2 stakeholders may take issue with portions of PacifiCorp's rate-year update, if  
3 implemented. Under the Company's proposal, parties would have a limited ability to  
4 contest any issues.

5 **Q. Why is PacifiCorp proposing the rate-year update?**

6 **A.** According to the Company, the purpose of the rate-year update is to update net  
7 power costs (NPC) to incorporate the latest information and costs that are  
8 necessary to meet PacifiCorp's resource adequacy requirements for the WRAP.<sup>4</sup>

9 **Q. How long has the WRAP been in place?**

10 **A.** The program has been operating in some capacity since 2021, and the design of the  
11 program has been discussed since 2019. The WRAP is not expected to be fully  
12 functional until 2024.<sup>5</sup>

13 **Q. How much experience does PacifiCorp have with the WRAP?**

14 **A.** The Company has limited experience with this new program. Indeed, the program has  
15 not yet even become fully functional. The Company has not justified the  
16 extraordinary ratemaking treatment it seeks for the TAM, nor has it provided details  
17 on the magnitude of costs associated with the WRAP. From CUB's perspective, any  
18 consideration of a rate-year update for the impacts of the WRAP would be  
19 premature. The Company should gain operational experience with the program to  
20 determine its impact on PAC's dispatch and power costs.

21 **Q. What other changes to the TAM guidelines is the Company proposing?**

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<sup>4</sup> UE 399 – PAC/400/Wilding/5.

<sup>5</sup> NWPP Resource Adequacy Program – Detailed Design Document at 8 *available at*  
[https://www.westernpowerpool.org/private-media/documents/2021-08-30\\_NWPP\\_RA\\_2B\\_Design\\_v4\\_final.pdf](https://www.westernpowerpool.org/private-media/documents/2021-08-30_NWPP_RA_2B_Design_v4_final.pdf).

1    **A.** PacifiCorp is proposing to replace normalized forecast data with rate year specific  
2       hydrologic information as an input to calculate hydro generation in the rebuttal,  
3       indicative, final, and rate-year updates for the TAM. According to the Company,  
4       this will increase the accuracy of hydro generation in the TAM.<sup>6</sup>

5    **Q. What percentage of PacifiCorp's capacity is from hydroelectric generation?**

6    **A.** Currently, hydroelectric generation is approximately 8% of the PacifiCorp's  
7       generation capacity.<sup>7</sup>

8    **Q. How is this number going to change over time?**

9    **A.** Per the Company's 2021 IRP, PacifiCorp's amount of capacity associated with  
10       hydroelectric generation is expected to decrease over time. In 2040, PacifiCorp  
11       projects to have 3% of its electricity capacity come from hydroelectric resources. In  
12       the next few years, PacifiCorp is expected to decommission its Klamath River  
13       facility. The Company asserts that Hydro generation has a significant impact on  
14       PacifiCorp's NPC and a spring-rate year update is necessary. However, evidence  
15       demonstrates that hydro generation is expected to be a smaller portion of PacifiCorp's  
16       installed electricity capacity over time. This change is not needed.

17   **Q. What is the goal of the Company's proposed spring update?**

18   **A.** The Company is trying to minimize regulatory lag. Under traditional ratemaking,  
19       rates are set based on an annualized forecast of costs. Oregon uses a future test year,  
20       which reduces regulatory lag for the Company. Renewable resources—which make  
21       up the largest portion of new resources that the Company is likely to acquire—are

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<sup>6</sup> UE 399 – PAC/400/Wilding/6.

<sup>7</sup> UE 399 – PacifiCorp/400/Wilding/14, line 1; UM 1662 - PGE-PacifiCorp/100/Tinker -Dickman /2; UE 374 – PacifiCorp/500/Wilding/19.

1 allowed to be recovered from PacifiCorp's customers in a single-issue rate  
2 proceeding that similarly avoids regulatory lag. Oregon annually updates net variable  
3 power expense for the Company, which also reduces regulatory lag for the Company.  
4 The Commission already has numerous mechanisms in place to reduce regulatory lag  
5 for net variable power costs, and does not need to impose mid-year price changes on  
6 Oregon customers.

### III. POWER COST ADJUSTMENT MECHANISM

7 **Q. Please summarize your position on this topic.**

8 **A.** CUB recommends that the Commission reject the Company's proposed changes to  
9 the Power Cost Adjustment Mechanism (PCAM). The Commission's order in UE  
10 374 was clear: PCAM review should occur around 2024 after several other power  
11 cost issues have been addressed.<sup>8</sup> With these outstanding issues (Nodal Pricing,  
12 Aurora for TAM modeling, and the allocation of power costs in Multi-State Process  
13 (MSP)), it is difficult to gauge the amount of risk being transferred with the  
14 Company's proposed changes. Due to this uncertainty, CUB recommends making no  
15 changes to the PCAM in this proceeding.

16 **Q. The Company has called these changes to the PCAM "modest." Do you agree**  
17 **with that statement?**

18 **A.** No. Despite PacifiCorp's wordsmithing, it is proposing major changes to the PCAM /  
19 TAM dynamic. The Company has proposed including a mid-year update to the TAM.  
20 The Company has proposed eliminating the PCAM's earnings test. The Company

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<sup>8</sup> *In re PacifiCorp's Request for a General Rate Revision*, OPUC Docket No. UE 374, Order No. 20-473 at 130 (Dec. 18, 2020).

1 recommended eliminating the asymmetrical deadbands associated with the PCAM.  
2 The Company is asking permission to exclude specific months from the PCAM  
3 policy guidelines if they believe the months are unusual. These are all significant  
4 changes.

5 **Q. What would be the impact of the Commission adopting these changes?**

6 **A.** CUB would expect that this change would encourage Portland General Electric and  
7 Idaho Power to file a rate case to change their PCAM mechanism.

8 **Q. What power cost issues remain unsettled for PacifiCorp after its last general**  
9 **rate case?**

10 **A.** The Company is conducting the following issues: nodal pricing, implementing the  
11 Aurora model in power costs, and MSP issues around allocating interstate power  
12 costs based on load. While the Company has transitioned to Aurora for the purposes  
13 of calculating net variable power costs, several PacifiCorp-specific issues remain.

14 **Q. Did the Company provide any new evidence around changes to the PCAM?**

15 **A.** No. PacifiCorp has repeatedly rehashed the same arguments around changing the  
16 PCAM that it used in previous general rates cases and PCAM-related dockets.<sup>9</sup>

17 **Q. What is SB 838 (2008)?**

18 **A.** SB 838, or the Oregon Renewable Energy Act, is the state law that established  
19 Oregon's Renewable Portfolio Standard (RPS) for PacifiCorp. Broadly, the law  
20 established a goal that 25% of PacifiCorp's electricity needs to renewable by 2025.

21 **Q. What proposals has the Company made around the PCAM due to the**  
22 **enactment of SB 838 (2008)?**

---

<sup>9</sup> UE 246 – PAC/900/Duvall/15-16.



1    **A.** In UM 1662, PacifiCorp and Portland General Electric petitioned to exclude  
2       renewable resources from the PCAM, due to Oregon RPS from SB 838. In that  
3       proceeding, the Company argued that changing the PCAM is necessary because of  
4       the SB 838 RPS. The Company argued that new renewable resources are going to  
5       make up an increasing portion of PacifiCorp's generation system, and that these  
6       resources are challenging to forecast and should not be subject to Oregon's PCAM.<sup>10</sup>

7    **Q. What is SB 1547 (2016)?**

8    **A.** SB 1547, or the Clean Electricity and Coal Transition Bill, changed the RPS to target  
9       50% of PacifiCorp's electricity needs to come from renewable sources.

10   **Q. What changes has the Company proposed around the PCAM due to SB 1547**  
11       **(2016)?**

12   **A.** In UE 374, the Company mentioned the latest Oregon legislation (SB 1547) as a  
13       reason to change the PCAM.<sup>11</sup> In UE 374, due to SB 1547's energy policy  
14       requirements, the Company argued, that as PacifiCorp's generation portfolio includes  
15       increasing levels of renewable resources, "it becomes increasingly difficult to  
16       consistently recover prudently incurred NPC using the TAM and PCAM."<sup>12</sup> The  
17       Company argued for the complete elimination of the PCAM and a 100% pass through  
18       of all net variable power costs due to the requirements of SB 1547.

19   **Q. What are these past positions evidence of?**

20   **A.** PacifiCorp has repeatedly made the same arguments around renewable energy. The  
21       Company argues that the power cost impacts of renewable resources are inherently

---

<sup>10</sup> UM 1662 – PGE-PacifiCorp/100/Tinker -Dickman /2.

<sup>11</sup> UE 374 – PacifiCorp/500/Wilding/5.

<sup>12</sup> UE 374 – PacifiCorp/500/Wilding/19.

1 difficult to forecast, which it believes render a change to the PCAM necessary. The  
2 Company just updates their arguments with the latest renewable energy law passed by  
3 the Oregon Legislature.

4 **Q. What is the Wyoming ECAM?**

5 **A.** The ECAM is Wyoming's version of the Oregon PCAM for PacifiCorp's power  
6 costs. Prior to the 2020 Wyoming rate case, Wyoming allowed the Company to true  
7 up actuals to forecasted costs with 70 percent customer and 30 percent company  
8 sharing. In the 2020 Wyoming Rate case, PacifiCorp provided testimony that was  
9 strikingly similar to its PCAM testimony in this proceeding.<sup>13</sup> In that proceeding, the  
10 Company argued for a complete 100% elimination of sharing bands. The Company  
11 appears to also reiterate the same arguments in different jurisdictions.

12 **Q. What is PacifiCorp's end goal around net variable power costs?**

13 **A.** PacifiCorp's end goal is to eliminate the Oregon PCAM and have a 100% true up of  
14 actual power costs to forecasted power costs. Customers already bear 100% of the  
15 cost associated with forecasted net power costs. CUB views the Company's testimony  
16 in this case as an attempt to whittle away at the PCAM, and shift risk away from the  
17 Company to customers. The Company has not demonstrated that such a fundamental  
18 shift is warranted.

19 **Q. The Company argues that the lost dispatchable generation across the West**  
20 **and the change in the market has fundamentally altered the risk balance on**  
21 **power costs. What is CUB's response to that argument?**

---

<sup>13</sup> WPSC Docket No. 20000-578-ER-20 Record Number 15464 – Direct Testimony of Michael Wilding.

1    **A.** CUB acknowledges that a generation transition is gradually occurring across the west.

2           However, the Company has been allowed to make modeling changes to account for  
3           this change. In UE 356, the Company was allowed to make several model changes in  
4           order to handle this specific issue. Scalars are multipliers that are applied to monthly  
5           prices from the official forward price curve to derive an hourly price profile. The  
6           Company changed its hourly scalars from being based on five years of historical data  
7           to being based on two years of historical data. The Company proposed these changes  
8           in the TAM to address increasing renewable capacity in the west and price volatility  
9           on a day-ahead basis. In that same case, the Company also updated its solar hourly  
10          shape.

