

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 374

In the Matter of

PACIFICORP, dba PACIFIC POWER

Request for a General Rate Revision.

BENCH REQUEST

The following bench requests are intended to facilitate a complete understanding of the proposals before the Commission regarding pension settlement expense and the Partial Stipulation. Questions one through three are directed to PacifiCorp. Question four is directed at the Stipulating Parties. Responses are due no later than 2:00 p.m., November 19, 2020. Any party may file a reply to a response by 2:00 p.m., November 25, 2020.

1. Refer to Exhibit PAC/2100, Kobliha/11-12 (explaining that “absent settlement accounting being triggered, the same amounts would be recognized into pension expense over time and subject to recovery”) and Exhibit PAC/300, Kobliha/31 (explaining that “[i]f not for this requirement [regarding settlement loss], such portion of the net actuarial loss would eventually flow through expense as part of the ongoing amortization over the approximately 21-year period.”) Please confirm that the calculation of FAS 87 pension expense (or pension expense) in future years is affected by a FAS 88 expense (or pension settlement loss) occurring in a prior year. In addition to confirming this relationship, please describe the mathematical impact that a pension settlement loss has on the concurrent and future pension expense, if able to be explained without requiring actuarial recalculations. Please describe in general terms if actuarial recalculations would otherwise be required.
2. Refer to Exhibit PAC/300, Kobliha/30 (stating that PacifiCorp’s filing reflects pension costs of \$8.8 million for the test period, including a projected settlement loss of approximately \$11.9 million).
  - a. Please confirm that the \$8.8 million cost for the test period represents a pension expense of approximately (\$3.1 million), offset by the \$11.9 million of settlement loss.

- b. Please explain whether, and if so how, the calculation of the (\$3.1 million) expense was affected by the company's forecast pension settlement loss of \$11.9 million for the test period. In the explanation, please specifically address whether the company's forecast (\$3.1 million) pension expense was calculated *without regard* to the expected \$11.9 million settlement loss for the test period, or whether it *was affected by* the expected test period settlement loss. If pension expense for the test period was affected by the settlement loss, provide the dollar amount by which it was affected, if known. Please include any citations to the existing record if such information is available within the record.
3. Refer to Exhibit PAC/2100, Kobliha/15 (proposing an alternative to Staff's recommendation and stating that "the Company is willing to accept approval to defer any settlement losses with authorization to recover those losses over the underlying period over which the amount would have been recognized absent settlement accounting").
- a. Please clarify whether the Company's proposal is to defer *all* future settlement losses for amortization over the periods in which such losses would otherwise be amortized absent settlement accounting, or if the proposal is to defer only the *test period projected losses* of \$11.9 million for amortization over the period in which it would have been recognized absent settlement accounting.
- b. Provide the number of years over which the amortization of the *test period settlement loss* of \$11.9 million would take place under the Company's proposal. If known, please provide the annual dollar amount of such amortization.
4. Refer to the Partial Stipulation filed August 17, 2020, at 5 ("PacifiCorp agrees to provide two reports for all pilot programs: one after 15 months of experience that discusses lessons learned from the pilot's first year and one after the pilot ends that assesses the lessons, information and data gleaned in conducting the pilot.")
- a. Confirm the duration applicable to each pilot program.
- b. If the pilot programs do not have a set duration, explain why not. Address whether three years would be an appropriate time frame for assessing the pilots.

Dated this 12<sup>th</sup> day of November, 2020 at Salem, Oregon.



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Alison Lackey  
Administrative Law Judge