ORDER NO. 26-443

ENTERED Nov 13 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 463

In the Matter of PACIFICORP, dba PACIFIC POWER, Advice No. 25-015, Schedule 401 – Service to New Large Energy Use Facilities.	ORDER

DISPOSITION: STIPULATION ADOPTED

I. INTRODUCTION

In this order, we address the proposed large data center tariff of PacifiCorp, dba Pacific Power, submitted in response to House Bill (HB) 3546, the POWER Act, which directs the Commission to allocate or directly assign the costs of serving large data centers to those customers individually or as a class and mitigate the risk that other classes of customers are paying unwarranted costs.

Parties, including the company; Staff of the Public Utility Commission of Oregon; the Oregon Citizens' Utility Board (CUB); and environmental advocates, Community Energy Project, Climate Solutions, Oregon Environmental Council, and Sierra Club (the Coalition), have presented us with a stipulated agreement that addresses all open issues. Some parties oppose elements of the stipulation. The Data Center Coalition (DCC) seeks more flexibility or clarity and limits on some costs. NewSun LLC seeks changes to how large loads can interconnect with the system and Amazon Data Services, Inc. (ADS) does not oppose the stipulation but seeks clarity that the stipulation does not support overbuilding of resources.

We recognize several elements of the stipulation mirror decisions we made in docket UM 2377 earlier this year. We find that the stipulation is in the public interest and will result in just and reasonable rates. In particular, the stipulation is well suited to PacifiCorp's rural and dispersed service territory, adopting a direct contracting and direct assignment approach. It addresses the less direct impacts large customers can have on other customers by adopting a 1-cent per kilowatt-hour surcharge, akin to the charge

adopted for very large Portland General Electric customers in docket UM 2377. It also ensures that large data centers will not impede the state's emissions goals, as required by the POWER Act. Altogether, the stipulation creates a rate schedule that predictably assigns the costs created by large data centers to those customers while protecting other PacifiCorp customers.

II. BACKGROUND

On October 2, 2025, PacifiCorp filed tariff sheets in Advice No. 25-015 to be effective January 1, 2026. The filing sought to establish a new rate schedule, Schedule 401-Service to New Large Energy Use Facilities (LEUFs), and implement revisions to Schedule 47-Large General Service Partial Requirements 1,000 KW and Over Delivery Service; Schedule 48-Large General Service 1,000 KW and Over Delivery Service; and Schedule 90-Summary of Effective Rate Adjustments.

On October 31, 2025, ADS filed a petition requesting that the Commission suspend Schedule 401 and open a contested case hearing to investigate. According to ADS, "PacifiCorp's Tariff Filing [did] not accurately implement HB 3546 and raises a series of issues that require the Commission and stakeholders' evaluation."[1]

On November 10, 2025, PacifiCorp filed a response to ADS's petition, asking the Commission to approve Schedule 401 on an interim basis subject to investigation and revision, and for an expedited investigation process.

On November 17, 2025, the Alliance of Western Energy Consumers (AWEC) filed a motion to dismiss PacifiCorp's Schedule 401. AWEC contended that PacifiCorp's filing fails to meet the requirements of HB 3546 to include a cost-of-service rate option with actual stated rates. ADS supported AWEC's motion, but PacifiCorp opposed.

On December 16, 2025, we issued Order No. 25-516, in which we found good and sufficient cause to investigate the propriety and reasonableness of the tariff sheets under ORS 757.210 and 757.215. We concluded that a ten-month suspension was necessary to investigate this tariff filing and denied PacifiCorp's petition for interim rate schedules. We also denied AWEC's motion to dismiss, noting that the contested case investigation would address both timing concerns and the requirements of HB 3546 and other statues and rules.

[1] ADS Petition to Suspend Tariff Filing and Initiate Investigation and Contested Case Hearing at 2 (Oct. 31, 2025).

Numerous parties intervened in this proceeding. Parties filed four rounds of testimony. On August 19, 2026, PacifiCorp moved to suspend the procedural schedule, stating that it had reached a settlement in principle resolving all issues in this proceeding with Commission Staff and the Oregon Citizens' Utility Board (CUB). PacifiCorp also proposed a procedural schedule for consideration of the stipulation. On August 20, 2026, DCC filed a response to the proposed schedule requesting a 15-day period for responding to the stipulation and supporting testimony. In a ruling issued August 20, 2026, the Administrative Law Judge (ALJ) granted the motion to suspend the existing procedural schedule, but, noting the need for time for meaningful Commission review of the stipulation, declined to adopt PacifiCorp's proposed procedural schedule. Instead, the ALJ directed the parties to confer and jointly propose a schedule meeting certain criteria and directed PacifiCorp to confirm whether it would stipulate to an extension of the suspension period to accommodate the remaining process required.[2] On August 26, 2026, PacifiCorp stipulated to an extension of the suspension period through December 31, 2026, and proposed a new procedural schedule for submission and consideration of the stipulation. On August 31, 2026, the ALJ adopted the proposed procedural schedule.

On August 31, 2026, the Chief Administrative Law Judge issued Order No. 26-310, stipulating to the extension of the suspension in this proceeding until December 31, 2026.

On September 16, 2026, PacifiCorp; Staff; CUB; and Community Energy Project, Climate Solutions, Oregon Environmental Council, and Sierra Club (the Coalition) (collectively, Stipulating Parties) submitted a stipulation resolving all issues among the Stipulating Parties and indicating that AWEC, ADS, and Vitesse, LLC, do not oppose the stipulation. At the same time, the Stipulating Parties submitted joint testimony in support of the stipulation, and PacifiCorp filed a motion to admit the stipulation into the record.

On September 25, 2026, NewSun filed a petition to intervene in the proceeding. PacifiCorp objected to NewSun's petition on September 30, 2026. On October 7, 2026, the ALJ granted NewSun's petition to intervene subject to acceptance of the existing procedural schedule.

On October 1, 2026, DCC submitted a notice of opposition to the stipulation, and ADS and NewSun each filed comments on the stipulation.

[2] The Chief Administrative Law Judge is delegated the authority to stipulate with a utility under ORS 757.215(2) to extend a period of suspension. *In the Matter of Public Utility Commission of Oregon, The Delegation of Certain Duties and Powers of the Public Utility Commission of Oregon*, Docket No. CD 27, Order No. 25-408 (Oct. 15, 2025).

On October 16, 2026, the Stipulating Parties submitted a joint brief in response to the objection and comments.

III. LEGAL STANDARD

Under OAR 860-001-0350, the Commission may adopt, reject, or propose to modify a stipulation. If the Commission proposes to modify a stipulation, the Commission must explain the decision and provide the parties with sufficient opportunity on the record to present evidence and argument to support the stipulation.

We review settlements on a holistic basis to determine whether they serve the public interest and result in just and reasonable rates. A party may challenge a settlement by presenting evidence that the overall settlement results in something that is not compatible with a just and reasonable outcome. Where a party opposes a settlement, we will review the issues pursued by that party and consider whether the information and argument submitted by the party (which may be technical, legal, or policy information and argument) suggests that the settlement is not in the public interest, will not produce rates that are just and reasonable, or otherwise is not in accordance with the law. To support the adoption of a settlement, the stipulating parties must present evidence that the stipulation is in accord with the public interest, and results in just and reasonable rates.

In this case, we are also concerned with the standard set by the POWER Act, HB 3546 (2025), which sets out requirements with respect to the cost to serve "large energy use facilities," defined as "a facility that uses or is able to use 20 megawatts or more and is primarily engaged in providing a service described under the 2022 North American Industry Classification System Code 518210." The NAICS defines Code 518210 as "Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services." HB 3546 requires this Commission to provide for a "separate and distinct" classification of service under ORS 757.230, with its own tariff schedule, for LEUFs. Any such schedule adopted by the Commission must either "[a]llocate the costs of serving the class of large energy use facilities to the class in a manner that is equal or proportional to the costs of serving the class" or "[d]irectly assign the costs of serving a retail electricity consumer that is a large energy use facility to the retail electricity consumer." The rate schedule must mitigate the risk of unwarranted shifting of costs to serve a LEUF—including the electric company's costs to meet load requirements resulting from the provision of electricity service to the LEUF—to other classes of retail customers. In deciding whether to approve a proposed LEUF tariff schedule, we must consider whether the rates result in, or have the potential to result in, increased costs or unwarranted risk to other retail electricity consumers; whether they provide for equitable contributions to grid efficiency, reliability and resiliency benefits; whether they impede

the electric company's ability to meet the clean energy targets set forth in ORS 469A.4107 or reduce the emissions of greenhouse gases consistent with state policy; and whether they allow for procurement of, or contracts for, generation resources that support the electric company's ability to meet HB 2021's clean energy targets or reduce the emissions of greenhouse gases consistent with state policy, as well as whether they meet any other conditions we may require in the public interest.

An electric company providing service to a LEUF that either enters into a contract for electricity service with an electric company on or after June 16, 2025, or requires the electric company to make significant investments or incur costs after June 16, 2025, that could result in increased costs or risks to other retail electricity consumers of the electric company[3] must enter a contract with the LEUF that "covers the provision of the electricity service, including, as applicable, transmission, distribution, energy, capacity or ancillary electricity services."[4] The contract must meet several criteria, including, among others, that it specify the duration of the contract and be for at least ten years and that it obligate the retail electricity consumer to pay a minimum amount or percentage, as determined by the commission, based on the LEUF's projected electricity usage for the electricity services the electric company is contracted to provide for the duration of the contract. The contract may also include a charge for excess demand for the electricity services the electric company is contracted to provide that is in addition to the tariff schedule.

IV. STIPULATION

A. Definition of "New LEUF"

Paragraph 15 of the stipulation defines "New LEUF" as:

> [A] Large Energy Use Facility that has not entered into a contract for electric service with PacifiCorp before June 16, 2025, or has entered into a contract for electric service with PacifiCorp before June 16, 2025 for the provision of electricity service that requires PacifiCorp to make significant investments or incur significant costs after June 16, 2025 that could result in increased costs or risks to PacifiCorp's other retail electricity consumers.

The stipulation provides that "[a]ny customer contributions via a contribution in aid of construction (CIAC) that have been paid by the LEUF customer would not be included in any calculation used to determine this designation." It defines "significant investments or

[3] ORS 757.295(6).
[4] ORS 757.295(1)(a).

costs after June 16, 2025, that could result in increased costs or risks to PacifiCorp's other retail electricity consumers" as:

> [C]umulative investments of $10 million or more for any combination of the following components:
> a. New transmission facilities placed in service after June 16, 2025,
> b. New distribution facilities place[d] in service after June 16, 2025, and
> c. Generation and power purchase agreement costs placed in service after June 16, 2025, for a LEUF that has not entered into a Schedule 272 agreement with PacifiCorp before June 16, 2025.

The stipulation specifies that "significant investment" or "significant cost" does not include investments or costs incurred after June 16, 2025, to maintain, repair, renew, or replace facilities placed into service before June 16, 2025, and necessary to continue providing existing service, up to the contract demand in place on June 16, 2025.

In addition, the stipulation provides that the determination of whether the LEUFs presently engaged in a contested case proceeding (Contested LEUFs) concerning PacifiCorp's performance of its obligations under existing service agreements entered into before June 16, 2025 (Complaint Proceeding) are subject to Schedule 401 as a "New LEUF" shall be decided through the Complaint Proceeding and not application of the stipulation's definition. If the Commission declines to decide the issue or the Complaint Proceeding is resolved without resolution of this issue, paragraph 15 of the stipulation shall apply to the Contested LEUFs.

B. Increases in Contract Demand by Existing LEUFs

In the event that an existing LEUF that is not on Schedule 401 increases its contract demand by 10 MW or more, but does not meet the stipulation's definition of a New LEUF, paragraph 16 of the stipulation requires that PacifiCorp submit a study into this docket showing the impact of this increase on the system and what upgrades, if any, are required to accommodate the increase in contract demand.

C. Limitation on Usage

Paragraph 18 of the stipulation provides that New LEUFs that are already energized may not exceed their highest actual measured peak demand as of the day the Commission issues a final order in this proceeding until a LEUF Agreement is approved by the Commission.

D. LEUF Agreement Filing Timeline and Commission Approval

Pursuant to paragraph 19 of the stipulation, within 45 days after execution, a LEUF Agreement will be filed with the Commission for approval. If the parties have not executed a LEUF Agreement within 180 days of completion of the service study, either party may file an unexecuted LEUF Agreement and request Commission resolution of disputed terms.

Paragraph 20 of the stipulation provides that the Commission will have 90 days to approve or reject a standard LEUF Agreement, or 180 days to approve or reject a non-conforming LEUF Agreement. For either standard or non-standard contracts, the Commission may extend the review period for good cause. The stipulation states that in the filing seeking Commission approval, PacifiCorp will provide a description of how the contract structure is designed to avoid double-counting.

E. LEUF Agreement and Schedule 401 Terms

Paragraph 21 of the stipulation sets out terms that are to be included in each LEUF Agreement and reflected in Schedule 401, unless PacifiCorp and the LEUF agree to, and the Commission approves, a specialized structure.

