ORDER NO. 26-392

ENTERED Oct 27 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 469

In the Matter of PACIFICORP, dba PACIFIC POWER, 2027 Transition Adjustment Mechanism.	ORDER

DISPOSITION: STIPULATION ADOPTED

I. SUMMARY

In this order, we adopt the parties' stipulated agreement on PacifiCorp, dba Pacific Power's 2027 Transition Adjustment Mechanism (TAM). The TAM is PacifiCorp's annual filing to update its net variable power costs (NPC) in rates and to set the transition adjustments for customers who choose direct access during the open enrollment window in November of each year.

The stipulation reflects the agreement of PacifiCorp, Staff of the Public Utility Commission of Oregon (Staff), Alliance of Western Energy Consumers (AWEC), and Calpine Energy Solutions, LLC.[1] No other parties participated in these proceedings. The stipulation is attached to this order as Appendix A.

II. BACKGROUND AND PROCEDURAL HISTORY

On April 1, 2026, PacifiCorp filed its 2027 TAM with proposed tariff sheets to be effective January 1, 2027. PacifiCorp's forecast NPC consists of the sum of fuel expenses, wholesale purchase power expenses, allowances, and wheeling expenses, less wholesale sales revenue. The TAM also includes a forecast for other revenues related to NPC, Energy Imbalance Market (EIM) benefits and costs, and production tax credits (PTCs).

PacifiCorp's initial filing reflected an Oregon-allocated NPC of $506 million, assuming that the sale of PacifiCorp's Washington-based assets closes on April 1, 2027. When

[1] Collectively, these entities are referred to as the stipulating parties.

adjusted for forecasted load changes and PTCs, this represented a total overall rate decrease of approximately 2.8 percent, or $55.7 million (Oregon-allocated). PacifiCorp updated its NPC forecast during these proceedings to reflect a reduced Oregon-allocated NPC of $490 million.

After multiple rounds of testimony and settlement meetings, the parties reached an agreement resolving all issues in this docket, and the stipulating parties filed a stipulation and supporting testimony on September 25, 2026.

III. STIPULATION

The stipulation establishes baseline 2027 NPC in rates, subject to the final update to be filed in November 2026, consistent with the TAM guidelines, and an additional update if and when the sale of PacifiCorp's Washington assets close. The stipulation also includes the stipulating parties' agreement on methods by which the updates will be prepared and other provisions.

The stipulating parties agree that the forecast in PacifiCorp's TAM reply update is reasonable, subject to other provisions of the stipulation. The stipulating parties agree that 2027 NPC and PTCs will be updated in a two-step process. For the time period in 2027 before the later of the closing of the sale of PacifiCorp's Washington assets or PacifiCorp's general rate case rate effective date, NPC and PTCs will be calculated based on the November 2026 final update and the current state of affairs with no consideration given to the proposed Washington sale.[2] TAM rates made effective on January 1, 2027, would remain in effect until the Washington sale closes, or the rates from PacifiCorp's general rate case become effective, whichever is later.

For the time period in 2027 following the later of the closing of the Washington sale or the 2026 PacifiCorp general rate case effective date, NPC and PTCs would be calculated based on the generation and transmission resource mix existing after the sale and the interstate allocation methodology adopted by the Commission in PacifiCorp's general rate case. These post-sale rates would reflect the impact of PacifiCorp's Washington sale consistent with the outcome of the company's general rate case. The stipulating parties agree that they will not relitigate NPC generally in the pending 2026 general rate case, but rather only the reallocation of resources after the Washington sale.

[2] The parties state they anticipate the sale of PacifiCorp's Washington assets to close on or around April 1, 2027, and that the rates resulting from PacifiCorp's general rate case in docket UE 470 will go into effect on April 5, 2027.

The stipulation also includes PacifiCorp's agreement to file a notice with the Commission regarding its Rock Creek II wind generation facility if a higher queued interconnection results in commercial operation and if the provisional interconnection service provided to the facility requires a revision to its maximum permissible output.

The stipulating parties also agree that PacifiCorp will eliminate the Consumer Opt-Out Charge and use the spreadsheet approach for direct access as contemplated by Order No. 26-153.

Rates approved by the stipulation would go into effect on January 1, 2027. Although the stipulation is anticipated to result in a rate decrease, the stipulating parties agree that in the event that the 2027 TAM results in a rate increase, the rate effective date for residential customers will be April 1, 2027, and that the Commission's modified blended treasury rate plus 100 basis points would be applied to the deferred residential rate increase. Further, the stipulating parties agree that PacifiCorp will host a workshop by March 2027 to present a permanent proposal to move the rate effective date for residential customers under the annual TAM adjustment because of the winter moratorium in ORS 757.210(7).