11   **Q. Has the clean energy transition been harmful to PacifiCorp?**

12   **A.** No. The transition will not be harmful to PacifiCorp. PacifiCorp has several  
13          legislative mandates to procure renewable energy sources, and meet energy needs  
14          while reducing emissions associated with its generation fleet. Customers are going to  
15          spend billions of dollars on new generation projects and transmission projects, which  
16          will increase shareholder profits. Even with retaining the current structure of the  
17          PCAM, the transition to renewable energy will be a tremendous net benefit for  
18          PacifiCorp's shareholders.

19   **Q. What has happened to the Company's electric plant in service generation**  
20   **after the first Oregon RPS was established (since 2011)?**

21   **A.** After the 2008 RPS, the Company's 2011 Oregon-allocated electric plant balance for  
22          total production plant was 2.7 billion.<sup>14</sup> Per the Company's 2021 FERC Form 1, the

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<sup>14</sup> In the Matter of PACIFICORP Annual Report of Results of Operations in compliance with OAR 860-027-0070(1), OPUC Docket No. RE 68, 2011 Annual Report at pg. 9a.24.

1 Company's Oregon-allocated total electric production plant has grown to 3.5  
2 billion.<sup>15</sup> While PacifiCorp is going to be building renewable resources, such as wind  
3 and solar which are non-dispatchable, the clean energy transition is going to grow  
4 PacifiCorp's rate base and be profitable for Berkshire Hathaway shareholders. It has  
5 already done so.

6 **Q. Is PacifiCorp only going to non-dispatchable resources moving forward?**

7 **A.** No. The Company's latest portfolio considers a variety of dispatchable resources,  
8 including advanced nuclear generation power plants, hybrid renewable resources, and  
9 standalone energy storage facilities that are non-emitting. Every IRP, the Company  
10 plans for a resource portfolio that has sufficient capacity to achieve reliability over a  
11 20-year period. If the resource portfolio requires dispatchable resources for reliability,  
12 CUB expects that the Company will attempt to acquire these resources to meet energy  
13 needs. CUB expects that across the West, dispatchable capacity resources will need to  
14 be added to utilities' portfolios, including PacifiCorp's.

15 **Q. What is the Company's proposal around the PCAM and unusual events?**

16 **A.** The Company requested more flexibility in the PCAM, which would allow the  
17 Company to identify unusual and specific months of costs. The Company has  
18 proposed that specific months of costs be subject to costs recovery outside of the  
19 deadbands, earnings test, and sharing bands.<sup>16</sup>

20 **Q. Why does CUB oppose the Company's proposed change?**

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<sup>15</sup> In the Matter of PACIFICORP Annual Report of Results of Operations in compliance with OAR 860-027-0070(1), OPUC Docket No. RE 68, 2021 Annual Report at pg. 2.22.

<sup>16</sup> UE 399 – PAC/400/Wilding/24, lines 9-13.

1    **A.** The Company's proposed change is arbitrary and one-sided. The Company's  
2       proposed change is one-sided because it only enables only the Company to identity  
3       high power cost months.

4    **Q. Why is the Company's proposal arbitrary?**

5    **A.** The Company's proposal to capture "unusual" events is not well defined. The  
6       Company is asking for permission to avoid following the Oregon policy around the  
7       PCAM for costs in a single month.

8    **Q. Why is the Company's proposed change one-sided?**

9    **A.** PacifiCorp operates its generation system to meet customer's load. Compared to  
10       other parties that engage in the PCAM, PacifiCorp has perfect insight into decisions  
11       made around power trading. PacifiCorp has unfettered access to the employees and  
12       management that made scheduling and trading decisions. PacifiCorp also has ample  
13       time and broad resources to prepare its PCAM case, compared to intervenors and  
14       Staff. Unlike PacifiCorp, CUB does not know historical net variable power costs until  
15       the PCAM is filed in May of each year.

16   **Q. What are the implications of the Company's proposed changes to the PCAM?**

17   **A.** The Company's proposal will increase the likelihood of litigation around the PCAM.

18   **Q. Are there other reasons to reject the Company's proposal?**

19   **A.** Yes. The Company's proposal is an enhanced form of single-issue rate making.  
20       Single-issue ratemaking is a form of ratemaking that provides for the recovery of  
21       increases in certain costs without concurrent review of other elements of the revenue  
22       requirement. The Commission has long disfavored single-issue ratemaking

1 mechanisms.<sup>17</sup> Through the TAM, PacifiCorp is allowed to update its net variable  
2 power costs each year. If these forecasted costs are different than the actual net  
3 variable power costs, the Company is allowed to track the difference in the PCAM  
4 and amortize the difference pursuant to PCAM guidelines. There is already a  
5 mechanism in place to address unusual annual costs. Rates are based on annualized  
6 costs. The Company's proposal only evaluates changes in costs for a single month. In  
7 discovery, the Company indicated that it is seeking to recover net variable power cost  
8 in "unusual months", regardless of overall net variable power cost, or its position in  
9 the PCAM.<sup>18</sup> The Commission should reject the Company's proposal because rates  
10 and earnings are evaluated on annual basis and not a monthly basis.

11 **Q. Has the PCAM ever tripped for PacifiCorp?**

12 **A.** CUB expects that the PCAM will trip for PacifiCorp for the 2021 power costs.

13 **Q. What is CUB's position on the PCAM?**

14 **A.** The PCAM is operating in line with the Commission's original principles.<sup>19</sup> Changes  
15 to the PCAM were fully litigated in the PacifiCorp's last general rate case. In the last  
16 rate case order, the Commission was clear: there are outstanding PacifiCorp-specific  
17 power cost issues that must be examined before any changes to the PCAM are  
18 proposed. The Commission should not make any additional changes to the PCAM  
19 mechanism at this time.

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<sup>17</sup> *In re PGE Request for a General Rate Revision*, OPUC Docket Nos. UE 180/184, Order No. 07-454 at 5 (Oct. 22, 2007); *City of Portland v. PGE*, OPUC Docket No. UM 1262, Order No. 06-636 at 7 (Nov. 17, 2006).

<sup>18</sup> CUB Exhibit XXX – OPUC Data Request 245.

<sup>19</sup> OPUC Order No. 12-493, page 8.

#### IV. RESIDENTIAL RATE DESIGN

1 **Q. Please summarize your position on this topic.**

2 **A.** In opening testimony, PacifiCorp proposed to eliminate inverted block rates for  
3 residential customers, and transition to seasonal rates for Oregon residential  
4 customers. CUB recommends that the Commission reject the Company's proposal to  
5 implement seasonal rates for residential customers. Instead of implementing seasonal  
6 rates, CUB recommends moving towards flat volumetric rates for residential  
7 customers, and incrementally flattening inverted block rates for residential customers  
8 in this case.

9 **Q. What are inverted block rates?**

10 **A.** Inverted block rates are energy charges where energy usage up to specific threshold  
11 receives a lower price, and successive energy consumption is priced at a higher rate.  
12 In Oregon, PacifiCorp's residential energy rates are currently structured as inverted  
13 block rates. This means that residential customer usage above 1000 kWh is charged a  
14 lower rate than higher usage customers.<sup>20</sup>

15 **Q. Why is PacifiCorp proposing to eliminate inverted block rates?**

16 **A.** The Company stated the following reasons to propose eliminating inverted block  
17 rates.  
18 The Company argued that inverted block rates arbitrarily benefits some customers  
19 while harming others.<sup>21</sup> The Company argued that inverted block rates are not  
20 economically justified, and that there is no reason in a given month after using 1,000

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<sup>20</sup> Inverted block rates tiers are prorated based on the length of the billing period. A longer billing period has a longer inverted block threshold.

<sup>21</sup> UE 399 – PAC/1100/Meredith/23, lines 2 – 3.

1 kWh that the next kWh consumed by a residential customer should cost more.<sup>22</sup>

2 PacifiCorp also argues that tiered rates create perverse incentives for customers by  
3 encouraging switching fuels to natural gas, or by making residential electric  
4 transportation electrification less attractive.

5 **Q. What is CUB's response to the Company's proposal to eliminate inverted**  
6 **block rates for residential customers?**

7 **A.** The Company's testimony on eliminating inverted block rates is compelling. Instead  
8 of removing inverted block rates completely in this proceeding, CUB is supportive of  
9 gradually reducing inverted block rates for residential customers and phasing it out  
10 over multiple rate cases.

11 **Q. Why is CUB open to reducing inverted block rate tiers for residential**  
12 **customers?**

13 **A.** Inverted block rates were created to provide a greater incentive for energy efficiency.  
14 However, based the Company's 2017 survey, residential customers appear to be  
15 unaware of inverted block rates.<sup>23</sup> It is difficult to find a link between inverted block  
16 rates and customer behavior when a large portion of customers are unaware of  
17 inverted block rates.

18 **Q. What is CUB's proposal on inverted block rates?**

19 **A.** CUB recommends the Commission phase inverted rates out for residential customer's  
20 overtime. The removal of inverted rates will have a bill impact on low usage  
21 residential customers' bills. Therefore, CUB advocates for incrementalism.

22

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<sup>22</sup> UE 399 – PAC/1100/Meredith/24, lines 11 – 12.

<sup>23</sup> UE 374 – PAC/1400/Meredith/40.



1   **Q. What is the current difference in the difference between energy tiers in**  
2       **PacifiCorp's rates?**

3   **A.** There is a 2.129 ¢ volumetric price difference between PacifiCorp's first and second  
4       price tier.

5   **Q. What is CUB's proposal to gradually reduce the energy tiers?**

6   **A.** CUB proposes to reduce both the difference between Schedule 200 (Energy Charge)  
7       and Schedule 201 (TAM) tiers by 50%. Schedule 201's current inverted block rates  
8       are 2.016 ¢ for the 0-1000 kWh tier and 2.705 ¢ for the > 1000 kWh tier. The  
9       difference for this rate schedule is 0.689 ¢. CUB proposes to reduce the difference  
10      between these tiers by 50%, which would result in 0.345 ¢ difference in tiers for  
11      Schedule 201. Schedule 200's current inverted block rates are 2.732 ¢ for the 0-1000  
12      kWh tier and 3.207 ¢ for the > 1000 kWh tier. The difference for this rate schedule is  
13      0.475 ¢, CUB proposes to reduce the difference between these tiers by 50%, which  
14      would result in 0.238 difference in tiers for Schedule 201.

15   **Q. What is the impact of this change?**

16   **A.** The impact of this change is lower usage residential consumers will experience higher  
17      energy bills, and higher electricity consumers will experience lower electricity bills.

18      This increase is partially offset by CUB's basic charge proposal detailed below.

19   **Q. What is PacifiCorp's proposal around eliminating the inverted block rate**  
20      **design for residential customers?**

21   **A.** PacifiCorp proposes to establish seasonal rates for residential customers. PacifiCorp  
22      proposed to implement seasonal rates with higher volumetric rates in the summer  
23      months (June to October) and lower volumetric rates in the non-summer months

(October through May). PacifiCorp gave the following reasons to implement seasonal rates:

1. Seasonal rates will send better price signals to encourage wise use of the system.
2. Seasonal rates will encourage customers to prioritize energy efficiency in the higher cost of service summer period.
3. Seasonal rates will improve the economics of heating with electricity versus natural gas.

