

**PUBLIC UTILITY COMMISSION OF OREGON
INTEROFFICE CORRESPONDENCE**

DATE: December 22, 2022
TO: Bryan Conway through Marc Hellman and Matt Muldoon
FROM: Bret Stevens
SUBJECT: Verification of PacifiCorp Power Cost Rates Effective January 1, 2023.
Compliance Filing Advice No. 22-013.

In Order No. 22-389 (Order) entered on October 25, 2022, Docket No. UE 400, the Public Utility Commission of Oregon (Commission) adopted a comprehensive stipulation on all issues associated with PAC's 2023 annual Transition Adjustment Mechanism (TAM). As a result of UE 400, the Company's Oregon allocated Total TAM net of adjustments are set to increase by roughly \$145 million compared to 2022. This represents a 51 percent increase in total and a 47.6 percent on a per MWh basis. In response to the Order, PAC submitted its Compliance Filing Advice No. 22-013 on November 15, 2022.

Staff has reviewed the Advice Filing and finds it complies with the Commission's Order. The checks and analytic tasks required to affirm the accuracy of rates were:

- Confirm the revenue target is correctly calculated in the Company's revenue requirement work papers based on the estimates found in the November Update.
- Confirm from the Rate Spread and Design work papers that the proposed tariff prices are calculated to produce revenues in accordance with the Commission's order and the November Update. Staff confirmed that the rates and percentage increases to each customer class contained in the November Update the values in the Company's work papers.
- Confirmed the Billing Determinants spreadsheet matches the Aurora output of the final run.
- Verified the Oregon allocation percentages and transition adjustment charges for 2023.
- Confirmed the calculation of the Schedule 220 weights.
- Verify accurate implementation of all changes, including tariff language changes, authorized by the Commission.
- Confirm that the tariff sheets are properly updated with the rates present in the work papers, advice number, revision number, date, and any other appropriate language changes.

Staff verified that the specific impacts authorized by the Order will be achieved by the changed tariff pages as filed. Staff utilized the provided work papers and met with PAC 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.

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. The proposed change will affect roughly 646,000 customers. 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 recommends that an acknowledgement letter be sent, and the tariff sheets as currently filed be allowed to go into effect for service rendered on and after January 1, 2023. Further, Staff asks that the work papers provided by the Company be treated as compliance filings to Order 22-013. The Company agrees with Staff's approach to these materials.