1. Line Extension and Network Upgrade Costs

Paragraph 21(a) of the stipulation states that standard LEUF Agreements and Schedule 401 will require that PacifiCorp's Rule 13[5] applies to line extensions for New LEUFs, but that any Network Upgrades (as defined in Rule 13, including bulk transmission) required to serve the New LEUF's load will be paid for upfront by the New LEUF, unless following criteria are all met:

> i. The Network Upgrade is a transmission facility of 230 kV and above,
> ii. The Network Upgrade is utilized and defined as a transmission path or facility that is on the Western Electric Coordinating Council (WECC) critical path list, and
> iii. Less than 80 percent of the Network Upgrade's presently known capacity needs allocated to PacifiCorp are comprised of LEUF customer(s) demand.

[5] Pacific Power, Oregon Rule 13, Line Extensions (https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/rates-regulation/oregon/tariffs/rules/13_Line_Extensions.pdf).

If criteria (i) through (iii) are met, the Network Upgrade is a Qualified Network Upgrade. LEUFs will pay the share of costs related to Qualified Network Upgrades based on the proportion of the LEUF's usage of the Qualified Network Upgrade versus the total presently known capacity needs by PacifiCorp of the Qualified Network Upgrade. "Presently known capacity needs" are forecasted needs no more than five years in the future that are likely to prudently use a Network Upgrade.

The stipulation provides that multiple LEUFs may agree to share line extension, Network Upgrade, or Qualified Network Upgrade costs. Provided the LEUF makes all required payments related to the Network Upgrades, the stipulation calls for PacifiCorp to reserve sufficient transmission rights to provide electric service to meet the LEUF's contract demand.

Paragraph 21(b) of the stipulation states that Schedule 401 and standard LEUF Agreements will require that recovery of the LEUF's share of a Qualified Network Upgrade will be set as a monthly fee equal to the then-current revenue requirement for the assigned portion of the Qualified Network Upgrade. The revenue requirement for these assets will be calculated based on final actual costs as if the asset's depreciable life was equal to the remaining contract length of the customer's LEUF Agreement, and the rate of return will be PacifiCorp's Commission-approved rate of return. In the event of default by the LEUF, the stipulation provides that PacifiCorp may seek recovery of unrecovered Qualified Network Upgrade costs in a future Oregon rate case to the extent that it demonstrates that (i) PacifiCorp has not fully recovered the final actual costs through the combination of monthly fees and default collateral; (ii) continued operation of the Qualified Network Upgrade provides greater net benefits to PacifiCorp's Oregon customers than removal or sale of the Qualified Network Upgrade; and (iii) including these costs in other customers' rates will lead to fair, just, and reasonable rates.

Paragraph 21(c) of the stipulation states that standard LEUF Agreements will require the New LEUF to reimburse PacifiCorp for any actual third-party transmission service costs needed to serve the customer.

2. Hourly Energy Charge

Paragraph 21(d) of the stipulation requires that standard LEUF Agreements and Schedule 401 call for the New LEUF to pay an hourly energy charge equal to the Energy Day-Ahead Market (EDAM) Locational Marginal Price (LMP) at a node that both parties agree upon and is approved by the Commission.

3. Peak Demand Charge

Paragraph 21(e) of the stipulation provides that standard LEUF Agreements and Schedule 401 will subject the New LEUF to a Peak Demand Charge that is based on the customer's highest demand during the month to the nearest kilowatt equal to the sum of the following PacifiCorp Open Access Transmission Tariff (OATT) Schedule monthly rates: (i) Schedule 1; (ii) Schedule 3; and (iii) Network Integration Transmission Service (NITS). The stipulation states that the NITS charge will be updated with changes to pricing in the OATT and will be subject to the annual true-up of OATT rates. The stipulation requires PacifiCorp to utilize the Oregon-allocated portion of LEUF OATT-based revenues to lower the revenue requirement for other Oregon non-LEUF customers in any ratemaking proceeding when the revenue requirement from OATT revenue is considered.

4. HB 2021 and Small-scale Renewable Compliance

Paragraph 21(f) of the stipulation requires that each standard LEUF Agreement and Schedule 401 require PacifiCorp to analyze the generation and capacity resources necessary to serve the New LEUF's load without impeding PacifiCorp's compliance with HB 2021 or its small-scale renewable mandate from ORS 469A.210, with the analysis to be included in its filing for LEUF Agreement approval with the Commission. The stipulation further requires that any incremental resources PacifiCorp acquires for the purpose of serving a New LEUF be non-emitting. The stipulation states that the analysis used to support the LEUF Agreement will ensure that to the extent a New LEUF is served with existing, emitting resources, the New LEUF will be responsible for emissions reductions associated with electricity delivered to other Oregon PacifiCorp customers such that the New LEUF does not cause an increase in PacifiCorp's emissions or shift the costs of HB 2021 compliance onto other customer classes. Each LEUF Agreement will ensure that the New LEUF's load is served in a manner that does not harm PacifiCorp's resource adequacy position or impede its HB 2021 or small-scale renewable compliance positions for existing customers.

Paragraph 21(g) of the stipulation provides that Schedule 401 and each standard LEUF Agreement will require that in the event that PacifiCorp's legal requirements regarding emissions or its generation mix change in the future, the Stipulating Parties will reconvene to ensure that Schedule 401 does not impede PacifiCorp's ability to comply with the law.

5. Compensation for Generation and Storage Resources

Paragraph 21(h) of the stipulation states that Schedule 401 and each standard LEUF Agreement will require the New LEUF to compensate PacifiCorp for the full cost of all necessary generation and storage resources in one of two ways: (1) a Reservation Charge based on the Contract Demand and paid monthly during the term, which must be set to compensate all capital and maintenance costs of constructing and operating all of the necessary load interconnection facilities, network improvements associated with the designation of network load, the necessary generation and storage facilities to reliably serve the load and comply with Oregon emissions and small-scale renewable standards on a 24x7 basis without customer load flexibility, the resource and storage interconnection facilities, the network improvements associated with the designation of network resources, and the company's return on these investments at a rate that will prevent any subsidization from existing customers; or (2) where the LEUF dictates the resources to be used to serve it (Customer Resources) the sum of (i) direct reimbursement of the actual costs of the Customer Resources inclusive of capacity costs in $/kW-month, energy costs in $/MWh, costs associated with compensable curtailment of the Customer Resource, internal costs associated with procurement or management of third-party contracts and interconnection-related upgrades and improvements and network service-related upgrades and improvements; (ii) a Portfolio Risk Management Charge that will be based on Contract Demand and will be proportionate to the additional pass through agreements PacifiCorp is required to carry on its balance sheet and designed to avoid harming PacifiCorp's credit metrics; and (iii) a System Firming and Balancing Charge set at 33 percent of System Fixed Generation applicable to Schedule 48 less a generation credit applicable to Customer Generation priced at the EDAM LMP applicable to the hour of scheduled energy generation, net of all imbalance charges associated with variances between scheduled and actual generation amounts, and not to exceed the actual cost of energy from the Customer Resource.

6. Excess Demand

Paragraph 21(i) of the stipulation provides that Schedule 401 and each standard LEUF Agreement will state that the New LEUF is subject to the Schedule 300 Excess Demand Charge. PacifiCorp will provide an analysis in each of its Power Cost Adjustment Mechanism filings documenting the frequency and severity of LEUF excess demand events. In this analysis, the company will provide the number of excess demand events, the duration of the events, and the amount of excess demand per event by anonymized customer account for the prior year. Paragraph 21(j) of the stipulation provides that any Excess Demand greater than Contract Demand requires prior company approval and will

be subject to curtailment if needed to maintain system reliability, safety, or if it will risk unwarranted cost shifting to other customers.

7. Surcharges

Paragraph 21(k) of the stipulation requires that Schedule 401 and each standard LEUF Agreement require the New LEUF to pay all of the surcharges applicable to Schedule 401 at the same price applicable to Schedule 48 customers. The stipulation states that to achieve this, all surcharges will be calculated recursively so that the original rate spread is applied to a revenue requirement that accounts for the additional revenues raised by Schedule 401 customers. This will be done by subtracting the forecasted revenue from Schedule 401 from the original revenue requirement, then recursively solving for a set of rates that maintains the intended rate spread on the modified revenue requirement while keeping Schedule 401 rates equal to Schedule 48 rates.

Via Schedule 401 and each standard LEUF Agreement, paragraph 21(m) of the stipulation imposes an additional surcharge equal to (i) PacifiCorp's forecasted administrative and general expense included in the final cost of service study in its most recent general rate case divided by forecast energy sales from the general rate case; (ii) any charges that get folded into base rates that Schedule 401 LEUFs are eligible for; and (iii) any other shared costs the Commission deems appropriate. In between general rate case filings, this surcharge shall be adjusted annually by the Consumer Price Index until the rules for the Multi-Year Rate Plan are developed, at which time, this surcharge will be adjusted by the I-factor determined in those rules (if one is included). In addition, costs recovered through the Z-factor may be included in the surcharge if the Commission deems appropriate.

8. Exit Fee

Paragraph 21(l) of the stipulation states that Schedule 401 and each standard LEUF Agreement will subject New LEUFs to an Exit Fee that is set to recover infrastructure costs that are funded by PacifiCorp. The Exit Fee will include the net book value of company-funded infrastructure, the net cost of customer-specific power/tolling agreements, the Reservation Charge for the remainder of the customer's contract, and the net cost of removing facilities no longer needed. If another large customer takes service within three years of an exiting LEUF's departure, the Exit Fee will be refunded by a pro-rata share of the capacity assumed by the new large customer. No refund will be given for the net cost of removing facilities that served the exiting LEUF.

F. Flexibility

Paragraph 22 of the stipulation states that a LEUF Agreement may include provisions that account for demonstrated system benefits provided by interruptible service as detailed in paragraph 28. Paragraph 28, in turn, provides that PacifiCorp will propose a uniform flexibility compensation program based on avoided cost principles for New LEUF customers in its next General Rate Case or in its filing to establish a tariff for LEUFs not subject to Schedule 401, whichever is first. Since non-LEUF customers would compensate LEUF customers for flexibility, the analysis of the LEUF customer's resource need would not consider any assumed flexibility. An alternative compensation for flexibility could still be proposed as part of a non-standard LEUF Agreement filing.

G. Application Fee

Paragraph 23 of the stipulation imposes a $25,000 nonrefundable application fee as an offset to the costs of PacifiCorp's preparing the LEUF Agreement. Engineering studies are funded separately and are allocated fully to the New LEUF. The stipulation states that as part of any study agreement, the LEUF will agree to true-up PacifiCorp's costs of preparing and negotiating the LEUF Agreement to be recovered from the LEUF, regardless of whether the LEUF Agreement is ultimately executed.

H. Contract Term and Renewals

Paragraph 24 of the stipulation sets a minimum 10-year LEUF Agreement term, with a maximum term of 30 years, inclusive of any ramp period. Paragraph 31 provides that LEUF Agreement renewals will be at least 10 years in length.

I. LEUFs Not Subject to Schedule 401

Paragraph 25 of the stipulation requires that within 60 days of the rate effective date of docket UE 470, PacifiCorp will make a tariff filing to create a new rate class for LEUFs that are not subject to Schedule 401 that assigns the cost of serving such LEUFs to that class consistent with the POWER Act, including net power costs. The tariff filing will restate the revenue requirement from docket UE 470 with a new rate class allocation that includes the new rate class. This new tariff will use a similar structure to Schedule 48.

J. Community Energy Benefits Charge

Paragraph 26 of the stipulation imposes a 1 cent/kW charge on LEUFs over 100 MW to fund non-cost-effective energy efficiency, critical home repairs ("enabling repairs"), or

distributed energy resources for low-income customers in PacifiCorp's Oregon service territory. The stipulation provides that this charge will be set at 0 cents/kWh in the event the same charge ordered by the Commission for Portland General Electric Company (PGE) in docket UM 2377 is found to be unlawful by a court of competent jurisdiction, at the time the decision becomes final and not subject to appeal; and that the charge will revert back to 1 cent/kWh if, at some point thereafter, the Oregon Legislature fixes the legal infirmity identified by the court or otherwise allows for a substantially similar surcharge to be established. Rules governing the administration of any funds generated will be established within a separate docket.

K. Site Aggregation

Paragraph 27 of the stipulation imposes two criteria for purposes of determining whether a customer is eligible for Schedule 401: (1) If two or more sites have common ownership and are within 2,500 feet of each other or are served by the same substation, the sites will be treated as one for the purpose of capacity allocation and the qualification for a LEUF Agreement; and (2) data center customers with similar ownership that are located anywhere in PacifiCorp's territory must have their Contract Demand summed for the purposes of LEUF qualification.

L. Collateral and Credit Requirements

Paragraph 29 of the stipulation provides that a LEUF shall, at the company's election, be required to provide sufficient creditworthiness or post collateral to cover the customer's Exit Fee. The stipulation states that this determination will be made using the following credit requirements:

> a. The senior unsecured long term debt of a customer has a rating of A- or higher by Standard & Poor's or Fitch, A (low) or higher by DBRS, or A3 or higher by Moody's Investor Services, Inc.; provided that if an entity is rated by multiple credit rating agencies, the entity will be deemed to satisfy the Creditworthiness Requirements only if at least two of the foregoing standards are met, or
>
> b. If there is no such rating of the customer's senior unsecured long-term debt, the customer has an equivalent rating as determined by the utility through its standard internal process review.

The stipulation states that the amount will be reassessed every two years to reflect the customer's current Exit Fee.

