PACIFIC POWER
A DIVISION OF PACIFICORP

825 NE Multnomah Street, Suite 2000
Portland, Oregon 97232

September 25, 2026

VIA ELECTRONIC FILING

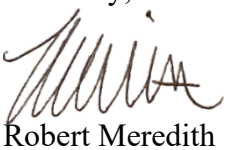
Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398

Re: UE 469—Stipulation

PacifiCorp d/b/a Pacific Power (PacifiCorp) encloses for filing in this docket the Stipulation between PacifiCorp, Staff of the Public Utility Commission of Oregon, the Alliance of Western Energy Consumers, and Calpine Energy Solutions, LLC. The Joint Testimony in Support of the Stipulation will be submitted separately.

If you have any questions about this filing, please contact Amira Thompson, State Regulatory Affairs Manager, at (503) 260-4420.

Sincerely,



Robert Meredith
Director, Regulation

Enclosures

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 469

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

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

PARTIES

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

BACKGROUND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AGREEMENT

13. Overall Agreement: The Stipulating Parties agree to submit this Stipulation to the Commission and request that the Commission approve the Stipulation as presented. The Stipulating Parties agree that the rate change resulting from the Stipulation results in rates that are fair, just, and reasonable, as required by ORS 756.040.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22. The Stipulating Parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material part of this Stipulation or adds any material condition to any final order that is not consistent with this Stipulation, each Stipulating Party reserves its right, in accordance with OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation or to withdraw from the Stipulation. The Stipulating Parties agree that in the event the Commission rejects all or any material part of this Stipulation or adds any material condition to any final order that is not consistent with this Stipulation, the Stipulating Parties will meet in good faith within 15 days and discuss next steps. A Stipulating Party may withdraw from the Stipulation after this meeting by providing written notice to the Commission and other Stipulating Parties. The Stipulating Parties shall be entitled to seek rehearing or reconsideration in accordance with OAR 860-001-0720 in any manner that is consistent with the agreement embodied in this Stipulation.

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

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

25. This Stipulation is not enforceable by any Stipulating Party unless and until adopted by the Commission in a final order. Each signatory to this Stipulation acknowledges that they are signing this Stipulation in good faith and that they intend to abide by the terms of this Stipulation unless and until the Commission rejects or adopts only in part the Stipulation. The Stipulating Parties agree that the Commission has exclusive jurisdiction to enforce or modify the Stipulation.

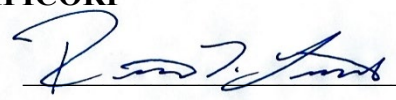
26. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

STAFF

By: */s/ Betsy Bridge*

Date: September 25, 2026

PACIFICORP

By: 

Date: September 25, 2026

ALLIANCE OF WESTERN ENERGY CONSUMERS

By: */s/ Sommer Moser*

Date: September 25, 2026

CALPINE ENERGY SOLUTIONS, LLC

By: */s/ Greg Adams*

Date: September 25, 2026