**Q. What is CUB's response to PacifiCorp's argument that seasonal rates will send better price signals to encourage the wise use of the system?**

**A.** CUB is concerned about how the price signals of seasonal rates will impact residential customers bills across PacifiCorp's system. Unlike peer investor-owned utilities in Oregon, such as Portland General Electric or Idaho Power Company, PacifiCorp's service territory is not geographically compact, and covers different portions of Oregon. PacifiCorp's service territory covers a variety of regions, such as Southern Oregon, communities on the Northern, Central and Southern Oregon Coast, Lower Willamette Valley, Central Oregon, Columbia Gorge, and Northeast Oregon.

**Q. How does seasonal variations in temperature affect PacifiCorp's residential electricity demand in Oregon?**

**A.** While a variety of factors explain residential customer load, temperature is a key driver of electricity demand. Electric heat usage is a significant driver of load during the heating season. Besides electricity, residential customers use a variety of fuels to

1 heat their homes, including fuel oil, propane, natural gas, and wood fuels. Air  
2 conditioning is a driver of electric load during the cooling season.

3 **Q. Are there variations in climates in PacifiCorp's service territory?**

4 **A.** Yes. Western Oregon is located near the Pacific Ocean. Temperate air masses move  
5 across the Pacific Ocean, and these air masses moderate temperatures in Western  
6 Oregon. Communities on the Oregon Coast (Newport, Coos Bay, Cannon Beach, and  
7 Lincoln City) have a very moderate temperature with mild winters and summers.  
8 Oregon communities east of the Cascades Mountains and in the Rogue Valley on  
9 average have warmer summers than communities on Oregon Coast and Willamette  
10 Valley.

11 **Q. What are cooling degree days?**

12 **A.** Cooling degree days are a measurement used to quantify the demand of energy  
13 needed to cool buildings. The metric is based on the number of days where the  
14 temperature of the area is above 65 degrees Fahrenheit, and the number of degrees  
15 above 65.

16 **Q. What is PacifiCorp asking the Commission to approve?**

17 **A.** PacifiCorp is asking the Commission to charge higher rates in the summertime, and  
18 lower rates in the non-summer months.

19 **Q. How does annual cooling degree days vary between major counties in  
20 PacifiCorp's Oregon service territory?**

21 **A.** Refer to CUB Exhibit 203. This exhibit provides evidence that Southern Oregon and  
22 Northeast Oregon have a higher cooling need than other areas in PacifiCorp's service  
23 territory. In general, a higher amount annual cooling degree day means buildings in

1       these regions require more energy to be kept cool. The data from CUB Exhibit 103 is  
2       based on a twenty-year average of cooling degree days.

3       **Q. Do customers have a choice in the climate that their community experiences?**

4       **A.** No. Customers cannot control the climate that their community experiences.

5       PacifiCorp's proposed seasonal rates will increase the cost of electricity during  
6       summer months. While the Company's proposed rate design will decrease the cost of  
7       electricity for residential customers during the non-summer months, this effect is  
8       dependent on the customer's climate and winter heating fuel. For example, a  
9       residential customer located in Umatilla County that uses air conditioning, and natural  
10      gas for space heating, would receive a lesser benefit from reduced winter rates. This  
11      hypothetical Umatilla County customer would experience higher summertime bills  
12      due to the proposed rate design change and Umatilla County's warmer climate. While  
13      an electric heating and cooling customer located in Coos Bay would really benefit  
14      from this rate design due to a mild summer climate and reduced winter electric  
15      heating costs.

16      **Q. Why does CUB oppose seasonal rates?**

17      **A.** There is variation in climate across PacifiCorp's service territory. The Company's  
18      seasonal rate proposal arbitrarily benefits some customers while harming others.  
19      There are significant equity issues with this proposal as well, as some customers may  
20      experience a higher energy burden than they initially expected and may be less able to  
21      afford utility bills based on their climate.

1 **Q. What is CUB's response to PacifiCorp's argument that seasonal rates will**  
2 **encourage customers to prioritize energy efficiency improvements in the**  
3 **higher cost of service summer period?**

4 **A.** While CUB appreciates that PacifiCorp is trying to encourage energy efficiency in  
5 the summer, CUB disagrees that seasonal rates are the best instrument to motivate  
6 energy efficiency improvements.

7  
8 CUB is concerned about seasonal rates' impact on renters. According to the 2020  
9 American Community Survey, 37.2% of Oregonian households are renters. When a  
10 tenant pays for their metered PacifiCorp residential service, the property owner's  
11 incentive to perform any energy efficacy retrofits is nonexistent, since any energy  
12 cost savings will benefit the tenant, not the owner of the property.

13  
14 A PacifiCorp household that rents a house that is not equipped with air conditioning  
15 does not have the ability to install an efficient air conditioner on their rented home. In  
16 order to cool their home, the hypothetical renter would have to purchase a portable or  
17 window air conditioner, which is less efficient to operate than a centralized cooling  
18 system or ductless cooling system. A renter may also require multiple window or  
19 portable air conditioners to cool their home. PacifiCorp's proposal would make these  
20 renters residential customer's air conditioning usage more expensive, and send a price  
21 signal these customers cannot respond to.

1 CUB would also like to note that there are barriers to installing energy efficient  
2 equipment for homeowners. In order for a residential to switch from natural gas water  
3 heater to a heat pump water heater, the residential customer would have to remove the  
4 natural gas water heater and run a new electrical circuit to the water heater. Similar  
5 issues occur for a residential customer that is trying to switch from bulk fuel source,  
6 such as fuel oil, or from resistance heat to a high efficiency air conditioner. There are  
7 significant conversion costs to switching to new energy efficient equipment. Electric  
8 heat pumps have a wide variety of costs for new electric heat pump installations, with  
9 an average cost of \$9,000 and with wide variations in cost.<sup>24</sup> While a customer may  
10 save electricity and money on their electricity bill by installing energy efficient  
11 appliances, the residential customers' current appliance may have several years of  
12 useful life left. Due to high installation cost and conversion barriers, customers tend  
13 to replace appliances such as HVAC appliances or water heaters when the unit fails.  
14 Despite the higher operating cost of less efficient equipment, a customer may choose  
15 to keep a less efficient water heater or air conditioner in their home. It is difficult to  
16 see how the seasonal price signal will overcome the capital costs and transition cost  
17 associated with new efficient equipment.

18  
19 CUB disagrees that a seasonal penalty approach—which is what PacifiCorp is  
20 proposing—for rate design is the appropriate method for lowering summer usage.  
21 CUB prefers that customers receive carrots, rather than sticks, for electricity usage  
22 behavior. PacifiCorp's program provides a disincentive for summer usage, rather than

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<sup>24</sup> This information was derived from inquiries with the Energy Trust of Oregon.

1 rewarding customers for pursuing energy efficiency investments or providing  
2 incentives to reduce power usage during peak times, as Portland General Electric's  
3 Peak Time Rebate program provides. It is better for customers receive to incentives to  
4 pursue energy efficiency programs rather than disincentives in the form of higher  
5 electricity prices. CUB has been supportive of the work of the Energy Trust of  
6 Oregon, which provides incentives to steer PacifiCorp's customers towards energy  
7 efficient investments. Energy efficiency program measures are better at helping  
8 incentivize the installation energy efficiency equipment.

9 **Q. What is CUB's response to PacifiCorp's argument that seasonal rates will**  
10 **improve the economics of natural gas versus electricity?**

11 **A.** PacifiCorp is competing with Cascade Natural Gas, Avista Utilities, and NW Natural  
12 to serve heating load in Oregon. Rate design should be about allocating costs in a  
13 balanced manner within the customer class, not improving PacifiCorp's competition  
14 with natural gas utilities. The Commission should disregard the Company's  
15 arguments that this rate design change will improve the economics of natural gas  
16 usage versus electricity.

## **V. BPA RESIDENTIAL RATE EXCHANGE**

17 **Q. Please summarize your position on this topic.**

18 **A.** CUB is open to Company modifying the residential exchange credit to be a flat rate.  
19 CUB's position is contingent on its other rate design recommendations for the basic  
20 charge and inverted block rates.

21 **Q. What is the Residential Exchange Program?**

1    **A.** The Pacific Northwest Electric Power Planning and Conservation Act created the  
2       Residential Exchange Program to provide residential and farm customers of Investor-  
3       Owned Utilities access to low-cost federal power. This program provides significant  
4       benefits to residential customers of PacifiCorp. For the 2022-2023 fiscal year, IOUs  
5       in the Pacific Northwest are due to receive \$259 million of bill credit revenue due to  
6       this program.

7    **Q. How much residential exchange program revenue are expected to be credited**  
8       **to residential customers in the test year?**

9    **A.** For the 2022 BPA year, the residential exchange program provides residential  
10       customers in Oregon with approximately \$50 million in bill credit benefits. This is a  
11       major bill credit rate for residential customers.

12   **Q. What is the goal of the residential exchange program?**

13   **A.** The goal of the residential exchange is to provide residential customers and farm  
14       customers the power cost benefits of the federal hydroelectric system.

15   **Q. What is the effect of the Company's rate design change within the residential**  
16       **customer class?**

17   **A.** Refer to CUB Exhibit 204, this table details the residential class effects of flattening the  
18       BPA Exchange credit on residential customers. Broadly, the customers proposed  
19       change shifts residential exchange revenue from low to moderate usage customers to  
20       high usage customers.

21   **Q. Why is CUB not opposing the Company's proposal?**

22   **A.** CUB is not opposed to the Company's proposal to flatten the residential exchange  
23       program credits to customers, because generation cost and benefits are allocated to



1 residential customers on a volumetric basis. PacifiCorp's proposal aligns the  
2 residential exchange program, which is meant to be a power benefit, with how  
3 generations costs are charged to residential customers. Generation costs scale with  
4 usage; it is symmetrical to scale power benefits with usage. CUB position is  
5 informed by not increasing the basic charge for single family customers.

## **VI. RESIDENTIAL BASIC CHARGE**

6 **Q. Please summarize your position on this topic.**

7 **A.** In opening testimony, PacifiCorp recommends increasing the customer charge for  
8 residential customers from \$9.50 to \$12. CUB recommends maintaining the same  
9 customer charge for single family residential customers. CUB asks the Commission  
10 to consider this issue in combination with the Company's proposal to remove inverted  
11 block rates for residential customers.

12 **Q. What is PacifiCorp's proposal?**

13 **A.** PacifiCorp proposes to increase the single family residential basic charge from \$9.50  
14 to \$12.

15 **Q. What reasons does PacifiCorp give for increasing the customers for single**  
16 **family customers?**

17 **A.** PacifiCorp asserts that moving forward a cost-basic charge is important to keep  
18 energy affordable for customers.<sup>25</sup> PacifiCorp states that this change better reflects the  
19 fixed costs of serving residential customers.<sup>26</sup>

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<sup>25</sup> UE 399 – PAC / 1100 / Meredith / 20 / Lines 12 - 14.