M. Biennial Reporting

Paragraph 30 of the stipulation requires PacifiCorp to submit a report regarding its LEUF customers every two years. The report will contain the following information:

> i. Number of LEUFs;
> ii. Aggregated Reserved Capacity (or Contract Capacity) of LEUF Customers;
> iii. Aggregated peak monthly Demand of LEUFs;
> iv. Aggregated monthly energy usage of LEUFs;
> v. The total number of instances a LEUF requested to exceed its Reserved Capacity (or Contract Capacity) during the calendar year, the date of each request, and whether PacifiCorp granted the request;
> vi. Anonymized, individualized monthly peak demand of each LEUF; and
> vii. Anonymized, individualized monthly usage of each LEUF.

The report is to be filed in this docket no later than March 31 of the year following the reporting year (*i.e.*, reporting for 2026 would be due March 31, 2027). The stipulation provides that the information described in items (vi) through (viii) above will be provided confidentially, while the remainder of the information will be made publicly available. The stipulation states that until PacifiCorp has at least four LEUFs with distinct ownership, the information described in sections (i) through (v) made publicly available will be provided in ranges appropriate to prevent disaggregation. Finally, the stipulation states that PacifiCorp's reporting obligation will conclude after the 2040 reporting year, unless the Commission determines that continued reporting is necessary to continue to assess the efficacy of the approach adopted here to adhere to the laws and principles established in the POWER Act.

N. Interconnection of LEUFs

Paragraph 32 of the stipulation states that LEUF customers will be interconnected in the order in which they execute a LEUF Agreement, subject to agreed-upon construction timelines, and system constraints (including proposals such as flexibility to address system constraints). The load interconnection queue for LEUF interconnection will be shared with the Commission in a confidential report that is updated whenever the queue changes, but not more frequently than once per quarter. PacifiCorp will provide a justification for any changes made to the queue. A public version of the report shall be made available in a manner that protects the confidentiality of all LEUF customers. The Commission will have the right to make changes to the queue for good cause, if the

change does not result in unfair or unduly discriminatory treatment of any other LEUF customers.

O. LEUF Resource Eligibility

Under paragraph 33 of the stipulation, any resource, including a company-owned benchmark resource, that is actively participating in a formal system procurement request, whether the request for proposals (RFP) is for Oregon specifically or another state in PacifiCorp's service territory, would be ineligible to support a LEUF. A resource that chooses to participate in a formal system procurement may become eligible for a LEUF if the resource's participation in the RFP ends, such as in the event the resource does not make a short list or other key milestone.

P. Tax on CIAC

Paragraph 34 of the stipulation states that any forecasted negative tax implications for a customer's CIAC must be documented by PacifiCorp, paid for by the customer, and included in any LEUF Agreement presented to the Commission.

Q. Direct Assignment of Unrecovered Investments

Paragraph 35 of the stipulation requires that any and all unrecovered portions of the proportionate share of investments identified in service contracts between PacifiCorp and LEUFs subject to Schedule 401 be directly assigned, in a manner consistent with Paragraph 21, to the customer on a going forward basis as part of the LEUF Agreement for customers eligible for Schedule 401.

R. LEUF Contributions to Future Shared Facility Costs

Paragraph 36 of the stipulation states that if, when studying the LEUF's load request, PacifiCorp determines that the LEUF's load will accelerate PacifiCorp's need to construct a planned facility, the LEUF Agreement will identify the facility for future cost recovery from the LEUF. In the proceeding when the facility goes into rates for Oregon customers, a surcharge will be developed that will recover the LEUF's proportionate share of the facility based upon total presently known capacity need and over the remaining life of the LEUF Agreement.

S. Curtailment

Paragraph 37 of the stipulation provides that LEUFs will not be exempted from the requirements of PacifiCorp's Rule 15 as a result of entering a LEUF Agreement.[6]

V. DISCUSSION

A. Introduction

In the below sections we address the issues raised in DCC's opposition, NewSun's comments/objection, and ADS's comments, in our review of the stipulation. We conclude that that the stipulation will result in just and reasonable rates and is in the public interest, as addressed below.

B. Cost-of-Service Rate Option

1. Positions of the Parties

a. DCC

DCC argues that the POWER Act must be read harmoniously with existing statutes, which require a stated rate and cost-of-service option. In particular, it points to ORS 757.210 which, it states, contemplates Commission review of a "rate or schedule of rates," and to ORS 757.310 and ORS 757.325, which it states prohibit unlawful differences, preferences, and disadvantages. It also cites ORS 757.603, which is entitled "Electric company required to provide cost-of-service rate option to all retail electric customers." That statute states, in subsection (1):

> Except as provided in this section, an electric company shall provide all retail electricity consumers that are connected to the electric company's distribution system with a regulated, cost-of-service rate option.

DCC states that nothing in the POWER Act expressly repeals or suspends those requirements. However, under the stipulation, DCC states, "[t]he ultimate price of service still depends on an individualized agreement rather than a stated Commission-approved cost-of-service rate available to the class."[7] DCC asks that the Commission require that PacifiCorp offer a transparent cost-of-service option or, at a minimum, that it direct

[6] Pacific Power, Oregon Rule 15, Curtailment Plan for Electric Energy (https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/rates-regulation/oregon/tariffs/rules/15_Curtailment_Plan_for_Electric_Energy.pdf).
[7] DCC Notice of Opposition at 9 (Oct. 1, 2026).

development of one in its next general rate case or by a date certain, whichever comes sooner.

b. Stipulating Parties

The Stipulating Parties respond that Schedule 401's direct contracting approach is directly supported by the POWER Act, and that none of the statutes cited by DCC establish that Schedule 401 is illegal because it does not contain a stated cost-of-service rate.

In particular, Section 2(2)(a) of the POWER Act states that any tariff or schedule adopted by the Commission for the class must:

> (A) Allocate the costs of serving the class of retail electricity customers that are large energy use facilities to the class in a matter that is equal or proportional to the costs of serving the class; **or**
>
> (B) Directly assign the costs of serving a retail electricity consumer that is a large energy use facility to the retail electricity consumer.[8]

The Stipulating Parties point to the inclusion of the word "or" between these provisions as evidence that the POWER Act's drafters intended to give the Commission discretion to approve tariffs that use a direct contracting approach.

The Stipulating Parties argue that the legislative history supports their interpretation of the POWER Act, citing statements from legislators that, they state, explain that consumer owned utilities (COUs) have had the ability to serve data centers without passing on the costs associated with serving them to other customers because COUs can directly contract with the data center customers. It is clear from those statements, they say, as well as the text of the act, that the Legislature also intended the Commission to have discretion to adopt a tariff that directly assigns the costs of serving a data center to that data center through a contract.

The Stipulating Parties further argue that ORS 757.210 does not require a stated rate but rather refers only to the Commission's review of rate schedules to ensure they are just and reasonable—which they state it will do with Schedule 401 and the contracts that are executed under it. Likewise, they argue that the other statutes cited by DCC do not prohibit Schedule 401, separately or in conjunction with each other.

[8] ORS 757.292(2)(a).

The Stipulating Parties then turn to ORS 757.603, which DCC states "most directly" conflicts with Schedule 401's direct contracting approach because it "requires an electric company to provide retail customers connected to its distribution system with a regulated cost-of-service rate option unless the Commission grants a statutory waiver after the required process."[9] However, the Stipulating Parties state, nothing in ORS 757.603 requires the regulated cost-of-service rate option to be a class-wide stated rate. Rather, they argue, a utility may provide individualized cost-of-service rate options. They add that while ORS 757.603(1) must be interpreted in a way that does not conflict with the direct-contract option in the POWER Act if at all possible, even if there were a conflict, the POWER Act would control as the more recent and specific statute because it specifically addresses tariff requirements for data centers.

2. Resolution

Cost-based direct contracting in the absence of a stated, class-wide rate is expressly contemplated by the POWER Act, which states:[10]

> Any tariff schedule adopted by the commission for the class must:
>
> (a)(A) Allocate the costs of serving the class of retail electricity consumers that are large energy use facilities to the class in a manner that is equal or proportional to the costs of serving the class; **or**
>
> (B) Directly assign the costs of serving a retail electricity consumer that is a large energy use facility to the retail electricity consumer.

In other words, a LEUF tariff *may* "directly assign the costs of serving a retail electricity consumer that is a large energy use facility to the retail electricity consumer" without relying on a class-wide rate. The older and more general statutes relied on by DCC can, and thus must, be read in harmony with the POWER Act.[11]

We turn first to ORS 757.603, which DCC believes is the statute "most directly" applicable here.[12] That statute—Oregon's direct access law—requires that "[e]xcept as provided in this section, an electric company shall provide all retail electricity consumers

[9] DCC Notice of Opposition at 8-9.
[10] ORS 757.292(2)(a) (emphasis added).
[11] ORS 174.010 ("In the construction of a statute, * * * where there are several provisions or particulars such construction is, if possible, to be adopted as will give effect to all"); *see also* 46 ORS 174.020(2) ("When a general provision and a particular provision are inconsistent, the latter is paramount to the former so that a particular intent controls a general intent that is inconsistent with the particular intent").
[12] DCC Notice of Opposition at 8.

that are connected to the electric company's distribution system with a regulated, cost-of-service rate option." The rates to be charged under LEUF Agreements pursuant to the stipulation meet both criteria: they are regulated by the Commission via our review of Schedule 401 and of each LEUF Agreement; and the requirements set out in the stipulation for inclusion in Schedule 401 and each LEUF Agreement ensure (subject to our review) that the rates charged under each agreement are based on the cost to serve the LEUF.

DCC argues ORS 757.210(1)(a) contemplates Commission review of a "rate or schedule of rates" though it does not explain why 'rate' should be understood narrowly. The statute states:

> Whenever any public utility files with the Public Utility Commission any rate or schedule of rates stating or establishing a new rate or schedule of rates or increasing an existing rate or schedule of rates, the commission may, either upon written complaint or upon the commission's own initiative, after reasonable notice, conduct a hearing to determine whether the rate or schedule is fair, just and reasonable. *** The commission may not authorize a rate or schedule of rates that is not fair, just and reasonable.

Schedule 401 is a "schedule of rates" and the prices to be charged under each LEUF Agreement that we review are "rates," as those terms are used in ORS 757.210(1)(a). There is no conflict between the stipulation's approach and ORS 757.210.

DCC also raises ORS 757.310(2), which provides that "[a] public utility may not charge a customer a rate or an amount for a service that is different from the rate or amount the public utility charges any other customer for a like and contemporaneous service under substantially similar circumstances." It also cites to ORS 757.325(1), which states that "[n]o public utility shall make or give undue or unreasonable preference or advantage to any particular person or locality, or shall subject any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect."

Each LEUF that is eligible for Schedule 401 is subject to, and entitled to, the same menu of cost-based rate components, and to Commission review of its LEUF Agreement to ensure that neither cost-shifting, double recovery, nor discriminatory treatment is taking place. While the dollars charged under each LEUF Agreement will differ, those differences are a direct result of differences between LEUFs such as their location, load profile, and choices with respect to resource selection and CIAC—*i.e.*, ways in which their circumstances are not "substantially similar." Additionally, the underlying approach to identifying and assessing the costs is uniform across LEUFs taking service under

Schedule 401, ensuring no individual customer is given an advantage or subjected to unreasonable prejudice.

From a policy perspective, there are benefits to assigning each customer's costs to that customer, where it is possible to do so, particularly in the case of a highly diverse class of large energy users: a class-wide rate inherently involves intra-class subsidization as some customers pay more than the costs they cause, while others pay less. This is the approach we have adopted to implement the POWER Act in Portland General Electric's service territory. But we are persuaded that in light of the rural and widely dispersed nature of PacifiCorp's service territory, a direct contracting approach that allocates each LEUF's costs to that LEUF is reasonable here.[13]

We find that the stipulation's direct contracting approach is consistent with the public interest, will produce rates that are just and reasonable, and otherwise is in accordance with the law.

C. HB 2021 Compliance

1. Positions of the Parties

a. DCC

DCC states that while the POWER Act requires the Commission to consider whether LEUF rates impede an electric company's ability to meet Oregon's clean-energy targets and whether the tariff allows procurement or contracts that support compliance, it does not state that the utility may transfer its system-wide emissions reduction obligation to an individual customer as a condition of service. DCC argues that the stipulation does exactly that: under the stipulation, if existing emitting resources serve a New LEUF, the customer becomes responsible for emissions reductions associated with electricity delivered to other Oregon PacifiCorp customers so that the LEUF does not increase PacifiCorp's emissions or shift HB 2021 compliance costs.

DCC points out that HB 2021 supplies mechanisms for circumstances in which compliance would threaten reliability or fair, just, and reasonable rates, including the temporary-exemption and compliance-cost-cap provisions in ORS 469A.440 and ORS 469A.445.

[13] Staff/100, Stevens/11; PAC/100, Meredith/19; *see also* Staff/200, Stevens/24; Stipulating Parties/100, Meredith-Stevens-Tran-Fisher/88.