The stipulation states that without considering the impact of the Washington sale, NPC is $32.73/MWh, subject to the November 2026 final update. The stipulating parties state that the stipulation should be adopted because it results in a TAM decrease of approximately $68.5 million (Oregon-allocated), ensures that any rate impacts resulting from the Washington sale are considered together in PacifiCorp's 2026 general rate case, addresses Staff's concerns about Rock Creek II deliverability, and ensures compliance with the rate setting requirements included in House Bill 3179 (2025).[3] As a result of the stipulation and subject to the November 2026 final update, the rates effective on January 1, 2027 would reflect a decrease of $68.5 million to Oregon-allocated NPC, or a rate decrease of approximately 3.5 percent.

The stipulating parties agree that the rate change resulting from the stipulation results in rates that are fair, just, and reasonable. The stipulating parties agree that the stipulation represents a compromise among competing interests and a resolution of the contested issues in these proceedings. No party opposes the stipulation.

[3] Stipulating Parties/100, Zacharia, Dyck, Kaufman, Bieber/17.

IV. RESOLUTION

Under OAR 860-001-0350, the Commission may adopt, reject, or propose to modify a stipulation. In reviewing a stipulation, we review to determine whether the overall result of the stipulation results in fair, reasonable, and just rates. We review settlements on a holistic basis to determine whether they serve the public interest and result in just and reasonable rates.

Here, we have reviewed the unopposed stipulation and supporting testimony and we adopt the stipulation as presented. We find that the stipulation is a reasonable resolution of the issues raised by the parties regarding the 2027 TAM. We find that the terms of the stipulation are supported by sufficient evidence, appropriately resolve issues in this proceeding, and will result in fair, just, and reasonable rates. We determine that the stipulation contributes to an overall settlement in the public interest.

V. ORDER

IT IS ORDERED that:

1. The stipulation between PacifiCorp, dba Pacific Power; Staff of the Public Utility Commission of Oregon; the Alliance of Western Energy Consumers; and Calpine Energy Solutions, LLC, attached as Appendix A, is adopted.

2. Advice No. 26-010 is permanently suspended.

3. PacifiCorp, dba Pacific Power, shall update its net power costs to reflect the stipulation and its final update to establish its Transition Adjustment Mechanism NPC for the calendar year 2027, filing tariffs to be effective January 1, 2027.

4. PacifiCorp, dba Pacific Power, shall file updated tariffs incorporating any update resulting from the sale of the company's Washington assets as provided in the stipulation to be effective from the later of the date the Washington sale closes or the 2026 PacifiCorp general rate case rate effective date.

Made, entered, and effective Oct 27, 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.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UE 469

In the Matter of PACIFICORP d/b/a PACIFIC POWER, 2027 Transition Adjustment Mechanism.	**STIPULATION**

The Transition Adjustment Mechanism (TAM) is an annual filing by PacifiCorp d/b/a Pacific Power to update its net power costs (NPC) in rates and set the transition adjustments for direct access customers. This Stipulation resolves all issues in this docket, the 2027 TAM, among the stipulating parties.

PARTIES

1. The parties to this Stipulation are PacifiCorp, Public Utility Commission of Oregon (Commission) Staff (Staff), the Alliance of Western Energy Consumers (AWEC), and Calpine Energy Solutions, LLC (Calpine Solutions) (collectively, the Stipulating Parties). No other parties intervened in the 2027 TAM.

BACKGROUND

2. On April 1, 2026, PacifiCorp filed its 2027 TAM with Direct Testimony and exhibits from Isaiah M.R. Zacharia, Jayson D. Branch, and Judith M. Ridenour. PacifiCorp also filed revised tariff sheets for Schedule 201 to implement the 2027 TAM. The company filed the 2027 TAM prior to its current general rate case in docket UE 470 (2026 GRC) and proposed that new rates become effective on January 1, 2027.

3. PacifiCorp's 2027 TAM filing proposed updates to NPC in rates and test period forecasts for renewable energy production tax credits (PTCs).