<sup>26</sup> UE 399 – PAC / 1100 / Meredith / 20 / Lines 23.

1 **Q. How do businesses that operate in competitive industries recover their fixed**  
2 **costs?**

3 **A.** Customers do not pay an access fee to enter a grocery store or fuel an internal  
4 combustion car with gasoline. Propane fuel suppliers, airlines, and automobile dealers  
5 have fixed costs (such as land, warehouse space, capital equipment, billing systems,  
6 and fixed labor) but recover their costs from consumers through sales based on output.  
7 CUB does not agree that it is necessary for PacifiCorp to recover its fixed customer  
8 costs through an increased fixed charge. The Company retains a reasonable ability to  
9 recover its fixed costs through the current fixed charge.

10 **Q. How does increase the customer charge benefit PacifiCorp?**

11 **A.** Residential customers are the largest class by customer count. An increased customer  
12 charge for Residential customers reduces the utilities risk around forecasting  
13 distribution revenue to sales. All things equal, a higher customer charge for  
14 residential customers will stabilize PacifiCorp's revenue and earnings.

15 **Q. Does increasing the customers' charge make energy more affordable for**  
16 **residential customers?**

17 **A.** As a residential class, the Company's proposed rate design change is revenue neutral.  
18 The impact of this rate design change is based largely on the customer electricity  
19 usage. An increase in the single-family customer charge benefits higher usage  
20 customers by reducing their volumetric electricity cost. However, an increase in the  
21 customer fixed charge will increase the average bill of low usage customers.

22 **Q. In your time working for Oregon CUB, what have customers told you about**  
23 **increasing the customer charge for residential customers?**

**A.** Oregonians that I have discussed this issue with over the past five years have universally opposed increases the customer charge for residential customers. Customers I have interacted with have expressed a preference low fixed charges in order for them to have more control over their bills. On several occasions in my time at CUB, I have received comments from Oregon customers of government owned utilities that have expressed concern on the high customer charges that government owned utilities impose on residential customers.

**Q. How does the PacifiCorp's proposed basic charge compare to peer IOUs in the Northwest?**

**A.** PacifiCorp's proposed single family customer charge would be highest among peer investor-owned utilities. CUB would like to highlight this issue.

Table 1: Comparison of IOU Residential Basic Charges in the Oregon

Utility	State	Basic Charge
Avista	Washington	\$9
Avista	Idaho	\$6
Portland General Electric	Oregon	\$11
Idaho Power	Oregon	\$8
Idaho Power	Idaho	\$5
Puget Sound Energy	Washington	\$7.49
Pacific Power	Washington	\$7.75
Pacific Power	Oregon	\$12 (Proposed)

**Q. Are there other reasons to not increase the customer charge for single family residential customers?**

**A.** Yes. CUB has recommended to reduce the inverted block tiers for energy charges, and is supportive of the Company's proposal to flatten the BPA residential exchange inverted tiers for residential customers. CUB asks the Commission to evaluate these rate design changes holistically. Many of the Company's proposed rate design proposals, such as flattening the BPA residential exchange and removing inverted tier

1 rates, will increase bills for low to moderate usage residential customers. By  
2 maintaining a level basic charge for single family residential customers, low usage to  
3 moderate income usage customers will experience a more moderate rate increase.

## VII. COAL DECOMMISSIONING COSTS

4 **Q. Please summarize CUB's position on this topic.**

5 **A.** The decommissioning cost studies contemplated by the 2020 Protocol are intended to  
6 inform the decommissioning cost responsibility allocated to states for coal-fueled  
7 resources that states exit at different times. The 2020 protocol was negotiated  
8 between the six PacifiCorp states to handle different energy policies between the  
9 eastern states and the western states. In the last rate general case, the Company  
10 attempted to include decommissioning cost estimates for thermal coal units from the  
11 Kiewit Study in base rates. Due to the concerns raised by intervenors, the  
12 Commission ordered that a mechanism for recovery of the final decommissioning  
13 costs estimates be established based on the results of that investigation.<sup>27</sup> As of June  
14 2022, the investigation has yet to have been completed. At the May 2022 Public  
15 Meeting, Commissioners asked parties to consider interim steps to handle  
16 decommissioning costs in this rate case to minimize future rate impacts associated  
17 with decommissioning.

18 **Q. What is CUB position on that issue?**

19 **A.** After the Public Meeting, CUB has engaged in informal discussions on information  
20 discussions with the Company on this topic. CUB is willing to engage in settlement  
21 discussions on that issue in this case.

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<sup>27</sup> OPUC Order No. 20-473.

1 **Q. In Opening Testimony, does CUB have testimony positions that it would like**  
2 **to establish?**

3 **A.** Yes. CUB has two positions that are related to coal decommissioning cost updates.

4 The first position is that a mechanism must be in place to remove the revenue  
5 requirement included in rates of each coal unit when it no longer serves Oregon  
6 customers. The Company has already agreed in the 2020 protocol to remove coal  
7 units from rates upon closure. The adoption of legislatively mandated rate  
8 mechanisms such the RAC has eliminated regulatory lag for on the frontend for new  
9 RPS-eligible resources for PacifiCorp. It is essential that ratemaking is symmetrical  
10 and that coal units are timely removed from rates, once these units no longer are  
11 serving Oregon customers.

12  
13 The rate effective date of this general rate case is January 1, 2023. Per the Company's  
14 application in UM 2183, the next coal retirement will occur on December 31<sup>st</sup>,  
15 2023.<sup>28</sup> That means that there are only 18 months left to establish a forward-looking  
16 mechanism to remove coal units from customers' rates. CUB would like to place the  
17 Company on notice that a forward-looking mechanism is necessary to remove coal  
18 plant retirements from customer rates. The Company should not plan on coal units'  
19 costs being included in base rates after the unit is no longer serving Oregon  
20 customers.

21  

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<sup>28</sup> UM 2183 – Application for Authority to Implement a Decommissioning Cost Recovery Adjustment and Coal Removal Mechanism, Page 7

1 The second position is that the decommissioning price update should be a non-  
2 bypassable surcharge which is applicable to all customers (retail or direct access). If  
3 PacifiCorp's decommissioning costs have historically been under-collected in rates, it  
4 is CUB's position that all customers should be charged for the costs. Two of  
5 Oregon's neighbors, California and Nevada, have allocated increased electric  
6 decommissioning costs to direct access customers.

### **VIII. GREEN TARIFF PROGRAM**

7 **Q. Please summarize your position on this topic.**

8 **A.** CUB recommends approving PacifiCorp's green tariff program with some changes.  
9 Unless the Company complies with the Commission's order and shares its return on  
10 investment on company owned green tariff resources with other customers, CUB  
11 recommends that the Company should not be allowed to procure utility owned  
12 resources for green tariff procurements. Additionally, CUB proposes a mechanism to  
13 credit the green tariff administrative fee revenue back to non-participating customers.

14 **Q. What is PacifiCorp's Green Tariff Program?**

15 **A.** PacifiCorp's proposed Green Tariff Program has been termed the Accelerated  
16 Commitment Tariff Program (ACT). CUB will refer to the program as the Green  
17 Tariff program.

18 **Q. Do peer utilities in Oregon have a Green Tariff program?**

19 **A.** Yes. Portland General Electric, which is an Oregon based vertically investor-owned  
20 utility, has received Commission approval for a green tariff program.<sup>29</sup>

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<sup>29</sup> Refer to Green Tariff Docket No. UM 1968.

1 **Q. What are the conditions that the Commission established for the green tariff**  
2 **program?**

3 **A.** In Order 16-251, the Oregon Commission established nine conditions that a VRET  
4 design must meet. In Order 21-091, the Commission adopted eight conditions for  
5 new VRET programs.

6 **Q. What are the eight conditions established by the Commission for green tariff**  
7 **programs?**

8 **A. Condition 1:** RPS definitions that must apply to voluntary renewable energy  
9 products are for resource type, location, and bundled RECs. Non-carbon emitting  
10 energy storage resources may be included but only in conjunction with RPS-  
11 compliant resources.

12 **Condition 2:** Voluntary renewable energy options include only bundled REC  
13 products. Any RECs associated with serving participants must be retired by or on  
14 behalf of participants.

15 **Condition 3:** The year that a VRET-eligible resource becomes operational shall be no  
16 earlier than one year prior to the resource being included in the program.

17 **Condition 4:** The VRET program size is limited to 175 aMW for PacifiCorp.

18 **Condition 5/6:** VRET offerings, as customer choice products, can impact the  
19 competitive retail market for some customer segments even when differentiated from  
20 direct access offerings. The utility bears the burden of proof to demonstrate that a  
21 VRET offering does not unfairly undermine Direct Access Programs.

22 **Condition 7:** The regulated utility may own a voluntary renewable energy resource,  
23 but may not include any voluntary renewable energy resource in its general rate base.

1 It may recover a return on and return of its investment in the voluntary renewable  
2 energy resource from the subscriber; however, the utility must share some of the  
3 return on investment with other utility customers for ratepayer-funded assets used to  
4 assist the voluntary renewable offering.

5 **Condition 8:** All direct and indirect costs and risks are borne by the participating  
6 voluntary renewable energy tariff customers, shareholders of the utility, or third-party  
7 developers and suppliers with provisions allowing independent review and  
8 verification by Commission Staff of all utility costs. Costs include, but are not limited  
9 to, ancillary services and stranded costs of the existing and additional future cost-of-  
10 service rate-based system.

11 **Condition 9:** All voluntary renewable offerings must be made publicly available and  
12 subject to review by the Commission to ensure they are fair, just and reasonable.

13 **Q. Has the Company's proposal meet the Commission guidelines?**

14 **A.** Except for condition 7, the Company's application for a green tariff appears to meet  
15 the Commissions guidelines for a green tariff program.

16 **Q. How does PacifiCorp typically procure a renewable resource for utility**  
17 **ownership?**

18 **A.** PacifiCorp typically uses a build transfer agreement, where a third party develops and  
19 constructs a renewable energy project and transfers to the utility upon completion.  
20 PacifiCorp finances the purchase facility with equity and debt. Customers pay off the  
21 cost of the capital project over the life of the renewable energy facility. In exchange  
22 for financing the new capital project, PacifiCorp's shareholders and bondholders are  
23 compensated for the value of their capital investment.



1   **Q. How does PacifiCorp procure a new renewable resource that is owned by**  
2       **third party developer?**

3   **A.** A purchased power agreement is used by PacifiCorp to procure a renewable resource  
4       from a third-party developer. Under that scenario, a third-party developer owns,  
5       operates, and installs a renewable resource. PacifiCorp and the third party execute a  
6       contract where PacifiCorp agrees to purchase the electrical facility's output at a  
7       negotiated cost.

8   **Q. Which renewable resources option is better for PacifiCorp's shareholders?**

9   **A.** PacifiCorp has an enormous incentive to procure renewable resources through  
10      company ownership. Utility ratemaking encourages capital investment. The more  
11      capital the utility invests, the more money the utility earns. In general, PacifiCorp  
12      does not profit from purchased power agreements.