DCC also notes that the stipulation does not establish an objective methodology for identifying the emissions obligation, valuing the required reductions, crediting customer-provided resources, or determining when that responsibility ends. It adds that under paragraph 33 of the stipulation, any resource participating in a formal PacifiCorp procurement in any state is unavailable to support a LEUF, regardless of whether the procurement is actually relevant to Oregon service. Ultimately, DCC states, the Commission "should not repurpose Schedule 401 into an alternative HB 2021 compliance mechanism without clear standards and a supported showing of causation."[14] DCC requests that the Commission remove or narrow the provisions in question and, at a minimum, that any emissions responsibility should be calculated under an objective, reproducible methodology, should credit customer-provided non-emitting resources and other mitigation, and should be limited to the demonstrable incremental impact of the LEUF.

b. Stipulating Parties

The Stipulating Parties respond that Schedule 401 does not transfer compliance obligations to the individual customer, and "does not go beyond what the POWER Act requires or require LEUFs to reduce PacifiCorp's emissions."[15] The obligations in the stipulation, they argue, are specific and limited to simply holding LEUFs to having a net-zero impact on PacifiCorp's emissions so LEUFs do not make HB 2021 compliance harder to achieve. They further argue that the stipulation takes a narrow interpretation of how a LEUF may impede HB 2021 compliance, requiring only that new LEUFs do not directly cause an increase in PacifiCorp's emissions.

They also reject DCC's claim that the stipulation does not establish an objective methodology for valuing emissions, writing that PacifiCorp will file its detailed analysis to implement paragraph 21.f with the Commission. Finally, the Stipulating Parties state that giving LEUFs access to cost caps and exemptions would be inconsistent with HB 2021's text and the POWER Act's requirement that LEUF Agreements not impede PacifiCorp's compliance with state policy.[16]

2. Resolution

HB 2021 is an Oregon bill that was passed in 2021 regarding greenhouse gas emissions by Oregon utilities. The bill requires retail electricity providers to reduce greenhouse gas emissions associated with electricity sold to Oregon consumers to 80 percent below

[14] DCC Notice of Opposition at 10.
[15] Stipulation Parties Brief at 18 (Oct. 16, 2026).
[16] The Stipulating Parties cite to HB 3546 §§ 2(3), 5(1)(b)(A)(i).

baseline emissions levels by 2030, 90 percent below baseline emissions levels by 2035, and 100 percent below baseline emissions levels by 2040. HB 2021 also requires that 10 percent of PacifiCorp's aggregate generating capacity come from resources that are smaller than 20 MW.

In UM 2377, concerning PGE's large load tariff, we considered similar arguments by DCC regarding whether the parties' recommendations transferred HB 2021 compliance obligations from the utility to the individual customer. In that case, certain parties had proposed an interconnection queue through which loads would be interconnected only once emissions-free generation was available to serve them. We found that the proposal did not violate HB 2021's compliance structure and adopted it, stating:

> We make this decision, despite objections from PGE and others, because the POWER Act compels us to consider whether the rates we approve in this order and subsequent orders for Schedule 96 impede the electric company's ability to meet the clean energy targets set forth in HB 2021 or reduce the emissions of greenhouse gases consistent with state policy. Allowing data center customers to connect to the grid without first ensuring that they are served by HB 2021-compliant sources would be ceding that responsibility. HB 2021 sets out firm emissions caps for PGE in 2030, 2035 and 2040 that do not adjust to account for growing loads. Load growth must be accommodated within those emissions caps and continual progress towards those constrained emissions must be demonstrated in the interim. In reality, all load growth, regardless of source, must be met with non-emitting resources today in order to accomplish HB 2021's mandate.

We find the same here and, as in docket UM 2377, we believe it is clear here that the obligation for HB 2021 compliance remains with PacifiCorp and is not being improperly transferred to the individual customer. Paragraph 21.f requires that *PacifiCorp* "analyze the generation and capacity resources necessary to serve the New LEUF's load without impeding PacifiCorp's compliance with HB 2021 or its small-scale renewable mandate" and it requires that *PacifiCorp* not acquire emitting new resources to serve a LEUF. For us to fail to impose these obligations on PacifiCorp would be to fail to give effect to the POWER Act's mandate to consider HB 2021 compliance in conjunction with the connection of LEUFs.

Nor does the requirement that LEUFs are responsible to offset emissions when served with existing emitting resources shift HB 2021 compliance responsibility to customers. As the Stipulating Parties point out, that requirement comes into play only to the extent

needed to ensure that the LEUF is not pushing emissions-reduction-compliance costs onto other customers. It is therefore necessary to ensure that connection of a LEUF does not impede compliance with HB 2021 *or* shift costs to other customers.

Finally, we find that it is reasonable for PacifiCorp to file its detailed analysis to implement paragraph 21.f with each LEUF Agreement. This analysis will provide transparency into the impacts of the LEUF on PacifiCorp's HB 2021 compliance posture and enable us to ensure that the LEUF Agreement will not result in either the shifting of compliance costs to other ratepayers or impeded progress towards HB 2021's targets.

We find that the stipulation's approach to HB 2021 compliance is consistent with the public interest, will produce rates that are just and reasonable, and is in accordance with our obligations under the POWER Act to consider whether interconnection of LEUFs will impede HB 2021 compliance.

D. Evaluation of Cumulative Financial Burden

1. Positions of the Parties

a. DCC

DCC argues that the stipulation should not be evaluated as a collection of unrelated protections. Each mechanism, it states, may be described as addressing a distinct concern, but the ratemaking question is whether the entire package remains proportionate after accounting for what the customer has already funded, what PacifiCorp continues to provide, what risks remain, and what benefits and mitigation reduce those risks. In particular, DCC stresses that the benefits should be measured as well as the costs, stating that the Commission should ensure that it does not treat "every potential cost as certain while treating offsetting revenues, customer-funded resources, future shared use, and other benefits as unquantifiable or irrelevant."[17]

DCC does not believe that paragraph 20(a) of the stipulation, which requires PacifiCorp to describe how each LEUF Agreement avoids double-counting costs, is sufficient. DCC argues that it does not establish a substantive standard against which the Commission should evaluate overlapping cost recovery, nor does it specify what happens if the same customer load, investment responsibility, or risk is reflected in more than one charge. DCC would have the Commission "give Paragraph 20(a) practical effect by requiring PacifiCorp to identify, for each potentially overlapping mechanism, the distinct cost or risk being recovered and to demonstrate that the same cost responsibility has not already

[17] DCC Notice of Opposition at 12.

been assigned elsewhere."[18] To the extent PacifiCorp cannot make that demonstration, DCC argues, the LEUF Agreement should provide an appropriate credit, exclusion, reduction, or other adjustment so that the customer is not allocated the same responsibility through multiple pathways.

DCC would therefore require a reconciliation for each LEUF Agreement and in the next Schedule 401 review identifying: (1) customer-funded investments; (2) PacifiCorp- funded investments; (3) embedded-system charges; (4) ongoing service costs; (5) contingent stranded-cost exposure; (6) security supporting that exposure; (7) credits, reuse, and replacement-load mitigation; and (8) incremental revenues and other measurable system benefits.

b. Stipulating Parties

The Stipulating Parties respond that they have already provided that support, both in individual party testimony and in the testimony supporting the stipulation – they state that together, their testimony identifies the specific cost or risk the various provisions of a LEUF Agreement address and why each is not duplicative of another. Further, they state, paragraph 20.a of the stipulation requires PacifiCorp to provide a description of how a LEUF Agreement's structure is designed to avoid double-counting when it files the LEUF Agreement with the Commission.

The Stipulating Parties further argue that DCC is operating under a misunderstanding of the stipulation. DCC states that a "cumulative inquiry matters especially here because Schedule 401 can combine upfront customer funding with recurring charges, contingent departure liability, and security obligations."[19] However, the Stipulating Parties state, in circumstances where a LEUF customer has provided significant upfront funding, other LEUF Agreement terms are adjusted accordingly. For instance, Schedule 401's collateral requirement establishes that LEUFs must post collateral that reflects unpaid customer funding obligations, meaning that if a customer opts to advance significant CIAC, their collateral requirement would be less than if the customer opted to forego upfront funding and instead pay the Reservation Charge.

Finally, the Stipulating Parties state that, contrary to DCC's assertions, the stipulation *does* recognize benefits LEUFs bring to the system by providing opportunities to credit customers for the benefits they provide. They further state that the approach of individually negotiating LEUF Agreements provides significantly more opportunity to

[18] *Id.* at 13.
[19] *Id.* at 11.

compensate an individual LEUF for its unique benefits than would be available under a class-wide stated LEUF rate.

2. Resolution

Paragraph 20.a of the stipulation requires that "[i]n the filing seeking Commission approval, PacifiCorp will provide a description of how the contract structure is designed to avoid double-counting." We agree with the Stipulating Parties that the individual costs and charges included in Schedule 401 were sufficiently justified in testimony to allow us visibility into whether they are recovering legitimate costs.[20] We find that the contract as structured with the information required in paragraph 20.a is sufficient to allow us to determine whether the rates contained in individual contracts are just and reasonable, and accordingly we accept this provision.

When we review individual LEUF Agreements we will have an opportunity to review them for double counting on an as-applied basis, and we expect that PacifiCorp's paragraph 20.a statement submitted with each LEUF Agreement will contain sufficient specificity to allow us to do so.

E. Transmission Cost Allocation

1. Positions of the Parties

a. DCC

DCC argues that the transmission and capacity provisions require specific reconciliation to avoid over-allocation. Specifically, it states that paragraph 21 generally requires the New LEUF to pay upfront for any Network Upgrade required to serve its load but also establishes circumstances in which a LEUF is required to pay more than needed to provide its service. In particular, a shared transmission facility qualifies for proportionate treatment only if, among other things, LEUF demand is less than 80 percent of PacifiCorp's presently known capacity need. Further, DCC points to an example where, if PacifiCorp constructs a 1,000 MW Qualified Network Upgrade, a LEUF needs 400 MW, and non-LEUF customers need 200 MW, the LEUF pays approximately 67 percent of the cost over time.

[20] *See*, *e.g.*, Staff/100, Stevens/11; PAC/100, Meredith/19; *see also* Staff/200 Stevens/24; Stipulating Parties/100, Meredith-Stevens-Tran-Fisher/88; Stipulating Parties/100, Meredith-Stevens-Tran-Fisher/52-53.

DCC also points to paragraph 36 which allows a future surcharge when a LEUF accelerates construction of a planned facility. It states that the Commission should require PacifiCorp to identify the actual acceleration caused by the LEUF, allocate only the attributable share, and prevent the accelerated facility from simultaneously producing unreconciled recovery through other transmission mechanisms.

DCC next argues that direct assignment plus an OATT-based transmission charge can double charge for transmission. PacifiCorp's proposed solution to transmission double counting—removing customer-funded Network Upgrade costs from the company's revenue requirement—is necessary but not sufficient to solve the double-recovery problem. DCC argues that while removing a specific asset from rate base can prevent collection of the same booked investment through two revenue requirements, it does not establish that the customer is allocated an appropriate share of the remaining embedded system after its load has already been used to assign incremental investment. DCC accordingly recommends that only the portion of load not already used to assign growth-related investment participate in the allocation of embedded system costs.

Further, DCC argues that the Peak Demand Charge creates an additional concern—namely because it applies the identified OATT rates to the customer's individual highest monthly demand. DCC states that to the extent the underlying transmission revenue requirement was developed using a system-coincident demand allocator, an individual customer peak can exceed that customer's contribution at the system coincident peak. The result, it says, can be an additional over-allocation unless the tariff contains an adjustment. DCC therefore requests that, if any Network Upgrades providing system-wide benefits are directly assigned to a LEUF, the Peak Demand Charge apply only to the portion of LEUF load not deemed served by those directly assigned upgrades, with the treatment of the Schedule 1, Schedule 3, and NITS components separately specified based on their actual cost basis.

b. Stipulating Parties

First, in response to DCC's argument that the stipulation allocates the cost of capacity beyond the LEUF's identified need, the Stipulating Parties state that the stipulation's approach to allocating the costs of Network Upgrades is required by the POWER Act, which requires Schedule 401 to "mitigate the risk of [o]ther classes of retail electricity consumers paying unwarranted costs [and of] [s]hifting the costs, in an unwarranted manner, of serving a [LEUF] to other classes of retail electricity consumers, including costs of an electric company to meet load requirements resulting from the provision of electricity service to a retail electricity consumer that is a large energy use facility."[21] The

[21] HB 3546 § 2(2)(c).

Stipulating Parties note that "[i]t is not always possible to construct a transmission line or other upgrade to provide exactly the capacity needed at a specific point in time. Transmission assets generally come in standard sizes, so it is rare that a new asset can be constructed in the exact size needed to serve a LEUF."[22] Accordingly, to prevent increased costs or unwarranted risk being shifted to non-LEUF customers and comply with the POWER Act, the stipulation's transmission-cost-allocation framework appropriately requires LEUFs to pay for the Network Upgrades they cause, which may not be the same thing as their "identified need."

Next, they respond to DCC's objection to the 80 percent threshold. The Stipulating Parties state that 80 percent was a negotiated term that reasonably approximates a cutoff where the LEUF drives a significant majority of the need for the facility. Again, they state, this is meant to cover situations where the LEUF is the clear cause of the investment, even if it does not precisely match the LEUF's identified need.

Next, the Stipulating Parties defend the surcharge established by paragraph 36 that applies when a LEUF accelerates construction of a planned facility. The Stipulating Parties reject DCC's recommendation as unnecessary, stating that PacifiCorp anticipates its negotiations with an individual LEUF will explore the details of the acceleration caused by the specific LEUF. In addition, they state, paragraph 20.a of the stipulation requires PacifiCorp to include a description in LEUF Agreement filings about how the contract structure is designed to avoid double-counting.