4. PacifiCorp's April 1, 2026, TAM filing (Initial Filing) reflected total-company NPC for the test period (the 12 months ending December 31, 2027) of approximately $2.122 billion assuming that PacifiCorp's sale of its Washington service area and certain Washington-based assets (Washington Sale) closes April 1, 2027.[1] On an Oregon-allocated basis, NPC in the Initial Filing were approximately $506 million under this same assumption.[2] This amount was approximately $30.4 million lower than the Oregon-allocated NPC from the Final Update in the 2026 TAM in docket UE 450 and $38.1 million lower when adjusted for forecasted load changes and PTCs.[3] The Initial Filing reflected an overall average rate decrease of approximately 2.8 percent for Oregon customers, or $55.7 million (Oregon-allocated).[4]

5. On April 16, 2026, AWEC filed a petition to intervene. On April 22, 2026, Calpine Solutions filed a petition to intervene. On April 24, 2026, the Administrative Law Judge (ALJ) adopted a procedural schedule, and subsequently, on April 28, 2026, the ALJ granted both petitions to intervene.

6. On June 18, 2026, Staff, AWEC, and Calpine Solutions filed Opening Testimony.

7. On July 22, 2026, PacifiCorp filed Reply Testimony from Isaiah M.R. Zacharia, Jayson D. Branch, Travis R. Walker, and Judith M. Ridenour, along with an updated NPC forecast (Reply Update). The Reply Update reflected total-company NPC for the test period of approximately $2.071 billion assuming the Washington Sale closes April 1, 2026.[5] On an Oregon-allocated basis, NPC in the Reply Update were approximately $490 million adjusted for forecasted load changes and PTCs and under this same assumption.[6] This amount was

[1] PAC/100, Zacharia/4. The total-company NPC were approximately $2.254 billion assuming the status quo, i.e., no Washington Sale. PAC/100, Zacharia/4.
[2] Exhibit PAC/101.
[3] PAC/100, Zacharia/7.
[4] PAC/100, Zacharia/7.
[5] PAC/400, Zacharia/8.
[6] PAC/400, Zacharia/4.

approximately $15 million lower than the Oregon-allocated NPC from the Initial Filing and $71 million lower than the Oregon-allocated NPC from the 2026 TAM Final Update.[7] The Reply Update reflected an overall average NPC decrease of approximately 12.7 percent relative to the 2026 TAM.[8]

8. On August 13, 2026, Staff filed Rebuttal and Cross-Answering Testimony. The other intervening parties did not file Rebuttal and Cross-Answering Testimony.

9. On August 27, 2026, PacifiCorp filed Surrebuttal Testimony from Isaiah M.R. Zacharia, Travis R. Walker, and Judith M. Ridenour.

10. On September 1, 2026, PacifiCorp filed a Joint Issues List and on September 2, 2026, PacifiCorp, Staff, AWEC, and Calpine Solutions filed Position Statements and Cross-Examination Statements. Each Stipulating Party waived cross-examination and on September 3, 2026, the Commission cancelled the hearing that was scheduled for September 10, 2026.

11. The parties convened settlement conferences on August 4, 2026, August 10, 2026, and September 1, 2026. After parties exchanged settlement offers, the Stipulating Parties reached a settlement in principle that resolved all issues in the 2027 TAM on September 8, 2026. The Stipulating Parties informed the Commission of this settlement and moved to vacate the procedural schedule on September 10, 2026.

12. The settlement establishes the baseline, initial 2027 NPC for rates, subject to the Final Update and an additional, later update, as described below. The terms of the settlement are captured in this Stipulation.

[7] PAC/400, Zacharia/1.
[8] PAC/400, Zacharia/1.

AGREEMENT

13. Overall Agreement: 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 the rate change resulting from the Stipulation results in rates that are fair, just, and reasonable, as required by ORS 756.040.

14. Washington Sale: The Stipulating Parties agree to the following:

a. 2027 NPC and PTCs will be updated through a two-step process:

i. For the time period in 2027 that precedes the later of the closing of the Washington Sale (anticipated to be on or around April 1, 2027) or the general rate case (docket UE 470) (2026 GRC) rate effective date (April 5, 2027) (hereinafter, pre-Sale), NPC and PTCs will be calculated based on the current status quo (i.e., assuming the current pre-Sale generation and transmission resources and interstate allocations). The TAM rates that will be made effective January 1, 2027, will be calculated without consideration of the impact of the Washington Sale, and those rates will remain in effect until the Washington Sale closes or the rates from the 2026 GRC become effective, whichever is later.[9] Based on the Reply Update but without considering the impact of the Washington Sale, the pre-Sale NPC is $32.73/MWh, subject to the Final Update.

ii. For the time period in 2027 that follows the later of the closing of the Washington Sale or the 2026 GRC rate effective date (hereinafter, post-Sale), NPC and PTCs will be calculated based on the generation and transmission resource mix existing post-Sale and

[9] For the avoidance of doubt, this Settlement neither presupposes any outcome nor reflects the position of any Stipulating Party in any other regulatory proceeding concerning the Washington Sale. Rather, the Settlement establishes a framework for updating NPC and PTCs based on the outcomes of the relevant regulatory proceedings concerning the Washington Sale. If the Washington Sale does not close, then, solely for purposes of determining the end of the pre-Sale period under this Settlement, the effective date of rates established in the 2026 GRC will be treated as the later of the two specified events.

the interstate allocation methodology adopted by the Commission in the 2026 GRC. Starting from later of the date the Washington Sale closes or the 2026 GRC effective date to the end of 2027, the TAM rates will reflect the impact of the Washington Sale, including the reallocation of assets, consistent with the outcome of the 2026 GRC.