13   **Q. Which resource procurement option is better for customers?**

14   **A.** Utility owned renewable resources and purchased power agreement have advantages  
15      and disadvantages. While a variety of factors drive the performance of a generation  
16      portfolio, a mix of purchased power and utility owned power is best for customers'  
17      energy portfolio.

18   **Q. What is condition 7, and how did the Company propose to meet this**  
19       **condition?**

20   **A.** Condition 7 concerns utility ownership of a voluntary renewable energy resource. The  
21      Commission allowed the Company to recover the return on and return of its capital  
22      investment from the green tariff customers from the subscriber. For the Company to  
23      own a voluntary renewable resource, the utility must share some of the return on

1 investment with other utility customers for the ratepayer-funded assets used to assist  
2 the voluntary renewable offering.

3  
4 In its testimony around meeting condition 7, the Company stated that it is going to  
5 consider both PPAs and company-owned assets when procuring resources for its  
6 green tariff.<sup>30</sup> The Company proposed to address this condition in a future filing, if  
7 the Company is considering a Company-owned resource for participation in the green  
8 tariff program.

9  
10 **Q. Did the Company comply with the Commissions guideline when proposing**  
11 **this tariff option?**

12 **A.** No. The Company failed to meet the requirements of Condition 7.<sup>31</sup> The Company is  
13 clearly evaluating both PPA and BTA resources procurements for green tariff  
14 procurement. When proposing its green tariff program, the Company did not provide  
15 a mechanism for sharing the return on investment associated with owned resources in  
16 the Green Tariff program with other customers.

17 **Q. Since the Company did not comply with Condition 7, what is CUB's position**  
18 **on PacifiCorp's green tariff program?**

19 **A.** Unless the Company complies with the Commission's order and shares its return on  
20 investment on company owned green tariff resources with other customers, CUB  
21 recommends that the Company should not be allowed to procure utility owned  
22 resources for its green tariff. CUB is making this proposal to protect cost of service  
23 customers. This is not an attempt to delay the green tariff program. PacifiCorp is the

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<sup>30</sup> UE 399 – PAC / 800 / Anderson / 23 / Lines 19 – 20.

<sup>31</sup> CUB Exhibit 205.

1 one requesting the tariff change in this case, and the Company bears the burden of  
2 proof to demonstrate that its program meets Commission guidelines.

3 **Q. CUB has expressed support for the green tariff program. Are there any**  
4 **conditions that are important to CUB's support?**

5 **A.** Yes. CUB's support is conditional on the green tariff procurement cap established by  
6 Condition 4, which protects non-participating customers. CUB is opposed to  
7 increasing the procurement cap this early in the operation of the program. CUB's  
8 support is also contingent on the Company not requesting a return on investment for  
9 PPA projects. The Company has also indicated that the green tariff program cannot  
10 result in a net reduction in energy costs for a green tariff subscriber, which CUB  
11 supports.<sup>32</sup>

12 **Q. What is condition 8 of the green tariff guidelines?**

13 **A.** Conditions 8 of the green tariff guidelines requires that green tariff subscribers,  
14 shareholders of the utility and third-party developers and suppliers bear all the direct  
15 and indirect costs and risk of the green tariff program. Costs include administrative  
16 costs and ancillary service costs associated with a green tariff project. Direct costs  
17 include costs like the administration fee, and indirect costs may include potential  
18 subsidies to green tariff customers from cost of service customers in the form of  
19 energy and capacity credits. Green tariff subscribing customers must bear all of these  
20 costs under the Commission-approved green tariff conditions.

21 **Q. Please explain the Company's proposed administration fee.**

---

<sup>32</sup> CUB Exhibit 206.

1 A. The Company proposes to track all administrative costs associated with the green  
2 tariff program. The Company proposed to structure the fee as a per-MWh adder to  
3 green tariff subscription costs.

4 **Q. How are non-participating customers made whole by the administration fee?**

5 A. The administrative fee tracks ongoing costs for the operation of the green tariff  
6 program. The revenue from the administrative fee will be credited back to non-  
7 participating customers to make the non-subscribing customers indifferent to the cost.

8 **Q. Does the Company propose a method of passing back this administrative fee**  
9 **revenue back to non-subscribing customers?**

10 A. No. Therefore, CUB assumes that PacifiCorp will handle green tariff administrative  
11 fee revenue crediting in general rate case proceedings.

12 **Q. How does CUB propose to pass the administration fee revenue back to non-**  
13 **participating customers?**

14 A. CUB proposes that the administration fee associated with PacifiCorp's Green Tariff  
15 program be credited to non-subscribing customers in PacifiCorp's annual TAM  
16 proceeding.

17 **Q. Why is this appropriate?**

18 A. CUB recommends this change to follow the matching principle. The Company may  
19 procure a green tariff resource through a PPA. While the subscriber(s) of the green  
20 tariff program will pay for the subscriber premium associated with the resource  
21 procurement, all cost-of-service generation customers will pay for the cost of the  
22 PPA. The Company recovers the cost of the PPA's through its annual TAM  
23 proceeding. If the administrative fee is credited to customers in base rates, there is

1 the potential that a mismatch would occur if cost of service generation customers  
2 were charged for a PPA green tariff procurement but not receive incremental  
3 administrative revenue associated with the new subscribers due to rate case and TAM  
4 mismatching. CUB's proposal allows for timely crediting of administrative fee  
5 revenue for non-participating customers.

## IX. COVID-19 DEFERRAL

6 **Q. Please summarize your position on this topic.**

7 **A.** Staff has indicated that they plan on addressing the amortization of the COVID-19  
8 Arrearage Management Plan in this proceeding.<sup>33</sup> In Staff's memo in UM 2063, Staff  
9 stated, "For PacifiCorp and Northwest Natural, and perhaps Avista, Staff intends to  
10 raise as an issue in their respective general rate cases and review for prudence, the  
11 2020 and 2021 COVID-related costs and cost-savings as well as consider  
12 amortization period and the ratespread of any monies to be collected from  
13 ratepayers." Given the size of the proposed rate increase proposed by PacifiCorp for  
14 residential customers, CUB opposes addressing this cost in this proceeding.

15 **Q. What is CUB's recommendation?**

16 **A.** CUB recommends delaying addressing PacifiCorp's deferral for COVID-19 until  
17 2023 after the proposed rate effective date of this case, to enable all three years of  
18 COVID-19 costs to be amortized simultaneously.

19 **Q. Did PacifiCorp address this issue in Opening Testimony?**

20 **A.** No. Additionally, PacifiCorp did not consolidate UM 2063 into this case.

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<sup>33</sup> *In re Pacific Power, Application for the Reauthorization of Deferred Accounting of Costs from COVID-19 Public Health Emergency*, OPUC Docket No. UM 2063, Staff Report at pg. 7.

1 **Q. In NW Natural's 2021 General Rate Case, CUB advocated for addressing the**  
2 **COVID-19 deferral in the general rate case.<sup>34</sup> Why is CUB advocating for a**  
3 **different approach for PacifiCorp?**

4 **A.** As described in CUB Exhibit 100, CUB is concerned with the size of the proposed  
5 cumulative increase for residential customer in this case, and its impact on customers.  
6 CUB is concerned about the amortization leading to a large bill increase for  
7 residential customers. CUB would also like extend the amortization of COVID-19  
8 costs from 2019 and 2022 over an extended period to minimize the effect of the price  
9 increase associated with COVID-19 on customers' bills. If other parties to this case  
10 present a proposal to address 2020-2021 costs in this general rate case, CUB would  
11 be unable to extend the amortization of these costs over an extended period, without  
12 having simultaneous amortization periods.

13 **Q. Please summarize CUB's recommendation on this issue.**

14 **A.** CUB recommends delaying the amortization of the COVID-19 deferral until the  
15 deferral is closed, and results of operations for Pacific Power in 2022 are available.

## **X. RATE MITIGATION ADJUSTMENT**

16 **Q. Please summarize your position on this topic.**

17 **A.** CUB Exhibit 100 details CUB's position on rate shock. To mitigate the price impact  
18 on residential customers, CUB proposes a modified rate spread proposal, with a  
19 modified rate mitigation adjustment.

20 **Q. What is CUB's response to the Company's proposed rate mitigation**  
21 **adjustment?**

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<sup>34</sup> See Generally, UG 435.

1 A. CUB appreciates the Company proposing a rate mitigation adjustment, and its  
2 recognition of the overall price impact of this general rate case.

3 **Q. What is the rate mitigation adjustment?**

4 A. Table 1 below summarizes CUB's proposed net price changes for the major rate  
5 schedules using the Company's filed case.

6 **Q. What is the CUB's rate spread proposal in this case?**

7 A. Table 1 below summarizes CUB's proposed net price changes for the major rate  
8 schedules using the Company's filed case.<sup>35</sup>

**Table 2: Comparison of CUB's and PAC's Rate Proposal**

<i>Rate Schedule</i>	PacifiCorp Proposal	CUB Proposal
Residential Schedule 4	9.1%	8.34%
General Service		
Schedule 23/723 (0-30kW)	9.5%	8.34%
Schedule 28/728 (31-200kW)	0%	2.26%
Schedule 30/730 (201-999kW)	0%	2.26%
Large General Service	5.9%	5.9%
Schedules 47/747, 48/748 (≥1,000kW)		
Agricultural Pumping Service	13.2%	10.7%
Schedule 41/741		
Lighting Schedules	0%	2.26%
Overall	6.6%	6.6%

9 Under CUB's proposal, no customer will receive a rate increase greater than 1.62  
10 times the increase which applies to irrigation customers. CUB's proposal also  
11 provides additional rate mitigation credit to Schedule 4 (residential) and Schedule 23  
12 (Commercial and Industrial with less than 31 kW of demand) by these customers  
13 classes increase to 1.26 times overall net increase. CUB's proposal also establishes a

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<sup>35</sup> Refer to CUB Exhibit 207.

1 floor on rates of 2.26% net for all major customer classes, which results in RMA  
2 charges for Schedules 28, Schedules 30, and the Lighting Schedules.<sup>36</sup>

3 **Q. Why is CUB making this proposal?**

4 **A.** Refer to CUB Exhibit 100. CUB is making this proposal to mitigate the rate shock  
5 associated with the Company for residential customers. CUB proposal also protects  
6 small commercial and agricultural customers from the size of the cumulative January  
7 1<sup>st</sup> increase proposed by PacifiCorp.

8  
9 Under CUB's proposal, small commercial, residential and irrigation customers will  
10 still pay for rate increases above the average net price increase. CUB believes this  
11 proposal is just and reasonable, and will help mitigate the price impact of this general  
12 rate case

13 **Q. Does this conclude your testimony?**

14 **A.** Yes.

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<sup>36</sup> The 2.26% floor is based on one third the net increase of the Company's filed case.