Finally, they address DCC's concern that double-counting could occur between the direct assignment of transmission assets and the OATT-based Peak Demand charge. The Stipulating Parties respond that it is reasonable and appropriate for LEUF's to contribute to shared system costs through a charge that is based on OATT rates. In particular, they state that there are many costs of PacifiCorp's transmission system included in OATT rates that are included in the Peak Demand Charge, beyond the incremental cost of connection that LEUFs should pay.

2. Resolution

We agree with the Stipulating Parties that the stipulation appropriately allocates the costs of transmission to LEUFs and other parties that may use some of that transmission capacity. First, we note that, as the stipulating parties state, it is generally not possible to size transmission capacity precisely to match the customer's request. Transmission upgrades often must be sized in standard increments and that means that someone must pay for capacity above the request in order for the request to be fulfilled. Excluding

[22] Stipulating Parties Brief at 22.

LEUFs from those costs would shift costs onto other customers who did not request the capacity, thus violating the POWER Act's mandates against cost shifting. Indeed, we are required to consider whether the rates from Schedule 401 will "[r]esult in, *or have the potential to result in,* increased costs or unwarranted risk to other retail electricity consumers."[23]

Given those considerations, we find that the stipulation's approach to transmission cost allocation is just and reasonable and in compliance with the POWER Act's strictures on cost shifting. It is necessary for us to draw a line that is possible to administer and which will act as a threshold or proxy for the point at which a transmission upgrade might have been avoided altogether if not for the LEUF's request, particularly as transmission facilities must often be somewhat oversized due to the necessity of building them in standard sized increments. We find that the stipulation's 80 percent threshold does this approximation in a reasonable manner. While it does create a difference in treatment between a LEUF that requests 79.9 percent of a line's presently known capacity needs versus one that requests 80 percent of a line's presently known capacity needs, such a difference in treatment is inherent in any line-drawing exercise, and we find that it is reasonable under the circumstances.

In considering paragraph 36 of the stipulation, we are persuaded that it is appropriate for the details of a surcharge for planned acceleration of a transmission facility to be considered on a case-by-case basis in the agreements entered into by each LEUF. The details of each accelerated facility are likely to be highly specific to that particular line and therefore we do not believe we can accurately lay out principles for cost allocation in this order. However, we do expect that the double counting statement required by paragraph 20.a of the stipulation will address transmission cost allocation generally and accelerated facilities specifically in the context of each LEUF Agreement submitted for our review.

Finally, we do not believe that assessing the OATT charge in conjunction with the charge for direct assigned facilities will generally result in double counting. Direct assigned facilities will be excluded from calculation of the OATT charge, and that approach, as opposed to excluding a portion of the LEUF's load, should be sufficient to avoid double recovery of a transmission expense. To the extent an individual agreement raises double-counting concerns, we will consider it in our review of that agreement. We also do not believe that setting the Peak Demand Charge at the LEUF's highest monthly demand, rather than the LEUF's demand during a system coincident peak, results in unjust and unreasonable rates. Rather, we agree with the Stipulating Parties that failing to

[23]ORS 757.292(3)(a)..

account for strain on the system caused by the highest monthly demand could result in unwarranted cost shifting.

We find that the stipulation's approach to transmission cost allocation is in the public interest, will result in just and reasonable rates, will prevent unwarranted cost-shifting, and is otherwise in accordance with law.

F. Exit Fee and Collateral

1. Positions of the Parties

a. DCC

DCC argues that the exit fee and collateral should be limited to the actual remaining stranded-cost exposure. DCC notes that the purpose of the exit fee, according to the supporting testimony, is to hold a departing customer responsible for "yet unpaid-for infrastructure costs."[24] It also notes that the Commission reached the same limiting principle on reconsideration in UM 2377, where it created a mechanism to reduce PGE's tariff-calculated exit fee if the formula would exceed actual stranded-cost exposure.[25] It argues that collateral should also follow the real exposure of the exit fee—and states that the tariff should therefore require timely step-downs as exposure declines and permit reasonable credit alternatives.

b. Stipulating Parties

The Stipulating Parties argue that LEUF Agreements will not have Exit Fee provisions that would recover duplicative costs from LEUFs; rather, Exit Fees will be tailored to an individual customer's situation and will not enable PacifiCorp to double-recover. They clarify that paragraph 21.l of the stipulation describes the types of costs that are eligible to be recovered by the Exit Fee; it is not a formula that requires all these costs to be summed to establish the Exit Fee in every LEUF Agreement. Additionally, they note that the stipulation provides that if "another large customer takes service within three years of an exiting LEUF's departure, the Exit Fee will be refunded by a pro rata share of the capacity assumed by the new large customer."[26]

[24] Stipulating Parties/100, Meredith-Stevens-Tran-Fisher/52.
[25] *See In the Matter of Portland General Electric Company, Investigation into Marginal Cost Study Treatment for Large Customers*, Docket No. UM 2377, Order No. 26-309 at 9-10 (Aug. 31, 2026).
[26] Stipulation ¶ 21.l (Sept. 16, 2026).

As to collateral, the Stipulating Parties argue that paragraph 29 of the stipulation already provides that the amount of collateral will be reassessed every two years and that more frequent assessment is unnecessary.

2. Resolution

We agree with DCC that it is reasonable to limit exit fees to the actual stranded cost exposure. The Stipulating Parties explain that each exit fee will be tailored to an individual customer's situation and will not enable PacifiCorp to double-recover. We find that is a reasonable method of limiting other customers' exposure to stranded costs. Treating the list of items in paragraph 21.1 to be included in assessing stranded costs as a menu of options will provide for flexibility to tailor an appropriate exit fee to each circumstance. We expect each LEUF Agreement to contain a narrowly tailored exit fee that addresses the circumstances of the specific customer. We anticipate as stranded cost exposure decreases over the lifetime of the contract, the exit fee laid out in the LEUF Agreement will also be set to decrease.

We likewise agree that it is reasonable to limit collateral to the extent of stranded cost exposure but find that the stipulation's proposal to reassess collateral every two years is a reasonable way of accomplishing that. Reassessing collateral on a more frequent basis would risk the administrative work of reassessment swamping the benefit to the LEUF; conversely, setting a check-point every two years keeps the collateral reasonably in line with stranded cost exposure while remaining reasonable for the parties to implement.

G. Community Energy Benefits Charge

1. Positions of the Parties

a. DCC

DCC objects to the one-cent-per-kWh charge on LEUFs over 100 MW on the ground that it fixes the price first and leaves the actual program administration rules for a later docket. It argues that the Commission should first determine the scope of the programs and the corresponding revenue requirement and then establish a transparent rider designed to recover that amount. It states that this is an ordinary principle of rate design. It concludes that if the Commission retains the charge, it should at minimum require transparent accounting, eligible-expenditure rules, annual reporting, reconciliation to actual program needs, and a mechanism for credits or rate reductions when collections exceed authorized expenditures.

b. Stipulating Parties

The Stipulating Parties argue that DCC's proposal—to test the charge against an actual funding requirement—would "contravene the very purpose of the charge."[27] The purpose of the charge, they argue, is not to meet a particular revenue requirement but rather to mitigate and offset the hard-to-quantify but nevertheless real costs that very large data center customers impose on PacifiCorp's system, which increase as data center load increases. Therefore, it is appropriate for the amount collected under the charge to increase as data center load increases, rather than for the charge to collect a predetermined, fixed amount.

Similarly, they say, DCC's argument that the Commission should require transparent accounting, eligible expenditure rules, annual reporting, and related items is misplaced; these recommendations wrongly presume that a program budget would first be established before collecting a requisite amount from large LEUFs.

2. Resolution

We find that the community benefits charge is just and reasonable and in accordance with the POWER Act's mandate to avoid unwarranted cost shifting. A load of 100 MW or more places unique burdens on the system and thus on other customers that, while difficult to quantify, are nevertheless real. While the specific costs of serving a new load can be identified with some precision, the degree to which new, very large loads are raising costs across the region by utilizing relatively scarce clean energy generation projects or limited transmission capacity is difficult to isolate. We find that applying a surcharge of 1 cent per kWh to Schedule 401 customers with an allocated system capacity of 100 MW or greater to fund non-cost-effective EE, critical home repairs (also called "enabling repairs"), or distributed energy resources (DER) to insulate energy burdened customers, is a reasonable means of mitigating some of that impact and helping mitigate cost shifting to residential customers. Reducing energy burden serves to reduce a host of other costs, such as arrearages and the cost of low-income differentiated rates, better mitigating the overall cost shifting impact through these revenues.

We do not agree to set the charge based on a calculated revenue requirement or designed program. We agree with the Stipulating Parties that DCC's proposal would contravene the purpose of the community energy benefits charge, which is to offset the unique and explicitly hard-to-quantify costs that very large loads impose on the system broadly and on energy burdened customers specifically. Establishing a revenue requirement first suggests that the Commission should identify with particularity the myriad ways new

[27] Stipulating Parties Brief at 27.

very large loads are creating widespread price pressure for the scarce resources other customers also need, from electrical equipment like transformers to specialized labor, from permitted sites for new clean energy generation to interconnection queue positions that can accommodate meeting tax credit deadlines. Such a requirement would be unreasonable. These are real costs that must be addressed in some manner under the POWER Act. In light of regional supply dynamics that both PacifiCorp and PGE face and to avoid potential arbitrage between service territories, setting this rate to match the rate set in docket UM 2377 is just and reasonable. Accordingly, we accept the stipulation's proposed 1 cent/kWh surcharge for LEUFs over 100 MW.

H. A&G and Shared Cost Surcharge

1. Positions of the Parties

a. DCC

DCC does not conceptually oppose the A&G and Shared Cost Surcharge provision, but argues that the "breadth of the provision requires guardrails."[28] It states that PacifiCorp should identify the expense pool included in the calculation, explain why the selected denominator produces a cost-causal allocation, and demonstrate that A&G or other shared costs are not already embedded in OATT rates, project-specific charges, resource arrangements, or another Schedule 401 mechanism. It also argues that additions of costs "folded into base rates" or other shared costs should be accompanied by an explicit credit or reconciliation to prevent overlapping recovery. Finally, it argues that escalation between general rate cases should likewise be reconciled when actual cost-of-service information becomes available.

b. Stipulating Parties

The Stipulating Parties ask that the Commission reject DCC's additional "guardrails" on this stipulation provision. They state that the stipulation addresses DCC's concern about identifying the "expense pool" included in the charge by stating that the included expenses will be "PacifiCorp's forecasted administrative and general expense included in the final cost of service study in [PacifiCorp's] most recent general rate case."[29] They also state that the catch-all provision is not intended to avoid transparency, but rather to make clear that if future shared costs change or are added, LEUF Agreements can continue to accurately assign LEUFs their fair share of shared costs.

[28] DCC Notice of Opposition at 20.
[29] Stipulation ¶ 21.m.

2. Resolution

We find that the stipulation's provision regarding a surcharge for administrative and general and other shared costs is just and reasonable, consistent with the public interest, and otherwise in accordance with law. The source of the administrative and general expense in paragraph 21(m)(i) is clear and assessing A&G on a *pro rata* basis is a logical alternative to expensing individual A&G items. We find that the stipulation identifies the "expense pool" with sufficient clarity that additional "guardrails," as requested by DCC, are unnecessary.

We note that the stipulation's calculation yields an A&G surcharge in cents per kWh; we assume that it will be charged to LEUFs on a per-kWh basis. It is just and reasonable for LEUFs to pay their share of PacifiCorp's A&G costs. Any additional charges assessed pursuant to paragraph 21(m)(ii)-(iii) ("(ii) any charges that get folded into base rates that Schedule 401 LEUFs are eligible for; and (iii) any other shared costs the Commission deems appropriate") will be subject to Commission review to ensure that they are not duplicative of OATT rates, project specific charges, resource arrangements, or another Schedule 401 mechanism.

I. Existing Contractual Service

1. Positions of the Parties

a. DCC

DCC supports the stipulation's decision not to treat every existing LEUF as a New LEUF. It asks for a clarification, however: namely, that existing contracts should generally be respected; new Schedule 401 obligations should attach only when a material post-effective-date change creates demonstrable new costs or risks; and any new obligations should apply prospectively to the incremental service or investment at issue. DCC also asks that the Commission preserve existing contractual rights while any future tariff for existing LEUFs is developed through an appropriate proceeding with transparent cost-of-service support.

b. Stipulating Parties

The Stipulating Parties disagree that DCC's requested clarifications are necessary. They also note that the stipulation is not opposed by any data center customer with an existing contract for electricity service with PacifiCorp and argue therefore that the Commission should not give weight to DCC's arguments regarding existing data centers.

2. Resolution

We find that DCC's requested clarifications are unnecessary. The stipulation contains several provisions on existing contracts which are clear and speak for themselves—the stipulation defines a "New LEUF" and the total that constitutes "significant investment" or "significant cost" under the statute. We find those provisions to be a reasonable implementation of the POWER Act's requirement that existing LEUFs enter into POWER Act compliant contracts "if the provision of electricity service requires the electric company to make significant investments or incur costs after the effective date of this 2025 Act that could result in increased costs or risks to other retail electricity consumers of the electric company." It sets a $10 million threshold that is neither *de minimis* nor so high as to render it meaningless and therefore will also avoid unwarranted cost shifting to other customers by ensuring that when a utility spends significant amounts of money on a LEUF, that LEUF will be subject to the more protective provisions in Schedule 401.

