

The initial filing included direct testimony in support of the 2023 NPC projection of \$1,684 million on a total company basis, or approximately \$24.77 per megawatt-hour (MWh). Oregon rate payers were originally allocated \$358.5 million situs and PTC adjustments were applied. This translates to roughly \$25.72 per megawatt-hour. This is a \$4.96 or 23.9 percent increase compared to 2022 on a per megawatt hour basis.² The primary factors responsible for the increase are due to the combination of an increase in purchased power expenses, natural gas expenses, and wheeling expenses and a decrease in wholesale sales revenues and coal fuel expenses.

UE 400 Proceedings

On May 25, 2022, Staff and interveners filed opening testimony in response to PAC's initial filing. Intervenors who submitted testimony in this case include the Alliance of Western Energy Consumers (AWEC), The Consumer Utility Board (CUB), Calpine Energy Solutions (Calpine), and the Sierra Club.

PAC replied to these testimonies on June 22, 2022. With this reply, the Company also updated its NPC estimates using more recent data. In their June update, they forecasted a \$24.31 million dollar increase in Oregon allocated NPCs net of adjustments.

Parties held settlement conferences on June 6, 2022, and June 30, 2022. On August 11, 2022, PacifiCorp filed a stipulation and supporting testimony joined by all parties.³ The stipulation settled the issues raised in the proceedings. At the time of the settlement, PacifiCorp's 2023 Oregon-allocated NPC forecast net of adjustments and inclusive of the UE 400 Stipulation terms, was approximately \$354.98 million. This represents a \$3.84 million decrease from the Company's initial filing.

The Commission issued Order No. 22-389 on October 25, 2022, adopting the stipulation, stating:

We adopt the parties' agreement establishing PacifiCorp's Oregon-allocated TAM power cost increase of approximately \$77.05 million from the 2022 TAM in docket UE 390. The stipulation results in an overall average rate increase of approximately \$66.43 million when adjusted for forecasted load

² This represents the difference between the 2022 and 2023 average forecasted price per MWh for Oregon customers after adjustments. These are defined as the total Oregon allocated TAM revenues net of adjustments divided by the forecasted load. The components of this calculation can be found in Attachments 3 and 4 in UE 390/Advice 21-023 for 2022 and UE 400/Advice 22-013 for 2023. The final forecasted Oregon allocated NPC net of adjustments totaled \$426.99 million. This translates to \$30.64 per MWh – a 47.6 percent increase over the 2022 TAM rate.

³ The parties agreeing to the stipulation include PAC, Staff, CUB, AWEC Calpine, Sierra Club, Klamath Water Users Association, the Oregon Farm Bureau Federation, and Vitesse, LLC.

changes and production tax credits (PTCs) or 5.3 percent on an overall basis. The net power costs (NPC) and transition adjustment rates will become effective January 1, 2023.⁴

On November 15, 2022, PacifiCorp performed the final update of its 2023 NPC forecast. The final forecasted Oregon allocated NPC net of adjustments totaled \$426.99 million. This translates to \$30.64 per MWh – a 47.6 percent increase over the 2022 TAM rate and a 20.3 percent increase over the settlement rate. The factors driving this large increase from the settlement amount are listed in order of total impact:

- (1) Official forward price curve update
- (2) Short-term firm transactions
- (3) Wyoming transmission adjustment
- (4) Coal fuel supply shock

This price hike is partially mitigated by an update to: EIM benefits, long-term contracts, and QFs.

Effect of Docket No. UE 400 and Advice No. 22-013

In addition to Schedule 201, which updates NPC, Advice No. 22-013 also updates Schedule 220 (Standard Offer Supply Service) and Schedules 294-296 (Transition Adjustments). Schedule 220 is updated based on the forward price curves established in the TAM. Schedules 294-296 provide the transition adjustments for those customers electing direct access during the upcoming election window.

In total, 10 sheets are updated through Advice No. 22-013, a list of which can be found on the first page of the Company's application.

For a typical single-family customer using 900 kWh a month, the result of this filing will increase a typical residential bill from \$91.89 to \$103.40. This represents a 12.53 percent increase.

Staff met with PacifiCorp to discuss the work papers relevant to this filing on December 5, 2022, and December 7, 2022. Staff also sent email correspondence for smaller clarifications. PacifiCorp has reviewed this memo and agrees with its contents.

Consistent with changes to the TAM Guidelines approved in Order No. 10-363, a party must provide notice ten days before the final Public Meeting of the year if there are any concerns with the final TAM update. No party has provided notice.

⁴ Order No. 22-389, p. 1.

Docket No. UE 400/Advice No. 22-013
December 19, 2022
Page 4

PROPOSED COMMISSION MOTION:

Informational only

PAC UE 400/ Advice No. 22-013 2023 TAM Compliance Tariff