### **WITNESS QUALIFICATION STATEMENT**

**NAME:** William Gehrke

**EMPLOYER:** Oregon Citizens' Utility Board

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**EDUCATION:** MS, Applied Economics  
Florida State University, Tallahassee, FL

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**EXPERIENCE:** Provided testimony for the Oregon Citizens' Utility Board in numerous dockets such as UE 335, UE 374, UG 344. UG 347, UG 366, UG 388, UE 374, UG 388, UE 391, and UE 394. Worked as an Economist for the Florida Department of Revenue. Worked as Utility Analyst at the Florida Public Service Commission, providing advice on electric rate cases. Attended the Institute of Public Utilities Annual Regulatory Studies program in 2018.

UE 399 / PacifiCorp  
April 12, 2022  
OPUC Data Request 245

### **OPUC Data Request 245**

**Proposed Change in Power Cost Rate Mechanism** - Regarding the Company's third proposal, which as explained in PAC/400, Wilding/24 "allows the Company to identify certain specific and unusual months that resulted in significant costs and therefore a significant deviation from the NPC baseline forecast for that month .... then propose to recover the costs of those unusual months through the PCAM mechanism but outside the deadbands, sharing bands, and earnings test." How does the Company plan to implement its third proposal in years in which the overall net power cost deviation is greater than the deadbands?

### **Response to OPUC Data Request 245**

With this proposal, the Company would apply the same treatment, regardless of any power cost deviation greater or lesser than the deadbands, which is to seek recovery for certain specific and unusual months that resulted in significant costs and a significant deviation from the net power costs (NPC) baseline forecast for that month, but outside the deadbands, sharing bands, and earnings test.

Cooling Degrees (65 degree base unit F)

Airport Weather					
Station	KOTH	KPDX	KRDM	KPDT	KMFR
County	Coos	Multnomah	Deschutes	Umatilla	Jackson
Jan	0.2	0	0	0	0
Feb	0.3	0	0.1	0	0.3
Mar	0.3	1.7	2	1.5	6.1
Apr	1.6	12.8	11.5	12	29.1
May	2.9	47.4	48	63.9	91.1
Jun	3.2	94.9	123.6	161.5	191.1
Jul	10.1	190.2	276.9	356.6	374.9
Aug	11.7	189	230.1	297	331.3
Sep	11.9	94.4	106.1	116.8	178.4
Oct	3.9	11	18.8	15.9	39.8
Nov	0.4	0.1	1.1	0.5	1
Dec	0	0	0.1	0	0
Total	46.5	641.5	818.3	1025.7	1243.1

Pacific Power  
State of Oregon  
UE 399 Proposed Delivery Service Schedule 4 including Proposed Net Power Cost Rates in TAM UE 400  
Residential Service - Single Family  
Comparison of Various Applications of the BPA Credit

BPA Credit		Present	First 1,000 kWh	Proposed					
First 1,000 kWh, per kWh		-1.142 ¢	-1.210 ¢	-0.914 ¢					
All Additional kWh, per kWh		-0.208 ¢	0.000 ¢	-0.914 ¢					
Monthly Billing Comparison (Annualized)									
Monthly kWh	Bill Frequency	Present	First 1,000 kWh	Difference	Percent	Proposed	Difference	Percent	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
				(D)-(C)	(E)/(C)		(G)-(C)	(H)/(C)	
0	0.98%	\$13.22	\$13.22	\$0.00	0.00%	\$13.22	\$0.00	0.00%	
200	6.85%	\$34.72	\$34.58	(\$0.14)	-0.40%	\$35.17	\$0.45	1.30%	
400	13.75%	\$56.22	\$55.95	(\$0.27)	-0.48%	\$57.13	\$0.91	1.62%	
600	17.04%	\$77.72	\$77.31	(\$0.41)	-0.53%	\$79.09	\$1.37	1.76%	
800	15.29%	\$99.22	\$98.68	(\$0.54)	-0.54%	\$101.05	\$1.83	1.84%	
1,000	12.16%	\$120.72	\$120.04	(\$0.68)	-0.56%	\$123.00	\$2.28	1.89%	
1,200	9.17%	\$144.08	\$143.82	(\$0.26)	-0.18%	\$144.95	\$0.87	0.60%	
1,400	6.69%	\$167.46	\$167.61	\$0.15	0.09%	\$166.91	(\$0.55)	-0.33%	
1,600	4.84%	\$190.82	\$191.39	\$0.57	0.30%	\$188.87	(\$1.95)	-1.02%	
1,800	3.47%	\$214.20	\$215.18	\$0.98	0.46%	\$210.83	(\$3.37)	-1.57%	
2,000	2.51%	\$237.56	\$238.96	\$1.40	0.59%	\$232.78	(\$4.78)	-2.01%	
2,200	1.82%	\$260.93	\$262.75	\$1.82	0.70%	\$254.74	(\$6.19)	-2.37%	
2,400	1.33%	\$284.30	\$286.53	\$2.23	0.78%	\$276.69	(\$7.61)	-2.68%	
2,600	0.96%	\$307.66	\$310.31	\$2.65	0.86%	\$298.65	(\$9.01)	-2.93%	
2,800	0.71%	\$331.04	\$334.10	\$3.06	0.92%	\$320.61	(\$10.43)	-3.15%	
3,000	0.53%	\$354.40	\$357.88	\$3.48	0.98%	\$342.56	(\$11.84)	-3.34%	
3,200	0.39%	\$377.77	\$381.67	\$3.90	1.03%	\$364.52	(\$13.25)	-3.51%	
3,400	0.30%	\$401.14	\$405.45	\$4.31	1.07%	\$386.47	(\$14.67)	-3.66%	
3,600	0.23%	\$424.50	\$429.23	\$4.73	1.11%	\$408.43	(\$16.07)	-3.79%	
3,800	0.18%	\$447.88	\$453.02	\$5.14	1.15%	\$430.39	(\$17.49)	-3.91%	
4,000	0.13%	\$471.24	\$476.80	\$5.56	1.18%	\$452.34	(\$18.90)	-4.01%	
4,200	0.11%	\$494.61	\$500.59	\$5.98	1.21%	\$474.30	(\$20.31)	-4.11%	
4,400	0.09%	\$517.98	\$524.37	\$6.39	1.23%	\$496.25	(\$21.73)	-4.20%	
4,600	0.07%	\$541.35	\$548.16	\$6.81	1.26%	\$518.22	(\$23.13)	-4.27%	
4,800	0.05%	\$564.72	\$571.94	\$7.22	1.28%	\$540.17	(\$24.55)	-4.35%	
5,000	0.04%	\$588.08	\$595.72	\$7.64	1.30%	\$562.12	(\$25.96)	-4.41%	
5,200	0.04%	\$611.45	\$619.51	\$8.06	1.32%	\$584.08	(\$27.37)	-4.48%	
5,400	0.03%	\$634.82	\$643.29	\$8.47	1.33%	\$606.03	(\$28.79)	-4.54%	
5,600	0.03%	\$658.19	\$667.08	\$8.89	1.35%	\$628.00	(\$30.19)	-4.59%	
5,800	0.02%	\$681.56	\$690.86	\$9.30	1.36%	\$649.95	(\$31.61)	-4.64%	
6,000	0.02%	\$704.92	\$714.64	\$9.72	1.38%	\$671.90	(\$33.02)	-4.68%	
6,200	0.02%	\$728.29	\$738.43	\$10.14	1.39%	\$693.86	(\$34.43)	-4.73%	
6,400	0.01%	\$751.66	\$762.21	\$10.55	1.40%	\$715.81	(\$35.85)	-4.77%	
6,600	0.01%	\$775.03	\$786.00	\$10.97	1.42%	\$737.78	(\$37.25)	-4.81%	
6,800	0.01%	\$798.40	\$809.78	\$11.38	1.43%	\$759.73	(\$38.67)	-4.84%	
7,000	0.01%	\$821.77	\$833.57	\$11.80	1.44%	\$781.69	(\$40.08)	-4.88%	
7,200	0.01%	\$845.13	\$857.35	\$12.22	1.45%	\$803.64	(\$41.49)	-4.91%	
7,400	0.01%	\$868.50	\$881.13	\$12.63	1.45%	\$825.59	(\$42.91)	-4.94%	
7,600	0.01%	\$891.87	\$904.92	\$13.05	1.46%	\$847.56	(\$44.31)	-4.97%	
7,800	0.01%	\$915.24	\$928.70	\$13.46	1.47%	\$869.51	(\$45.73)	-5.00%	
8,000	0.00%	\$938.61	\$952.49	\$13.88	1.48%	\$891.47	(\$47.14)	-5.02%	
8,200	0.00%	\$961.97	\$976.27	\$14.30	1.49%	\$913.42	(\$48.55)	-5.05%	
8,400	0.00%	\$985.34	\$1,000.05	\$14.71	1.49%	\$935.37	(\$49.97)	-5.07%	
8,600	0.00%	\$1,008.71	\$1,023.84	\$15.13	1.50%	\$957.34	(\$51.37)	-5.09%	
8,800	0.00%	\$1,032.08	\$1,047.62	\$15.54	1.51%	\$979.29	(\$52.79)	-5.11%	
9,000	0.00%	\$1,055.45	\$1,071.41	\$15.96	1.51%	\$1,001.25	(\$54.20)	-5.14%	
9,200	0.00%	\$1,078.81	\$1,095.19	\$16.38	1.52%	\$1,023.20	(\$55.61)	-5.15%	
9,400	0.00%	\$1,102.19	\$1,118.98	\$16.79	1.52%	\$1,045.16	(\$57.03)	-5.17%	
9,600	0.00%	\$1,125.55	\$1,142.76	\$17.21	1.53%	\$1,067.12	(\$58.43)	-5.19%	
9,800	0.00%	\$1,148.92	\$1,166.54	\$17.62	1.53%	\$1,089.07	(\$59.85)	-5.21%	
10,000	0.00%	\$1,172.29	\$1,190.33	\$18.04	1.54%	\$1,111.03	(\$61.26)	-5.23%	
10,200	0.00%	\$1,195.65	\$1,214.11	\$18.46	1.54%	\$1,132.98	(\$62.67)	-5.24%	
10,400	0.00%	\$1,219.03	\$1,237.90	\$18.87	1.55%	\$1,154.94	(\$64.09)	-5.26%	
10,600	0.00%	\$1,242.39	\$1,261.68	\$19.29	1.55%	\$1,176.90	(\$65.49)	-5.27%	
10,800	0.00%	\$1,265.76	\$1,285.46	\$19.70	1.56%	\$1,198.85	(\$66.91)	-5.29%	
11,000	0.00%	\$1,289.13	\$1,309.25	\$20.12	1.56%	\$1,220.81	(\$68.32)	-5.30%	
11,200	0.00%	\$1,312.49	\$1,333.03	\$20.54	1.56%	\$1,242.76	(\$69.73)	-5.31%	
11,400	0.00%	\$1,335.87	\$1,356.82	\$20.95	1.57%	\$1,264.72	(\$71.15)	-5.33%	
11,600	0.00%	\$1,359.23	\$1,380.60	\$21.37	1.57%	\$1,286.68	(\$72.55)	-5.34%	
11,800	0.00%	\$1,382.61	\$1,404.39	\$21.78	1.58%	\$1,308.64	(\$73.97)	-5.35%	
12,000	0.00%	\$1,405.97	\$1,428.17	\$22.20	1.58%	\$1,330.59	(\$75.38)	-5.36%	
12,200	0.00%	\$1,429.33	\$1,451.95	\$22.62	1.58%	\$1,352.54	(\$76.79)	-5.37%	
12,400	0.00%	\$1,452.71	\$1,475.74	\$23.03	1.59%	\$1,374.50	(\$78.21)	-5.38%	
12,600	0.00%	\$1,476.07	\$1,499.52	\$23.45	1.59%	\$1,396.46	(\$79.61)	-5.39%	
12,800	0.00%	\$1,499.45	\$1,523.31	\$23.86	1.59%	\$1,418.42	(\$81.03)	-5.40%	
13,000	0.00%	\$1,522.81	\$1,547.09	\$24.28	1.59%	\$1,440.37	(\$82.44)	-5.41%	
13,200	0.00%	\$1,546.17	\$1,570.87	\$24.70	1.60%	\$1,462.32	(\$83.85)	-5.42%	
13,400	0.00%	\$1,569.55	\$1,594.66	\$25.11	1.60%	\$1,484.28	(\$85.27)	-5.43%	
13,600	0.00%	\$1,592.91	\$1,618.44	\$25.53	1.60%	\$1,506.24	(\$86.67)	-5.44%	
13,800	0.00%	\$1,616.29	\$1,642.23	\$25.94	1.60%	\$1,528.20	(\$88.09)	-5.45%	
14,000	0.00%	\$1,639.65	\$1,666.01	\$26.36	1.61%	\$1,550.15	(\$89.50)	-5.46%	
14,200	0.00%	\$1,663.02	\$1,689.80	\$26.78	1.61%	\$1,572.11	(\$90.91)	-5.47%	
14,400	0.00%	\$1,686.39	\$1,713.58	\$27.19	1.61%	\$1,594.06	(\$92.33)	-5.48%	
14,600	0.00%	\$1,709.75	\$1,737.36	\$27.61	1.61%	\$1,616.02	(\$93.73)	-5.48%	
14,800	0.00%	\$1,733.13	\$1,761.15	\$28.02	1.62%	\$1,637.98	(\$95.15)	-5.49%	
15,000	0.00%	\$1,756.49	\$1,784.93	\$28.44	1.62%	\$1,659.93	(\$96.56)	-5.50%	
15,200	0.00%	\$1,779.86	\$1,808.72	\$28.86	1.62%	\$1,681.89	(\$97.97)	-5.50%	
15,400	0.00%	\$1,803.23	\$1,832.50	\$29.27	1.62%	\$1,703.84	(\$99.39)	-5.51%	
15,600	0.00%	\$1,826.59	\$1,856.28	\$29.69	1.63%	\$1,725.80	(\$100.79)	-5.52%	
15,800	0.00%	\$1,849.97	\$1,880.07	\$30.10	1.63%	\$1,747.76	(\$102.21)	-5.52%	
16,000	0.00%	\$1,873.33	\$1,903.85	\$30.52	1.63%	\$1,769.71	(\$103.62)	-5.53%	
16,200	0.00%	\$1,896.70	\$1,927.64	\$30.94	1.63%	\$1,791.67	(\$105.03)	-5.54%	
16,400	0.00%	\$1,920.07	\$1,951.42	\$31.35	1.63%	\$1,813.62	(\$106.45)	-5.54%	
16,600	0.00%	\$1,943.44	\$1,975.21	\$31.77	1.63%	\$1,835.59	(\$107.85)	-5.55%	