To the extent that ambiguities as to the boundary between new and existing LEUFs remain, we will address them in the proceeding addressing PacifiCorp's filing regarding existing LEUFs that PacifiCorp has committed to file within 60 days of the rate effective date in UE 470.

J. Review of Schedule 401

1. Positions of the Parties

a. DCC

DCC requests that the Commission direct PacifiCorp to reevaluate Schedule 401 in its next general rate case or by a date certain, whichever occurs first. In support, it states that the stipulation is being adopted before the Commission has experience with completed LEUF Agreements under its new architecture. It argues that the rates and protections will interact in ways that can be evaluated more reliably after actual agreements, studies, customer contributions, service levels, and collections exist.

DCC states that the review should include: the availability of a stated cost-of-service rate option; actual and forecast customer funded investments; Network Upgrade sharing and later system use; Peak Demand Charge revenues; CRC application, if any; Reservation Charges and other resource costs; actual and forecast tax-related charges if any LEUF customer is required to pre-fund potential tax liabilities; Exit Fee and collateral levels;

A&G/shared-cost collections; Community Energy Benefits Charge collections and expenditures; and measurable incremental revenues and system benefits associated with LEUF service.

b. Stipulating Parties

The Stipulating Parties argue that the Commission should deny this recommendation as unnecessary and inefficient. They state that it is unnecessary because the Commission will already have significant visibility into how Schedule 401 is operating from the reporting requirements in the stipulation and from approving individual LEUF Agreements and because the Commission can review the tariff *sua sponte* should it find it necessary to do so. Second, it argues it is inefficient because PacifiCorp's next general rate case will likely be filed in 2028 under the rules recently adopted in docket AR 677, too soon for a comprehensive review.

2. Resolution

We decline to order a review of Schedule 401 within a specific timeframe at this time. The tariff provides for sufficient visibility into its operations—through reporting procedures and review of agreements under Schedule 401. We also have the authority to review the tariff *sua sponte* should it become necessary to do so. Additionally, consumers have the option to seek relief under our complaint procedures and there is no indication in the record that LEUFs would face barriers to utilizing that process.

K. Cost allocation of Network Upgrades and Qualified Network Upgrades

1. Positions of the Parties

a. ADS

ADS states that while it supports that LEUFs should pay for the infrastructure necessary to provide service to them, paragraph 21(a) should not be read as providing PacifiCorp with authority to overbuild its resources. Noting the scenario set out in the Stipulating Parties' Joint Testimony in which PacifiCorp constructs 1,000 MW of capacity to serve 400 MW of LEUF demand and non-LEUF customer demand of 200 MW or 100 MW,[30] ADS states that in such a scenario, PacifiCorp would need to justify building 1,000 MW of capacity, and that nothing in paragraph 21(a) changes that obligation.

[30] Stipulating Parties/100, Meredith-Stevens-Tran-Fisher/25-26.

b. Stipulating Parties

The Stipulating Parties disagree that the Commission should confirm that the stipulation does not support overbuilding of network resources. They state that paragraph 21.a does not authorize PacifiCorp to overbuild network resources and has no impact on PacifiCorp's obligation to justify the network resources it builds. Thus, the request for the Commission to confirm this is unnecessary.

2. Resolution

Paragraph 21.a of the stipulation does not alter PacifiCorp's obligation to justify the facilities it builds. We do note that, as stated, it is often not possible to build a transmission facility sized precisely to a customer request so "justifying" a facility will not necessarily mean building it precisely to a customer's request; but we expect PacifiCorp to justify the facilities it does build, as we always have.

L. LEUF Resource Eligibility

1. Positions of the Parties

a. NewSun

NewSun argues that paragraph 33 of the stipulation, which addresses eligibility of resources to serve LEUFs, is not in the public interest because it restricts competition among generation resources that might otherwise participate in utility procurement. NewSun states that a would-be least-cost least-risk resource may choose not to bid into the RFP and instead work directly with a LEUF, resulting in customers experiencing increased costs based on higher-cost resources that choose to pursue the RFP.

NewSun argues in addition that the limitation is not reasonable because potential bidders are not a party to the stipulation or to this docket. According to NewSun, it is not reasonable for parties to make a decision that binds entities who are not present in the instant proceeding.

Finally, NewSun notes that issues related to the implementation of paragraph 33 are unresolved; for example, it is unclear whether participation in Portland General Electric's RFP would render a resource ineligible to support a LEUF in PacifiCorp's territory.

b. Stipulating Parties

The Stipulating Parties respond that paragraph 33 is a reasonable guardrail to prevent LEUFs from acquiring the least-cost, least-risk resources, leaving non-LEUF customers with higher-cost, higher-risk alternatives, and that it additionally mitigates the uncertainty that would result from not restricting RFP participants from concurrently pursuing negotiations with LEUFs, which could result in bidders dropping out of an RFP to contract with a LEUF, to utility customers' detriment. The Stipulating Parties note that although LEUFs have the opportunity to bring their own resources under one of the potential contract structures contemplated by Schedule 401, this option does not shift responsibility for resource acquisition or emissions reductions to LEUFs, unless the LEUF wants to negotiate a LEUF Agreement that would allow it to do so. Generally, the Stipulating Parties explain, PacifiCorp retains ultimate responsibility for acquiring resources to serve its LEUF customers, and it must do so while not shifting costs or risks to other customers or impeding its progress towards mandated emissions targets. The Stipulating Parties note that developers already must make strategic decisions regarding whether and how to participate in an RFP; they argue that paragraph 33 adds a new dynamic to that decision-making but does not unfairly restrict developers' options.

The Stipulating Parties point out that in proceedings before the Commission, it is almost always the case that certain groups not present in a docket will be impacted by a stipulation, so recognizing this as a basis to reject or significantly modify a stipulation that was entered into following nearly a year of process would set a concerning precedent. They add that in this case, NewSun or other developers could have chosen to intervene in this proceeding at any point, but NewSun chose not to and no other developer has sought to weigh in.

With respect to the implementation questions identified by NewSun, the Stipulating Parties state that paragraph 33 is sufficiently developed at this stage that it should be adopted now, and any questions that arise as it is implemented in the future can be addressed as needed.

In response to a bench request, the Stipulating Parties clarified that under the stipulation, resources currently participating in an RFP or who had dropped out of an RFP of their own volition, would not be eligible to support a LEUF, and that active participation in a PGE RFP would similarly render a resource ineligible to support a LEUF. They also stated that the stipulation requires explicit Commission approval of all LEUF Agreements, during which the Commission may evaluate the resources that would support the LEUF. And they noted that there may be opportunities in the RFP design and

approval process to incorporate additional customer protections to address potential customer harm.

2. Resolution

Under the stipulation, PacifiCorp is required to decline to contract on behalf of a LEUF with a resource that is actively participating in an RFP or that has dropped out of an RFP of its own volition. We find that this provision will protect other customers from unwarranted cost shifting that might occur if a LEUF were able to negotiate simultaneously with resources participating in the RFP and thus "scoop up" least cost, least risk resources that might otherwise go to serving Oregon consumers as a whole.

We find that the stipulation does not inappropriately "bind" non-parties, as NewSun alleges. As adopted in this order, it binds *PacifiCorp* and is a reasonable provision to ensure that LEUFs do not monopolize least-cost, least-risk resources, something which could lead to unwarranted cost-shifting, prohibited under the POWER Act.

We continue to have some concerns that this provision is not protective enough. As drafted, PacifiCorp may bring us LEUF Agreements that involve resources that declined to participate in an RFP as an initial matter—but might have participated if not for the opportunity to directly contract to serve a LEUF. A large price spread between projects serving LEUFs and those serving other customers will be a red flag that we are not effectively implementing the POWER Act's requirement to avoid cost shifting.

M. Load Interconnection

1. Positions of the Parties

a. NewSun

NewSun argues that the stipulation leaves PacifiCorp too much control over the load interconnection queue and study process.

First, NewSun objects that there are no standards indicated for when PacifiCorp may unilaterally make changes to the queue and on what grounds. It notes that while the Commission may also make changes to the queue under the stipulation, the Commission's discretion is limited to "good cause" and only "if the change does not result in unfair or unduly discriminatory treatment of any other LEUF customers." NewSun states that at minimum, any approved tariff should require PacifiCorp to process study requests in good faith, according to transparent criteria, and within reasonable and

defined timeframes, subject to Commission review. NewSun adds that Schedule 401 should require nondiscriminatory treatment of similarly situated LEUF customers, and that PacifiCorp should apply materially consistent study standards, queue rules, and service terms to comparable loads, and any departure should be supported by a documented, objective system or customer-specific basis that is reviewable by the Commission.

NewSun states in addition that if PacifiCorp may decline to initiate a study, leave a study pending indefinitely, repeatedly change study requirements, or condition completion on requirements unrelated to legitimate engineering needs, then PacifiCorp can effectively deny service without ever issuing a formal denial. NewSun argues that such a result would conflict with PacifiCorp's obligation to furnish adequate service under ORS 757.020 and with the purpose of Oregon's territory-allocation statutes to provide adequate and reasonable service to all affected customers, and would "undermine ORS 757.295, which contemplates a service agreement containing a date or estimated date for commencement of service and expressly preserves the ability of qualifying LEUF customers to use direct access."[31] In support of its concern, NewSun cites ADS's pending complaint against PacifiCorp in UE 2410. Based on this concern, NewSun states that the Commission should "condition any approval of the stipulation and Schedule 401 on an express requirement that PacifiCorp timely accept and process bona fide load-study requests." NewSun adds that PacifiCorp "must apply transparent, objective, and nondiscriminatory study requirements" and "must also identify any deficiencies in an application promptly and with reasonable specificity. Finally, PacifiCorp shall complete studies within reasonable timeframes subject to Commission enforcement."[32]

NewSun argues that PacifiCorp should not be allowed to invoke exclusive service-territory rights to prevent another utility from serving a customer while simultaneously refusing or unreasonably delaying the studies and facilities needed to serve that customer itself, stating that exclusivity and the obligation to serve are reciprocal features of the regulatory compact. NewSun asks the Commission to expressly state that unreasonable refusal, withholding, or delay of required load studies or other necessary steps toward service constitutes a failure to provide adequate and reasonable service. NewSun adds that:

> "Where that failure prevents a bona fide customer from obtaining service within a reasonable period, PacifiCorp should be treated as having waived or forfeited its right to rely on territorial exclusivity as to that customer, and the customer should be permitted to seek service from another willing

[31] NewSun Comments at 7 (Oct. 1, 2026).
[32] *Id.*

utility, subject to Commission approval and any conditions needed to protect system reliability and other customers."

b. Stipulating Parties

The Stipulating Parties respond that NewSun's concerns regarding load interconnection are unfounded and adequately addressed by existing protections or by protections adopted by the stipulation, noting that the stipulation provides for robust Commission regulation of the interconnection queue. The Stipulating Parties state that the length of time needed to complete a study is variable based on the specific attributes of the LEUF request, so it is not possible to establish a standard deadline for when the study must be completed. They argue that PacifiCorp already performs studies as quickly and efficiently as possible, and that it is not in PacifiCorp's interest to delay studies or deny service. Additionally, the Stipulating Parties note, prospective LEUF customers already have the opportunity to file complaints with the Commission.

The Stipulating Parties add that NewSun's concerns regarding PacifiCorp's exclusive right to serve retail customers in its service territory, docket UM 2410, and its obligation to serve should be disregarded because they are raised on behalf of one or more data center parties who themselves participated fully in this docket and have not raised these concerns.

2. Resolution

We find that the processes currently in place to monitor PacifiCorp's interconnection timelines and interconnection queue, combined with the new provisions put into place by this stipulation, are sufficient for robust Commission oversight, and we decline to establish additional requirements. Specifically, the stipulation states that LEUF customer interconnection will be on a first-come, first-served basis; that the load interconnection queue for LEUF interconnection will be shared with the Commission in a confidential report that is updated whenever the queue changes, but not more frequently than once per quarter; that PacifiCorp will provide a justification for any changes made to the queue; and that the Commission will have the right to make changes to the queue for good cause, if the change does not result in unfair or unduly discriminatory treatment of any other LEUF customers. We find that data center customers are adequately protected from discrimination through interference with interconnection systems and procedures.

VI. RESOLUTION

We have reviewed the stipulation and supporting testimony entered into by PacifiCorp, Staff, the Coalition, and CUB, as well as the opposition submitted by DCC and the comments of ADS and NewSun.

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 that are consistent with the requirements of the POWER Act. We determine that the terms of the stipulation, taken together, represent a reasonable resolution of the identified issues and contribute to an overall settlement in the public interest. In making this determination, we note the provisions to prevent cost-shifting, such as the transmission allocation provisions which ensure that LEUFs will pay through direct assignment for facilities that serve their load, and likewise, the community energy benefits charge, which offsets harder-to-quantify impacts on the grid.

Taken as a whole, we find that the stipulation sets up a direct contracting approach that will take into account the specific circumstances of each LEUF, but which provides for sufficient clarity in the tariff about the overall rights and obligations of each LEUF to ensure that rates resulting from the individual agreements will be just and reasonable and sufficiently protective of both LEUFs and other PacifiCorp customers. Accordingly, we adopt the stipulation.

