

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 471

In the Matter of

PACIFICORP, dba PACIFIC POWER,

2025 Power Cost Adjustment Mechanism.

ORDER

DISPOSITION: STIPULATION ADOPTED

I. SUMMARY

In this order, we adopt a stipulation addressing PacifiCorp's 2025 Power Cost Adjustment Mechanism (PCAM) and resolving all issues in the case as submitted by PacifiCorp, dba Pacific Power and Staff of the Public Utility Commission of Oregon (collectively, the stipulating parties). The adoption of the stipulation results in no change to existing rates.

II. PROCEDURAL HISTORY AND BACKGROUND

In Order No. 12-493, we approved the PCAM to allow PacifiCorp to recover the difference between actual net power costs (NPC) incurred to serve customers and the base NPC established in PacifiCorp's annual transition adjustment mechanism (TAM) filing. The amount recovered from or refunded to customers for a given year is subject to the following parameters:

1. Asymmetrical Deadband. Any variance between negative \$15 million and positive \$30 million will be absorbed by the company.
2. Sharing Mechanism. Any NPC variance above or below the deadband will be shared 90 percent by customers and 10 percent by the company.
3. Earnings Test. If PacifiCorp's earned return on equity (ROE) is within plus or minus 100 basis points of the allowed ROE, there will be no recovery from or refund to customers.

4. Amortization Cap. The amortization of deferred amounts is capped at six percent of revenues for the preceding calendar year.¹

On May 15, 2026, PacifiCorp filed its 2025 PCAM, indicating actual 2025 PCAM costs were less than base PCAM costs established in the 2025 TAM (docket UE 434) by approximately \$30.8 million on an Oregon-allocated basis.² PacifiCorp's witness stated that, after application of the deadband, sharing band, and earnings test, the result is a zero balance for the calendar year 2025 deferral period recovery for the 2025 PCAM, and thus the company did not request a rate change to Schedule 206.³

III. STIPULATION

On July 21, 2026, the parties filed a stipulation and supporting joint testimony. The stipulating parties agree that no rate change is appropriate. The stipulation is attached as Appendix A.

IV. RESOLUTION

We review the terms of any stipulation for reasonableness and accord with the public interest. We have reviewed PacifiCorp's 2025 Power Cost Adjustment Mechanism filing, the company's supporting testimony, the terms of the stipulation and the joint supporting testimony. We find that the stipulation represents a reasonable resolution of this docket and that it will result in fair, just, and reasonable rates. We determine that the stipulation contributes to an overall settlement in the public interest. Accordingly, we adopt the stipulation.

¹ Stipulation at 1-2 (citing *In the Matter of PacifiCorp dba Pacific Power's Request for a General Rate Revision*, Docket No. UE 246, Order No. 12-493 at 15 (Dec. 20, 2012)).

² Stipulation at 2.

³ PAC/100, Painter/4.

V. ORDER

IT IS ORDERED that the stipulation between PacifiCorp, dba Pacific Power, and Staff of the Public Utility Commission of Oregon, filed July 21, 2026, attached as Appendix A, is adopted.

Made, entered, and effective Sep 01 2026.



Letha Tawney
Chair



Les Perkins
Commissioner



Karin Power
Commissioner



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

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UE 471

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

2025 Power Cost Adjustment Mechanism

STIPULATION

INTRODUCTION

1. PacifiCorp d/b/a Pacific Power and the Public Utility Commission of Oregon (Commission) Staff (collectively, the Stipulating Parties) enter into this Stipulation to resolve all issues in Docket UE 471, PacifiCorp's 2025 power cost adjustment mechanism (PCAM). No other party has intervened in this proceeding.

BACKGROUND

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

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

- If the company's earned return on equity (ROE) is within plus or minus 100 basis points of the allowed ROE, there is no recovery from or refund to customers.
- A surcharge is capped at the amount that brings the earnings level up to, but not above, authorized ROE minus 100 basis points; if earned ROE already equals or exceeds that threshold, no surcharge is collected.
- A refund is capped at the amount that brings the earnings level down to, but not below, authorized ROE plus 100 basis points; if earned ROE already equals or falls below that threshold, no refund is issued.
- Amortization Cap – The amortization of deferred amounts is capped at six percent of the revenue for the preceding calendar year.¹

3. On May 15, 2026, PacifiCorp filed its PCAM for calendar year 2025. Attachment A to this Stipulation is a summary of the company's PCAM calculation. On an Oregon-allocated basis, actual PCAM costs were less than base PCAM costs established in the 2025 TAM (Docket UE 434), by approximately \$30.8 million.

4. After applying the deadband, sharing band, and earnings test, the 2025 PCAM balance is zero.

5. The Stipulating Parties held a settlement conference on July 7, 2026. These communications resulted in an agreement that no rate change is appropriate in this docket.

AGREEMENT

6. The Stipulating Parties agree that PacifiCorp's PCAM calculation for calendar year 2025, as set forth in the company's initial filing and summarized above, complies with

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

Order No. 12-493 and results in no change to existing rates.

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

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

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

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

11. This Stipulation is not enforceable by any Stipulating Party unless and until adopted by the Commission in a final order. Each signatory to this Stipulation avers that they are signing

this Stipulation in good faith and that they intend to abide by the terms of this Stipulation unless and until the Stipulation is rejected or adopted only in part by the Commission. The Stipulating Parties agree that the Commission has exclusive jurisdiction to enforce or modify the Stipulation. If the Commission rejects or modifies this Stipulation, the Stipulating Parties reserve the right to seek reconsideration or rehearing of the Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the Commission order under ORS 756.610.

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

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

PACIFICORP

STAFF of the PUBLIC UTILITY
COMMISSION OF OREGON

By:  _____

Rick Link

By: /s/ Betsy Bridge _____

Betsy Bridge

Date: July 21, 2026 _____

Date: July 21, 2026 _____