Monthly kWh (A)	Bill Frequency (B)	Present (C)	First 1,000 kWh (D)	Difference (D)-(C)	Percent Difference (E)/(C)	Proposed (G)	Difference (G)-(C)	Percent Difference (H)/(C)
16,800	0.00%	\$1,966.81	\$1,998.99	\$32.18	1.64%	\$1,857.54	(\$109.27)	-5.56%
17,000	0.00%	\$1,990.17	\$2,022.77	\$32.60	1.64%	\$1,879.49	(\$110.68)	-5.56%
17,200	0.00%	\$2,013.54	\$2,046.56	\$33.02	1.64%	\$1,901.45	(\$112.09)	-5.57%
17,400	0.00%	\$2,036.91	\$2,070.34	\$33.43	1.64%	\$1,923.40	(\$113.51)	-5.57%
17,600	0.00%	\$2,060.28	\$2,094.13	\$33.85	1.64%	\$1,945.37	(\$114.91)	-5.58%
17,800	0.00%	\$2,083.65	\$2,117.91	\$34.26	1.64%	\$1,967.32	(\$116.33)	-5.58%
18,000	0.00%	\$2,107.01	\$2,141.69	\$34.68	1.65%	\$1,989.27	(\$117.74)	-5.59%
18,200	0.00%	\$2,130.38	\$2,165.48	\$35.10	1.65%	\$2,011.23	(\$119.15)	-5.59%
18,400	0.00%	\$2,153.75	\$2,189.26	\$35.51	1.65%	\$2,033.18	(\$120.57)	-5.60%
18,600	0.00%	\$2,177.12	\$2,213.05	\$35.93	1.65%	\$2,055.15	(\$121.97)	-5.60%
18,800	0.00%	\$2,200.49	\$2,236.83	\$36.34	1.65%	\$2,077.10	(\$123.39)	-5.61%
19,000	0.00%	\$2,223.85	\$2,260.61	\$36.76	1.65%	\$2,099.05	(\$124.80)	-5.61%
19,200	0.00%	\$2,247.22	\$2,284.40	\$37.18	1.65%	\$2,121.01	(\$126.21)	-5.62%
19,400	0.00%	\$2,270.59	\$2,308.18	\$37.59	1.66%	\$2,142.96	(\$127.63)	-5.62%
19,600	0.00%	\$2,293.96	\$2,331.97	\$38.01	1.66%	\$2,164.93	(\$129.03)	-5.62%
19,800	0.00%	\$2,317.33	\$2,355.75	\$38.42	1.66%	\$2,186.88	(\$130.45)	-5.63%
20,000	0.00%	\$2,340.70	\$2,379.54	\$38.84	1.66%	\$2,208.84	(\$131.86)	-5.63%
20,200	0.00%	\$2,364.06	\$2,403.32	\$39.26	1.66%	\$2,230.79	(\$133.27)	-5.64%
20,400	0.00%	\$2,387.43	\$2,427.10	\$39.67	1.66%	\$2,252.74	(\$134.69)	-5.64%
20,600	0.00%	\$2,410.80	\$2,450.89	\$40.09	1.66%	\$2,274.71	(\$136.09)	-5.65%
20,800	0.00%	\$2,434.17	\$2,474.67	\$40.50	1.66%	\$2,296.66	(\$137.51)	-5.65%
21,000	0.00%	\$2,457.54	\$2,498.46	\$40.92	1.67%	\$2,318.62	(\$138.92)	-5.65%
21,200	0.00%	\$2,480.90	\$2,522.24	\$41.34	1.67%	\$2,340.57	(\$140.33)	-5.66%
21,400	0.00%	\$2,504.27	\$2,546.02	\$41.75	1.67%	\$2,362.52	(\$141.75)	-5.66%
21,600	0.00%	\$2,527.64	\$2,569.81	\$42.17	1.67%	\$2,384.49	(\$143.15)	-5.66%
21,800	0.00%	\$2,551.01	\$2,593.59	\$42.58	1.67%	\$2,406.44	(\$144.57)	-5.67%
22,000	0.00%	\$2,574.38	\$2,617.38	\$43.00	1.67%	\$2,428.40	(\$145.98)	-5.67%
22,200	0.00%	\$2,597.74	\$2,641.16	\$43.42	1.67%	\$2,450.35	(\$147.39)	-5.67%
22,400	0.00%	\$2,621.12	\$2,664.95	\$43.83	1.67%	\$2,472.31	(\$148.81)	-5.68%
22,600	0.00%	\$2,644.48	\$2,688.73	\$44.25	1.67%	\$2,494.27	(\$150.21)	-5.68%
22,800	0.00%	\$2,667.85	\$2,712.51	\$44.66	1.67%	\$2,516.22	(\$151.63)	-5.68%
23,000	0.00%	\$2,691.22	\$2,736.30	\$45.08	1.68%	\$2,538.18	(\$153.04)	-5.69%
23,200	0.00%	\$2,714.58	\$2,760.08	\$45.50	1.68%	\$2,560.13	(\$154.45)	-5.69%
23,400	0.00%	\$2,737.96	\$2,783.87	\$45.91	1.68%	\$2,582.09	(\$155.87)	-5.69%
23,600	0.00%	\$2,761.32	\$2,807.65	\$46.33	1.68%	\$2,604.05	(\$157.27)	-5.70%
23,800	0.00%	\$2,784.69	\$2,831.43	\$46.74	1.68%	\$2,626.00	(\$158.69)	-5.70%
24,000	0.00%	\$2,808.06	\$2,855.22	\$47.16	1.68%	\$2,647.96	(\$160.10)	-5.70%
24,200	0.00%	\$2,831.42	\$2,879.00	\$47.58	1.68%	\$2,669.91	(\$161.51)	-5.70%
24,400	0.00%	\$2,854.80	\$2,902.79	\$47.99	1.68%	\$2,691.87	(\$162.93)	-5.71%
24,600	0.00%	\$2,878.16	\$2,926.57	\$48.41	1.68%	\$2,713.83	(\$164.33)	-5.71%
24,800	0.00%	\$2,901.54	\$2,950.36	\$48.82	1.68%	\$2,735.79	(\$165.75)	-5.71%
25,000	0.00%	\$2,924.90	\$2,974.14	\$49.24	1.68%	\$2,757.74	(\$167.16)	-5.72%
25,200	0.00%	\$2,948.26	\$2,997.92	\$49.66	1.68%	\$2,779.69	(\$168.57)	-5.72%
25,400	0.00%	\$2,971.64	\$3,021.71	\$50.07	1.68%	\$2,801.65	(\$169.99)	-5.72%
25,600	0.00%	\$2,995.00	\$3,045.49	\$50.49	1.69%	\$2,823.61	(\$171.39)	-5.72%
25,800	0.00%	\$3,018.38	\$3,069.28	\$50.90	1.69%	\$2,845.57	(\$172.81)	-5.73%
26,000	0.00%	\$3,041.74	\$3,093.06	\$51.32	1.69%	\$2,867.52	(\$174.22)	-5.73%
26,200	0.00%	\$3,065.10	\$3,116.84	\$51.74	1.69%	\$2,889.47	(\$175.63)	-5.73%
26,400	0.00%	\$3,088.48	\$3,140.63	\$52.15	1.69%	\$2,911.43	(\$177.05)	-5.73%
26,600	0.00%	\$3,111.84	\$3,164.41	\$52.57	1.69%	\$2,933.39	(\$178.45)	-5.73%
26,800	0.00%	\$3,135.22	\$3,188.20	\$52.98	1.69%	\$2,955.35	(\$179.87)	-5.74%
27,000	0.00%	\$3,158.58	\$3,211.98	\$53.40	1.69%	\$2,977.30	(\$181.28)	-5.74%
27,200	0.00%	\$3,181.95	\$3,235.77	\$53.82	1.69%	\$2,999.26	(\$182.69)	-5.74%
27,400	0.00%	\$3,205.32	\$3,259.55	\$54.23	1.69%	\$3,021.21	(\$184.11)	-5.74%
27,600	0.00%	\$3,228.68	\$3,283.33	\$54.65	1.69%	\$3,043.17	(\$185.51)	-5.75%
27,800	0.00%	\$3,252.06	\$3,307.12	\$55.06	1.69%	\$3,065.13	(\$186.93)	-5.75%
28,000	0.00%	\$3,275.42	\$3,330.90	\$55.48	1.69%	\$3,087.08	(\$188.34)	-5.75%
28,200	0.00%	\$3,298.79	\$3,354.69	\$55.90	1.69%	\$3,109.04	(\$189.75)	-5.75%
28,400	0.00%	\$3,322.16	\$3,378.47	\$56.31	1.69%	\$3,130.99	(\$191.17)	-5.75%
28,600	0.00%	\$3,345.52	\$3,402.25	\$56.73	1.70%	\$3,152.95	(\$192.57)	-5.76%
28,800	0.00%	\$3,368.90	\$3,426.04	\$57.14	1.70%	\$3,174.91	(\$193.99)	-5.76%
29,000	0.00%	\$3,392.26	\$3,449.82	\$57.56	1.70%	\$3,196.86	(\$195.40)	-5.76%
29,200	0.00%	\$3,415.63	\$3,473.61	\$57.98	1.70%	\$3,218.82	(\$196.81)	-5.76%
29,400	0.00%	\$3,439.00	\$3,497.39	\$58.39	1.70%	\$3,240.77	(\$198.23)	-5.76%
29,600	0.00%	\$3,462.37	\$3,521.18	\$58.81	1.70%	\$3,262.74	(\$199.63)	-5.77%
29,800	0.00%	\$3,485.74	\$3,544.96	\$59.22	1.70%	\$3,284.69	(\$201.05)	-5.77%
30,000	0.00%	\$3,509.10	\$3,568.74	\$59.64	1.70%	\$3,306.64	(\$202.46)	-5.77%