We note that the stipulation calls for "biennial" reports[33] and states that "[t]he report will be filed in docket UE 463 no later than March 31 of the year following the reporting year (i.e., reporting for 2026 would be due March 31, 2027)."[34] We expect that, given that the reports are to be biennial, each report would cover two years, and thus reporting for both 2025 and 2026 would be due March 31, 2027.

VII. ORDER

IT IS ORDERED that:

1. Advice No. 25-015, filed on October 2, 2025, is permanently suspended.

2. PacifiCorp, dba Pacific Power, must file new tariffs consistent with this order no later than November 24, 2026, to be effective January 1, 2027.

[33] Stipulation ¶ 30.
[34] Stipulation ¶ 30(b).

3. PacifiCorp, dba Pacific Power, is directed to submit a biennial report on March 31, consistent with the directives in this order with the first report due March 31, 2027.

4. The stipulation entered into between PacifiCorp, dba Pacific Power; Staff of the Oregon Public Utility Commission; the Oregon Citizens' Utility Board; the Community Energy Project; Climate Solutions; Oregon Environmental Council; and Sierra Club on September 16, 2026, attached as Appendix A is adopted.

Made, entered, and effective Nov 13 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 463

In the Matter of PACIFICORP d/b/a PACIFIC POWER, Advice No. 25-015, Schedule 401 – Service to New Large Energy Use Facilities.	**STIPULATION**

This Stipulation resolves all issues among the stipulating parties regarding PacifiCorp d/b/a Pacific Power's (PacifiCorp or the company) docket UE 463 now pending before the Public Utility Commission of Oregon (Commission). Docket UE 463 addressed PacifiCorp's proposed tariff revisions regarding service to new Large Energy Use Facilities (LEUFs) and certain issues regarding service to existing LEUFs to implement the POWER Act.[1]

PARTIES

1. The parties to this Stipulation are PacifiCorp; Staff of the Public Utility Commission of Oregon (Staff); the Oregon Citizens' Utility Board (CUB); and Community Energy Project, Climate Solutions, Oregon Environmental Council, and Sierra Club (Environmental Intervenors) (collectively, the Stipulating Parties).

2. The Alliance of Western Energy Consumers (AWEC); Amazon Data Services, Inc. (ADS); and Vitesse, LLC (Vitesse) are also parties to this docket. A copy of this Stipulation has been shared with these parties, and the Stipulating Parties are authorized to represent that these parties do not oppose the Stipulation.

3. The Data Center Coalition (DCC) and Rowan Percheron, LLC (Rowan Percheron) are also parties to this docket. A copy of this Stipulation has been shared with these parties, and

[1] Oregon House Bill (HB) 3546 (2025).

DCC opposes the Stipulation. Rowan Percheron has not provided a position on the Stipulation as of the date of filing.

BACKGROUND

4. On October 2, 2025, PacifiCorp filed Advice No. 25-015, proposing new tariff sheets for Schedule 401 – Service to New Large Energy Use Facilities, and revised tariff sheets for Schedule 47 – Large General Service Partial Requirements 1,000 KW and Over Delivery Service, Schedule 48 – Large General Service 1,000 KW and Over Delivery Service, and Schedule 90 – Summary of Effective Rate Adjustments (Initial Filing). In its Initial Filing, PacifiCorp proposed to implement the POWER Act, Oregon Laws 2025 Chapter 323 (POWER Act) for PacifiCorp by establishing a new customer class for new Large Energy Use Facilities (LEUFs) and LEUFs with existing contracts with the company that require the company to make significant investments or incur significant costs. The company proposed to require LEUFs taking service under Schedule 401 to enter a contract with PacifiCorp establishing their rates, terms, and conditions of service that would be subject to the Commission's approval. The company requested an effective date of January 1, 2026.

5. On October 31, 2025, ADS filed a petition requesting the Commission to initiate an investigation and contested case hearing regarding PacifiCorp's Advice No. 25-015 and suspend Schedule 401 for the pendency of the investigation and hearing. PacifiCorp responded on November 11, 2025, requesting the Commission to adopt an expedited schedule for the contested case and make Schedule 401 effective on an interim basis during the pendency of any investigation. ADS filed a reply on November 18, 2025, opposing PacifiCorp's proposed case schedule.

6. On November 17, 2025, AWEC filed a motion to dismiss PacifiCorp's Advice No. 25-015, requesting the Commission to dismiss Advice No. 25-015 for not proposing

a stated, cost-of-service rate for customers in the new customer class. AWEC also requested that the Commission require PacifiCorp to develop a stated, cost-of-service rate option for LEUF customers. ADS and DCC filed responses generally supporting AWEC's motion, and PacifiCorp filed a response requesting that the Commission deny AWEC's motion.

7. On December 16, 2025, the Commission issued an Order opening an investigation into PacifiCorp's proposed Schedule 401 and suspending PacifiCorp's proposed tariff revisions for ten months. The Commission also denied AWEC's motion to dismiss and PacifiCorp's request that the tariff changes take effect on an interim basis.

8. On January 27, 2026, Administrative Law Judge (ALJ) Mapes issued a procedural schedule for this docket. On February 12, 2026, ALJ Mapes granted PacifiCorp's unopposed motion to revise the procedural schedule.

9. On May 14, 2026, Staff, AWEC, CUB, ADS, DCC, Environmental Intervenors, and Vitesse filed opening testimony, with many parties expressing concern regarding the lack of detail in PacifiCorp's tariff proposal and recommending the Commission adopt a stated, cost-of-service rate for the new LEUF class.

10. On June 11, 2026, PacifiCorp filed reply testimony. PacifiCorp defended its approach to implementing the POWER Act through a direct contracting methodology and provided in-depth testimony explaining its approach to contracting with LEUFs through proposed Schedule 401. PacifiCorp's testimony included two proposed contract structures indicative of how PacifiCorp proposed to implement the POWER Act through a direct contracting methodology.

11. On July 9, 2026, Staff, AWEC, CUB, ADS, DCC, Environmental Intervenors, and Vitesse filed rebuttal testimony. In general, although some parties continued to oppose a direct contracting approach and recommend a stated rate approach, some parties expressed openness to

a direct contracting approach and provided revisions and input on how to implement PacifiCorp's tariff proposal, as clarified through PacifiCorp's reply testimony.

12. On July 28, 2026, PacifiCorp filed surrebuttal testimony, which provided additional details and information in response to parties' testimony and committed to reflecting the two contract structures detailed in PacifiCorp's reply testimony in its proposed Schedule 401 tariff.

13. The parties convened settlement conferences on July 17, 2026; August 6, 2026; August 13, 2026; and August 18, 2026. After all parties exchanged numerous settlement offers, on August 19, 2026, the Stipulating Parties reached a settlement in principle that resolves the issues contained herein. The terms of the settlement are captured in this Stipulation.

AGREEMENT

14. 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 revisions to Schedules 47, 48, 90, and 401 resulting from the Stipulation will result in fair, just, and reasonable rates that appropriately implement the requirements of the POWER Act for PacifiCorp.

15. Definition of "New LEUF": A "New Large Energy Use Facility" (New LEUF) is defined as a Large Energy Use Facility that has not entered into a contract for electric service with PacifiCorp before June 16, 2025, or has entered into a contract for electric service with PacifiCorp before June 16, 2025 for the provision of electricity service that requires PacifiCorp to make significant investments or incur significant costs after June 16, 2025 that could result in increased costs or risks to PacifiCorp's other retail electricity consumers. Any customer contributions via a contribution in aid of construction (CIAC) that have been paid by the LEUF customer would not be included in any calculation used to determine this designation. Significant investments or costs

after June 16, 2025, that could result in increased costs or risks to PacifiCorp's other retail electricity consumers are defined as cumulative investments of $10 million or more for any combination of the following components:

a. New transmission facilities placed in service after June 16, 2025,

b. New distribution facilities place in service after June 16, 2025, and

c. Generation and power purchase agreement costs placed in service after June 16, 2025, for a LEUF that has not entered into a Schedule 272 agreement with PacifiCorp before June 16, 2025.

"Significant investment" or "significant cost" does not include investments or costs incurred after June 16, 2025, to maintain, repair, renew, or replace facilities placed into service before June 16, 2025, and necessary to continue providing existing service, up to the contract demand in place on June 16, 2025.

Notwithstanding anything to the contrary herein, the determination of whether the LEUFs presently engaged in a contested case proceeding (Contested LEUFs) concerning PacifiCorp's performance of its obligations under existing service agreements entered into before June 16, 2025 (Complaint Proceeding) are subject to Schedule 401 as a "New LEUF" shall be decided through the Complaint Proceeding and not Paragraph 15 above. If the Commission declines to decide the issue or the Complaint Proceeding is resolved without resolution of this issue, Paragraph 15 shall apply to the Contested LEUFs.

16. Increases in contract demand by existing LEUFs: In the event that an existing LEUF that is not on Schedule 401 increases its contract demand by 10 megawatts (MW) or more, but does not meet the definition of a New LEUF described in Paragraph 15, PacifiCorp must submit a study into docket UE 463 showing the impact of this increase on the system and what, if any,

upgrades are required to accommodate the increase in contract demand.

17. LEUF Agreements: New LEUFs must sign a LEUF Agreement to receive service from PacifiCorp.

18. Limitation on Usage: New LEUFs that are already energized may not exceed their highest actual measured peak demand as of the day the Commission issues a final order in this proceeding until a LEUF Agreement is approved by the Commission.

19. LEUF Agreement Filing Timeline: Within 45 days after execution, a LEUF Agreement will be filed with the Commission for approval. If the parties have not executed a LEUF Agreement within 180 days of completion of the service study, either party may file an unexecuted LEUF Agreement and request Commission resolution of disputed terms.

20. Commission Review of LEUF Agreements: The Commission will have 90 days to approve or reject a standard LEUF Agreement. PacifiCorp or the LEUF may propose a non-conforming contract structure, in which case the Commission will have 180 days to approve or reject the LEUF Agreement. For either standard or non-standard contracts, the Commission may extend the review period for good cause.

a. In the filing seeking Commission approval, PacifiCorp will provide a description of how the contract structure is designed to avoid double-counting.

21. LEUF Agreement Terms: The following terms shall be included in each LEUF Agreement and reflected in Schedule 401, unless PacifiCorp and the LEUF agree to and the Commission approves a specialized structure:

a. Rule 13 will apply to line extensions for New LEUFs, but any Network Upgrades (as defined in Rule 13, including bulk transmission) required to serve the New LEUF's load will be paid for upfront by the New LEUF, unless each of the

following criteria are met, in which instance the proportionate share of the cost of the Qualified Network Upgrade meeting each of the criteria will be paid by the LEUF through time, as detailed in Paragraph 21.b below:

i. The Network Upgrade is a transmission facility of 230 kV and above,

ii. The Network Upgrade is utilized and defined as a transmission path or facility that is on the Western Electric Coordinating Council (WECC) critical path list, and

iii. Less than 80 percent of the Network Upgrade's presently known capacity needs allocated to PacifiCorp are comprised of LEUF customer(s) demand.

LEUFs will pay the share of costs related to Qualified Network Upgrades based on the proportion of the LEUF's usage of the Qualified Network Upgrade versus the total presently known capacity needs by PacifiCorp of the Qualified Network Upgrade. "Presently known capacity needs" are forecasted needs no more than five years in the future that are likely to prudently use a Network Upgrade.

Multiple LEUFs may agree to share line extension, Network Upgrade, or Qualified Network Upgrade costs. Provided the LEUF makes all required payments under this section, PacifiCorp will reserve sufficient transmission rights to provide electric service to meet the LEUF's contract demand.

b. The recuperation of the LEUF's share of a Qualified Network Upgrade will be set as a monthly fee equal to the then-current revenue requirement for the assigned portion of the Qualified Network Upgrade. The revenue requirement for these assets will be calculated based on final actual costs as if the asset's depreciable life was equal to the remaining contract length of the customer's LEUF Agreement, and

the rate of return will be PacifiCorp's Commission-approved rate of return. In the event of default by the LEUF, PacifiCorp may seek recovery of unrecovered Qualified Network Upgrade costs in a future Oregon rate case to the extent that it demonstrates that (i) PacifiCorp has not fully recovered the final actual costs through the combination of monthly fees and default collateral; (ii) continued operation of the Qualified Network Upgrade provides greater net benefits to PacifiCorp's Oregon customers than removal or sale of the Qualified Network Upgrade; and (iii) PacifiCorp demonstrates that including these costs in other customers' rates will lead to fair, just, and reasonable rates.

c. The New LEUF will reimburse PacifiCorp for any actual third-party transmission service costs needed to serve the customer.

d. The New LEUF will pay an hourly energy charge equal to the Energy Day-Ahead Market (EDAM) Locational Marginal Price (LMP) at a node that both parties agree upon and is approved by the Commission.

e. The New LEUF will be subject to a Peak Demand Charge that is based on Customer's highest demand during the month to the nearest kilowatt equal to the sum of the following PacifiCorp Open Access Transmission Tariff (OATT) Schedule monthly rates:

i. Schedule 1

ii. Schedule 3

iii. Network Integration Transmission Service. This charge will be updated with changes to pricing in the OATT and will be subject to the annual true-up of OATT rates. PacifiCorp will utilize the Oregon-allocated portion

of LEUF OATT-based revenues to lower the revenue requirement for other Oregon non-LEUF customers in any ratemaking proceeding when the revenue requirement from OATT revenue is considered.