1. To effectuate this post-Sale update, PacifiCorp will update only the change in resource mix and allocation of resources resulting from the Washington Sale (i.e., PacifiCorp will not make an update to the most recent Official Forward Price Curve (OFPC), new contracts, or any other elements that are included in the typical Final Update).

b. The Stipulating Parties agree that the 2026 GRC is not a forum to relitigate NPC generally. Rather, only the reallocation of resources associated with the Washington Sale will be addressed in the 2026 GRC, including how to quantify the NPC impact (both energy and capacity) of the allocation decision. For avoidance of doubt, this provision means that the Stipulating Parties agree to litigate in the 2026 GRC the NPC impact of reallocating (or not) incremental coal resources to Oregon. All the rate impacts associated with the Washington Sale will occur at the same time following the conclusion of the 2026 GRC and the closing of the Washington Sale.

c. This Stipulation does not preclude the Stipulating Parties from raising arguments regarding reallocation of resources resulting from the Washington Sale in the 2026 GRC.

15. Jurisdictional Deliverability Analysis: PacifiCorp agrees to file a notice with the Commission related to Rock Creek II if: (1) a higher queued interconnection request commences commercial operation; and (2) the provisional interconnection service provided to Rock Creek II

requires a revision to the maximum permissible output of the facility. This one-time notice will include the anticipated scale and length of the reduction.

16. Consumer Opt-Out Charge: PacifiCorp agrees to eliminate the Consumer Opt-Out Charge and use the spreadsheet approach for direct access as ordered by the Commission in Order No. 26-153.

17. Rate Effective Date: The rates approved by this Stipulation will be effective January 1, 2027. However, if the TAM Final Update results in an increase to residential rates, then the residential rate increase will occur on April 1, 2027. The Stipulating Parties agree that PacifiCorp can defer the residential rate increase and the interest rate applied to the deferral will be the Commission's modified blended treasury rate plus 100 basis points. In addition, PacifiCorp agrees to host a workshop by March 2027 to provide parties with its permanent proposal to move the rate effective date for residential customers as a result of the winter moratorium in ORS 757.210(7).

18. TAM Updates: The Stipulating Parties agree that PacifiCorp will file a Final Update to its 2027 TAM filing consistent with the TAM Guidelines. This is in addition to the post-Sale update.

19. Other Adjustments: The Stipulating Parties agree that this Stipulation represents a compromise among competing interests and a resolution of the contested issues in this proceeding. Any adjustment or recommendation to PacifiCorp's Initial Filing or Reply Update not required by the TAM Guidelines and not incorporated into this Stipulation directly or by reference are resolved without an adjustment or recommendation for the purposes of this proceeding.

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

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

22. 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, in accordance with 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 Stipulating Parties will meet in good faith within 15 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 Stipulating Parties. The Stipulating Parties shall be entitled to seek rehearing or reconsideration in accordance with OAR 860-001-0720 in any manner that is consistent with the agreement embodied in this Stipulation.

23. By entering into this Stipulation, no Stipulating Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation, other than those specifically identified in the body of this Stipulation. No Stipulating Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding, except as specifically identified in this Stipulation.

24. The Stipulating Parties agree to make best efforts: (1) to provide each other any and all news releases that any Stipulating Party intends to make about the Stipulation two business days in advance of publication, and (2) to include in any news release or announcement a statement that the Staff's recommendation to approve the settlement is not binding on the Commission itself.

25. 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 acknowledges 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 Commission rejects or adopts only in part the Stipulation. The Stipulating Parties agree that the Commission has exclusive jurisdiction to enforce or modify the Stipulation.

26. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

STAFF

By: */s/ Betsy Bridge*

Date: September 25, 2026

PACIFICORP

By: 

Date: September 25, 2026

ALLIANCE OF WESTERN ENERGY CONSUMERS

By: */s/ Sommer Moser*

Date: September 25, 2026

CALPINE ENERGY SOLUTIONS, LLC

By: */s/ Greg Adams*

Date: September 25, 2026