UE 399 / PacifiCorp  
May 6, 2022  
CUB Data Request 5

## **CUB Data Request 5**

VRET Condition 7 in Order No. 21-091 at 12states:

The regulated utility may own a voluntary renewable resource, but may not include any voluntary energy resource in its general rate base. It may recover a return on and return of its investment in the voluntary renewable energy resource from the subscriber; however, the utility must share some of the return on investment with other utility customers for ratepayer-funded assets used to assist the voluntary renewable offering.

Refer to UE 399/PAC/800/Anderson/20/Lines 15-17, the Company states that it designed the ACT to comply with the requirement established by the Commission.

Refer to UE 399/PAC/800/Anderson/22-23, the Company states:

“Prior to considering Company-owned resources for participation in the ACT program, PacifiCorp will identify the specific account for the resource in a filing with the Commission, including a mechanism to share any return on investment associated with owned resources in the ACT program with other customers or why the accounting protections are sufficient so that other customers are not harmed and sharing would not be appropriate.”

Please provide a narrative explanation regarding why PacifiCorp believes its statement in PAC/800/Anderson/22-23 referenced above complies with VRET Condition 7.

## **Response to CUB Data Request 5**

PacifiCorp does not anticipate leveraging Company-owned renewable resources to satisfy the initial customer demand in the Schedule 273 Accelerated Commitment Tariff (ACT) program. Should that expectation change based on customer demand and the results of the 2022 All Source Request for Proposals (2022AS RFP), PacifiCorp will develop a proposed accounting mechanism for that resource and seek preliminary approval of that mechanism from the Public Utility Commission of Oregon (OPUC).

Outside of a Company-owned renewable resource, it is unclear the extent that customer-funded assets will be used to assist the voluntary renewable offering with a degree of certainty that could be used to adjust capital recovery mechanisms. As a cost of service plus program, ACT participants are sharing the costs of customer funded assets that are in service through their participation in

Despite PacifiCorp's diligent efforts, certain information protected from disclosure by the attorney-client privilege or other applicable privileges or law may have been included in its responses to these data requests. PacifiCorp did not intend to waive any applicable privileges or rights by the inadvertent disclosure of protected information, and PacifiCorp reserves its right to request the return or destruction of any privileged or protected materials that may have been inadvertently disclosed. Please inform PacifiCorp immediately if you become aware of any inadvertently disclosed information.

UE 399 / PacifiCorp  
May 6, 2022  
CUB Data Request 5

the cost of service schedule. Specific assets developed in direct response to a customer's participation in the ACT program that are not directly assigned to that customer, would need to be evaluated independently. The accounting treatment would be fact specific. The reason for the customer exemption and the amount that the use of the resource is shared with all customers would need to be considered in any sharing of return on investment.

Thus, a specific proposal on accounting treatment would need to be developed when there are facts that can be evaluated.

UE 399 / PacifiCorp  
April 21, 2022  
OPUC Data Request 317

### **OPUC Data Request 317**

**VRET** - Please explain whether the energy and capacity credit can exceed the PPA price and whether PAC's VRET program can result in a net reduction in energy costs for participants.

### **Response to OPUC Data Request 317**

No, the proposed Accelerated Commitment Tariff (ACT) program can not result in a net reduction in energy costs for a participant. The ACT program participant will pay cost of service (COS) rates plus all ACT program administrative costs as well as the power purchase agreement (PPA) price. In the unlikely scenario where the addition of a resource would provide benefits to the system in excess of the PPA plus administrative costs of ACT participation, and yet was still not selected as a system resource, PacifiCorp would limit the customer credit to not exceed the total costs.



**CUB'S RATESPREAD PROPSAL - UE 399**  
**ESTIMATED EFFECT OF PROPOSED PRICE CHANGE**  
**ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS**  
**DISTRIBUTED BY RATE SCHEDULES IN OREGON**  
**FORECAST 12 MONTHS ENDED DECEMBER 31, 2023**

Line No.	Description	Pre Sch	Pro Sch	No. of Cust	MWh	Present Revenues (\$000)			Proposed Revenues (\$000)			Change				Line No.
		No.	No.			Base Rates	Adders <sup>1</sup>	Net Rates	Base Rates	Adders <sup>1</sup>	Net Rates	Base Rates (\$000)	% <sup>2</sup> (13)	Net Rates (\$000)	% <sup>2</sup> (15)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
								(6) + (7)			(9) + (10)	(9) - (6)	(12)/(6)	(11) - (8)	(14)/(8)	
<b><u>Residential</u></b>																
1	Residential	4	4	535,059	5,633,856	\$597,063	\$9,738	\$606,801	\$672,026	(\$14,592)	\$657,434	\$74,963	12.6%	\$50,633	8.34%	1
2	<b>Total Residential</b>			535,059	5,633,856	\$597,063	\$9,738	\$606,801	\$672,026	(\$14,592)	\$657,434	\$74,963	12.6%	\$50,633	8.34%	2
<b><u>Commercial &amp; Industrial</u></b>																
3	Gen. Svc. < 31 kW	23	23	84,329	1,137,011	\$124,438	\$1,015	\$125,453	\$137,202	(\$1,285)	\$135,918	\$12,764	10.3%	\$10,465	8.34%	3
4	Gen. Svc. 31 - 200 kW	28	28	10,462	1,992,271	\$163,732	\$9,197	\$172,929	\$162,390	\$14,444	\$176,834	(\$1,342)	-0.8%	\$3,905	2.26%	4
5	Gen. Svc. 201 - 999 kW	30	30	797	1,281,581	\$94,197	\$4,696	\$98,893	\$91,981	\$9,150	\$101,132	(\$2,216)	-2.4%	\$2,239	2.26%	5
6	Large General Service >= 1,000 kW	48	48	190	3,555,464	\$224,400	(\$15,394)	\$209,007	\$220,316	\$1,209	\$221,524	(\$4,085)	-1.9%	\$12,518	5.90%	6
7	Partial Req. Svc. >= 1,000 kW	47	47	6	29,109	\$3,974	(\$120)	\$3,854	\$3,782	\$104	\$3,886	(\$192)	-1.9%	\$32	5.90%	7
8	Dist. Only Lg Gen Svc >= 1,000 kW	848	848	1	0	\$1,805	\$10	\$1,815	\$1,374	\$0	\$1,374	(\$432)	-23.9%	(\$441)	-24.3%	8
9	Agricultural Pumping Service	41	41	7,997	263,565	\$29,194	(\$3,645)	\$25,549	\$34,768	(\$6,497)	\$28,271	\$5,574	19.1%	\$2,722	10.7%	9
10	<b>Total Commercial &amp; Industrial</b>			103,782	8,259,000	\$641,740	(\$4,241)	\$637,499	\$651,812	\$17,126	\$668,938	\$10,072	1.6%	\$31,439	4.9%	10
<b><u>Lighting</u></b>																
11	Outdoor Area Lighting Service	15	15	5,809	8,260	\$915	\$74	\$989	\$809	\$203	\$1,012	(\$106)	-11.6%	\$22	2.26%	11
12	Street Lighting Service Comp. Owned	51	51	1,108	23,893	\$3,498	\$387	\$3,885	\$3,090	\$882	\$3,973	(\$407)	-11.7%	\$88	2.26%	12
13	Street Lighting Service Cust. Owned	53	53	314	11,452	\$657	\$210	\$867	\$586	\$300	\$886	(\$71)	-10.7%	\$20	2.26%	13
14	Recreational Field Lighting	54	54	102	1,141	\$82	\$27	\$108	\$73	\$38	\$111	(\$9)	-11.1%	\$2	2.26%	14
15	<b>Total Public Street Lighting</b>			7,333	44,746	\$5,151	\$698	\$5,849	\$4,558	\$1,424	\$5,981	(\$593)	-11.5%	\$132	2.3%	15
16	<b>Subtotal</b>			646,174	13,937,602	\$1,243,954	\$6,196	\$1,250,150	\$1,328,396	\$3,958	\$1,332,354	\$84,442	6.8%	\$82,204	6.6%	16
17	Employee Discount			966	13,030	(\$341)	(\$6)	(\$346)	(\$383)	\$8	(\$383)	(\$42)		(\$36)		17
18	AGA Revenue					\$3,521		\$3,521	\$3,521		\$3,521	\$0		\$0		18
19	COOC Amortization					\$1,767		\$1,767	\$1,767		\$1,767	\$0		\$0		19
20	<b>Total Sales with AGA</b>			646,174	13,937,602	\$1,248,901	\$6,190	\$1,255,091	\$1,333,301	\$3,966	\$1,337,259	\$84,400	6.8%	\$82,168	6.6%	20

<sup>1</sup> Excludes effects of the Low Income Bill Payment Assistance Charge (Sch. 91), BPA Credit (Sch. 98), Public Purpose Charge (Sch. 290) and System Benefits Charge (Sch. 291).

<sup>2</sup> Percentages shown for Schedules 48 and 47 reflect the combined rate change for both schedules