f. PacifiCorp will analyze the generation and capacity resources necessary to serve the New LEUF's load without impeding PacifiCorp's compliance with HB 2021 or its small-scale renewable mandate from ORS 469A.210. Any incremental resources PacifiCorp acquires for the purpose of serving a New LEUF will be non-emitting. The analysis used to support the LEUF Agreement will ensure that to the extent a New LEUF is served with existing, emitting resources, the New LEUF will be responsible for emissions reductions associated with electricity delivered to other Oregon PacifiCorp customers such that the New LEUF does not cause an increase in PacifiCorp's emissions or shift the costs of HB 2021 compliance onto other customer classes. Each LEUF Agreement will ensure that the New LEUF's load is served in a manner that does not harm PacifiCorp's resource adequacy position or impede its HB 2021 or small-scale renewable compliance positions for existing customers. PacifiCorp's analysis used to determine a New LEUF's impact on HB 2021 compliance will be included in its filing for LEUF Agreement approval with the Commission.

g. In the event that PacifiCorp's legal requirements regarding emissions or its generation mix change in the future, the Stipulating Parties will reconvene to ensure that Schedule 401 does not impede PacifiCorp's ability to comply with the law.

h. The New LEUF will compensate PacifiCorp for the full cost of all necessary generation and storage resources through either: (a) a Reservation Charge based on

the Contract Demand and paid monthly during the term, beginning with the commencement date, or; (b) the sum of (i) direct reimbursement of the actual costs of the Customer Resources (those dictated by the Customer) inclusive of capacity costs in $/kW-month, energy costs in $/MWh, costs associated with compensable curtailment of the Customer Resource, internal costs associated with procurement or management of third-party contracts and interconnection-related upgrades and improvements and network service-related upgrades and improvements; (ii) a Portfolio Risk Management Charge that will be based on Contract Demand and will be proportionate to the additional pass through agreements PacifiCorp is required to carry on its balance sheet; and (iii) a System Firming and Balancing Charge set at 33 percent of System Fixed Generation applicable to Schedule 48 less a generation credit applicable to Customer Generation priced at the EDAM LMP applicable to the hour of scheduled energy generation, net of all imbalance charges associated with variances between scheduled and actual generation amounts, and not to exceed the actual cost of energy from the Customer Resource.

i. The Reservation Charge will be set to compensate all capital and maintenance costs of constructing and operating all of the necessary load interconnection facilities, network improvements associated with the designation of network load, the necessary generation and storage facilities to reliably serve the load and comply with Oregon emissions and small-scale renewable standards on a 24x7 basis without customer load flexibility, the resource and storage interconnection facilities, the network improvements associated with the designation of network resources, and the

company's return on these investments at a rate that will prevent any subsidization from existing customers. This rate will be set to recover these costs over the life of the customer's contract.

ii. The Portfolio Risk Management Charge will be designed to avoid harming the company's credit metrics.

i. The New LEUF will be subject to the Schedule 300 Excess Demand Charge. PacifiCorp will provide an analysis in each of its Power Cost Adjustment Mechanism filings documenting the frequency and severity of LEUF excess demand events. In this analysis, the company will provide the number of excess demand events, the duration of the events, and the amount of excess demand per event by anonymized customer account for the prior year.

j. Any Excess Demand greater than Contract Demand requires prior company approval and will be subject to curtailment if needed to maintain system reliability, safety, or if it will risk unwarranted cost shifting to other customers.

k. The New LEUF will pay all of the surcharges applicable to Schedule 401 at the same price applicable to Schedule 48 customers. To achieve this, all surcharges will be calculated recursively so that the original rate spread is applied to a revenue requirement that accounts for the additional revenues raised by Schedule 401 customers. This will be done by subtracting the forecasted revenue from Schedule 401 from the original revenue requirement, then recursively solving for a set of rates that maintains the intended rate spread on the modified revenue requirement while keeping Schedule 401 rates equal to Schedule 48 rates.

l. The New LEUF will be subject to an Exit Fee that is set to recover infrastructure

costs that are funded by PacifiCorp. The Exit Fee will include the net book value of company-funded infrastructure, the net cost of customer-specific power/tolling agreements, the Reservation Charge for the remainder of the customer's contract, and the net cost of removing facilities no longer needed. If another large customer takes service within three years of an exiting LEUF's departure, the Exit Fee will be refunded by a pro-rata share of the capacity assumed by the new large customer. No refund will be given for the net cost of removing facilities that served the exiting LEUF.

m. The New LEUF will pay a surcharge that will be equal to (i) PacifiCorp's forecasted administrative and general expense included in the final cost of service study in its most recent general rate case divided by forecast energy sales from the general rate case; (ii) any charges that get folded into base rates that Schedule 401 LEUFs are eligible for; and (iii) any other shared costs the Commission deems appropriate. In between general rate case filings, this surcharge shall be adjusted annually by the Consumer Price Index until the rules for the Multi-Year Rate Plan are developed, at which time, this surcharge will be adjusted by the I-factor determined in those rules (if one is included). In addition, costs recovered through the Z-factor may be included in the surcharge if the Commission deems appropriate.

22. Demonstrated System Benefits: A LEUF Agreement may include provisions that account for demonstrated system benefits provided by interruptible service as detailed in Paragraph 28 below.

23. Application Fee: Applicants seeking New LEUF agreements with PacifiCorp shall pay a $25,000 nonrefundable fee as offset to the costs of the company preparing the LEUF

Agreement, but this does not cover the cost of the engineering studies which will be entirely allocated to the New LEUF. As part of any study agreement, the LEUF will agree to true-up PacifiCorp's costs of preparing and negotiating the LEUF Agreement to be recovered from the LEUF, regardless of whether the LEUF Agreement is ultimately executed.

24. Minimum Contract Term: The minimum term for a LEUF Agreement will be 10 years, and the maximum term will be 30 years, inclusive of any ramp period.

25. LEUFs Not Subject to Schedule 401: Within 60 days of the rate effective date of docket UE 470, PacifiCorp will make a tariff filing to create a new rate class for LEUFs that are not subject to Schedule 401 that assigns the cost of serving such LEUFs to that class consistent with the POWER Act, including net power costs. The tariff filing will restate the revenue requirement from docket UE 470 with a new rate class allocation that includes the new rate class. This new tariff will use a similar structure to Schedule 48. PacifiCorp will provide notice of the new tariff filing to the parties in dockets UE 470 and UE 463.

26. Community Energy Benefits Charge: LEUFs over 100 MW will be charged a 1 cent/kWh charge to fund non-cost-effective energy efficiency, critical home repairs ("enabling repairs"), or distributed energy resources for low-income customers in PacifiCorp's Oregon service territory. This charge will be set at 0 cents/kWh in the event the same charge ordered by the Commission for Portland General Electric Company (PGE) in docket UM 2377 is found to be unlawful by a court of competent jurisdiction, at the time the decision becomes final and not subject to appeal. The charge will revert back to 1 cent/kWh if, at some point thereafter, the Oregon Legislature fixes the legal infirmity identified by the court or otherwise allows for a substantially similar surcharge to be established. Rules governing the administration of any funds generated will be established within a separate docket.

27. Site Aggregation: The following two criteria will apply for purposes of determining whether a customer is eligible for Schedule 401:

a. If two or more sites have common ownership and are within 2,500 feet of each other or are served by the same substation, the sites will be treated as one for the purpose of capacity allocation and the qualification for a LEUF Agreement.

b. Data center customers with similar ownership that are located anywhere in PacifiCorp's territory must have their Contract Demand summed for the purposes of LEUF qualification.

28. Flexibility Compensation: PacifiCorp will propose a uniform flexibility compensation program based on avoided cost principles for New LEUF customers in its next General Rate Case or in its filing to establish a tariff for LEUFs not subject to Schedule 401, whichever is first. Since non-LEUF customers would compensate LEUF customers for flexibility, the analysis of the LEUF customer's resource need would not consider any assumed flexibility. An alternative compensation for flexibility could still be proposed as part of a non-standard LEUF Agreement filing.

29. Collateral and Credit Requirements: A LEUF shall, at the company's election, be required to provide sufficient creditworthiness or post collateral to cover the customer's Exit Fee. This determination will be made using the credit requirements described below. This amount will be reassessed every two years to reflect the customer's current Exit Fee.

a. The senior unsecured long term debt of a customer has a rating of A- or higher by Standard & Poor's or Fitch, A (low) or higher by DBRS, or A3 or higher by Moody's Investor Services, Inc.; provided that if an entity is rated by multiple credit rating agencies, the entity will be deemed to satisfy the Creditworthiness

Requirements only if at least two of the foregoing standards are met, or

b. If there is no such rating of the customer's senior unsecured long-term debt, the customer has an equivalent rating as determined by the utility through its standard internal process review.

30. Biennial Reporting: PacifiCorp will submit a report every other year regarding its LEUF Customers.

a. The report will contain the following information:

i. Number of LEUFs

ii. Aggregated Reserved Capacity (or Contract Capacity) of LEUF Customers

iii. Aggregated peak monthly Demand of LEUFs

iv. Aggregated monthly energy usage of LEUFs

v. The total number of instances a LEUF requested to exceed its Reserved Capacity (or Contract Capacity) during the calendar year, the date of each request, and whether PacifiCorp granted the request.

vi. Anonymized, individualized monthly peak demand of each LEUF

vii. Anonymized, individualized monthly usage of each LEUF

b. The report will be filed in docket UE 463 no later than March 31 of the year following the reporting year (i.e., reporting for 2026 would be due March 31, 2027).

c. Information contained in Paragraph 30(a)(vi) through (viii) above will be provided confidentially. Information contained in Paragraph 30(a)(i) through (v) will be made publicly available. Until PacifiCorp has at least four LEUFs with distinct ownership, the information contained in Paragraph 30(a)(i) through (v) made publicly available will be provided in ranges appropriate to prevent disaggregation.

d. PacifiCorp's reporting obligation will conclude after the 2040 reporting year, unless the Commission determines that continued reporting is necessary to continue to assess the efficacy of the approach adopted here to adhere to the laws and principles established in the POWER Act.

31. Renewals: LEUF Agreement renewals will be a minimum of 10 years in length.

32. Interconnection of LEUFs: LEUF customer interconnection will be on a first-come, first-served basis, meaning that LEUF customers will be interconnected in the order in which they execute a LEUF Agreement, subject to agreed-upon construction timelines, and system constraints (including proposals such as flexibility to address system constraints). The load interconnection queue for LEUF interconnection will be shared with the Commission in a confidential report that is updated whenever the queue changes, but not more frequently than once per quarter. PacifiCorp will provide a justification for any changes made to the queue. A public version of the report shall be made available in a manner that protects the confidentiality of all LEUF customers. The Commission will have the right to make changes to the queue for good cause, if the change does not result in unfair or unduly discriminatory treatment of any other LEUF customers.

33. LEUF Resource Eligibility: Any resource, including company-owned benchmark resources, that are actively participating in a formal system procurement request, whether the request for proposals (RFP) is for Oregon specifically or another state in PacifiCorp's service territory, would be ineligible to support a LEUF. A resource that chooses to participate in a formal system procurement may become eligible for a LEUF if the resource's participation in the RFP ends, such as in the event the resource does not make a short list or other key milestone.

34. Tax on CIAC: Any forecasted negative tax implications for a customer's CIAC must be documented by PacifiCorp, paid for by the customer, and included in any LEUF

Agreement presented to the Commission.

35. Direct Assignment of Unrecovered Investments: Any and all unrecovered portions of the proportionate share of investments identified in service contracts between PacifiCorp and LEUFs subject to Schedule 401 are directly assigned, in a manner consistent with Paragraph 21, to the customer on a going forward basis as part of the LEUF Agreement for customers eligible for Schedule 401.

36. LEUF Contributions to Future Shared Facility Costs: If, when studying the LEUF's load request, PacifiCorp determines that the LEUF's load will accelerate PacifiCorp's need to construct a planned facility, the LEUF Agreement will identify the facility for future cost recovery from the LEUF. In the proceeding when the facility goes into rates for Oregon customers, a surcharge will be developed that will recover the LEUF's proportionate share of the facility based upon total presently known capacity need and over the remaining life of the LEUF Agreement.

37. Rule 15: LEUFs will not be exempted from the requirements of Rule 15 as a result of entering a LEUF Agreement.

38. This Stipulation will be offered into the record of this proceeding as evidence pursuant to 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 any 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 briefing in support of the Stipulation in accordance with OAR 860-001-0350(7)(a).

39. 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.

40. 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 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 pursuant to OAR 860-001-0720 in any manner that is consistent with the agreement embodied in this Stipulation.

41. 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.

42. 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.

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

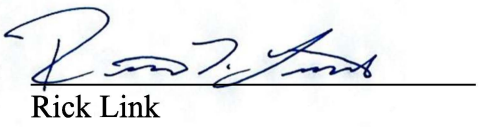
44. This Stipulation may not be modified or amended except by written agreement among all Stipulating Parties who have executed it.

STAFF

By: */s/ Betsy Bridge*
Betsy Bridge

Date: September 16, 2026

PACIFICORP

By: 
Rick Link

Date: September 16, 2026

ENVIRONMENTAL INTERVENORS

By: */s/ Cole Souder*
Cole Souder

Date: September 16, 2026

OREGON CITIZENS' UTILITY BOARD

By: */s/ Claire Valentine-Fossum*
Claire Valentine-Fossum

Date: September 16, 2026