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November 4, 2026

VIA EMAIL TO

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

Re: Docket No. UE 470 – In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Revision.

Attention Filing Center:

Attached for filing in the above-captioned docket, please find the Joint Testimony of Justin Bieber, Tyler Comings, Emily Dougan, Lance Kaufman, Jason Kiengsiri, Rick Link, Jaime McGovern, Matt Muldoon, and Lloyd Reed in support of the Stipulation.

Please contact this office with any questions.

Sincerely,

Hanna Campbell
Paralegal
McDowell Rackner Gibson PC

Docket No. UE 470
Stipulating Parties/100
Witnesses: Justin Bieber, Tyler Comings, Emily Dougan, Lance Kaufman, Jason Kiengsiri, Rick Link, Jaime McGovern, Matt Muldoon, Lloyd Reed

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

STIPULATING PARTIES

Joint Testimony in Support of Stipulation

on behalf of

PacifiCorp; Staff of the Public Utility Commission of Oregon; the Oregon Citizens' Utility Board; the Alliance of Western Energy Consumers; Calpine Energy Solutions LLC; Fred Meyer Stores and Quality Food Centers, Divisions of The Kroger Co.; Klamath Water User Association; Sierra Club; and Walmart Inc.

November 2026

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I. PURPOSE OF TESTIMONY

Q. Who is sponsoring this Joint Testimony?

A. This testimony is jointly sponsored by PacifiCorp d/b/a Pacific Power (PacifiCorp or the company); Staff of the Public Utility Commission of Oregon (Staff); the Oregon Citizens' Utility Board (CUB); the Alliance of Western Energy Consumers (AWEC); Calpine Energy Solutions LLC (Calpine); Fred Meyer Stores and Quality Food Centers, Divisions of The Kroger Co. (Fred Meyer); Klamath Water Users Association (KWUA); Sierra Club; and Walmart Inc. (Walmart) (collectively, the Stipulating Parties).

Q. Please provide your names and qualifications.

A. My name is Rick Link, testifying on behalf of PacifiCorp, and my qualifications are provided in PAC/200.

My name is Matt Muldoon, testifying on behalf of Staff, and my qualifications are provided in Exhibit Staff/101.

My name is Emily Dougan, testifying on behalf of CUB, and my qualifications are provided in CUB/100.

My name is Dr. Lance Kaufman, testifying on behalf of AWEC, and my qualifications are provided in AWEC/101.

My name is Justin Bieber, testifying on behalf of Calpine. My academic background is in business and engineering. I am currently a Principal at Energy Strategies, where I provide regulatory and technical support on energy issues, including utility regulation, transmission and renewable development, and financial and economic analyses. During my time at Energy Strategies, I have testified in more

than 90 regulatory proceedings on utility rates and regulatory policy before state utility regulators in Arizona, Colorado, Indiana, Kansas, Kentucky, Michigan, Montana, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Utah, Virginia, Washington, West Virginia, and Wisconsin. Before joining Energy Strategies, I worked at Pacific Gas and Electric Company, supporting various interconnection, transmission, and regulatory matters.

My name is Jason Kiengsiri, testifying on behalf of Fred Meyer I am a Consultant at Energy Strategies, where I provide regulatory support on energy issues including utility regulation and financial and economic analyses. During my time at Energy Strategies, I have testified in two regulatory proceedings on utility rates and regulatory policy before state utility regulators in Michigan and Pennsylvania, and have provided support in over 50 proceedings as part of the Energy Strategies team in Arizona, Colorado, Indiana, Idaho, Kansas, Kentucky, Michigan, Montana, Missouri, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Virginia, Washington, West Virginia, and Wisconsin.

My name is Lloyd Reed, testifying on behalf of KWUA, and my qualifications are provided in KWUA/101.

My name is Tyler Comings, testifying on behalf of Sierra Club, and my qualifications are provided in Exhibit SC/100, pages 1-3, and Exhibit SC/101.[1]

My name is Dr. Jaime L. McGovern, testifying on behalf of Walmart, and my qualifications are provided in Walmart/101.

[1] While Sierra Club joins this Stipulation in full, Mr. Comings' testimony in this case exclusively addresses the allocation of coal resources to Oregon and Mr. Comings takes no position on any other issue, as noted below.

Q. What is the purpose of this Joint Testimony?

A. This Joint Testimony describes and supports the Stipulation that resolves all issues in this general rate case.[2]

Q. Has any party to the general rate case objected to the Stipulation?

A. Yes. Rachelle McMaster Individually and on Behalf of the *James* Class (hereinafter, the *James* class) is the only party to this docket that opposes the Stipulation.

Q. Has any party to the general rate case taken no position on the Stipulation?

A. Yes. The Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and Vitesse LLC are also parties to this docket and take no position on the Stipulation.

II. BACKGROUND

Q. Please summarize PacifiCorp's initial filing in docket UE 470.

A. On May 5, 2026, PacifiCorp filed its 2026 general rate case (Initial Filing), which included direct testimony and exhibits. PacifiCorp also requested an interim rate increase in a separate and concurrently filed Application. PacifiCorp's Initial Filing requested an overall increase of approximately $170.7 million or 8.6 percent, and an interim rate increase of approximately $55.1 million or 2.8 percent, effective June 4, 2026.[3] If interim rates were approved, PacifiCorp requested that the remaining rate increase take effect on July 15, 2027.[4] If interim rates were not approved, PacifiCorp requested that the entirety of the proposed rate increase take effect on April 5, 2027.[5]

PacifiCorp's Initial Filing also included an adjustment related to the sale of certain generation and transmission assets located in Washington and the entirety of

[2] Stipulation (Oct. 28, 2026).
[3] Initial Filing, Executive Summary at 1.
[4] *Id*.
[5] *Id*.

its Washington distribution system (the Service Area Transfer).[6] PacifiCorp proposed a separate rate change to reflect the non-net power costs (NPC) and benefits of the Service Area Transfer.[7] If approval of the Service Area Transfer occurred before the rate effective date from this case, then rates put into effect in this case would account for the Service Area Transfer upon the rate effective date and the requested net non-NPC rate increase would be $173.7 million.[8] However, if approval of the Service Area Transfer did not occur before rates from this case became effective, then the incremental impact would be implemented as a second-step rate change to align with the final closing of the Service Area Transfer.[9]

Q. Did the Public Utility Commission of Oregon (Commission) approve PacifiCorp's Application for Approval of Interim Rates?

A. No. On May 28, 2026, the Commission denied PacifiCorp's interim rate request.[10]

Q. Did Staff and intervenors review and analyze PacifiCorp's request for a general rate revision?

A. Yes. Staff and intervening parties thoroughly reviewed PacifiCorp's Initial Filing and conducted extensive discovery. In all, PacifiCorp responded to 595 data requests from Staff, 48 from CUB, and 2 from Sierra Club.

[6] Initial Filing, Executive Summary at 5.
[7] *Id.*
[8] Initial Filing, Executive Summary at 5-6.
[9] Initial Filing, Executive Summary at 6.
[10] Docket No. UE 470, Order No. 26-195 at 1 (May 28, 2026).

Q. In their opening testimonies, did the parties propose adjustments to PacifiCorp's proposed revenue requirement or challenge other aspects of PacifiCorp's filing?

A. Yes. Staff, CUB, AWEC, KWUA, Sierra Club, Walmart, and the *James* class filed testimony addressing various issues on August 10, 2026. Due to technical difficulties, Staff filed opening testimony on August 11, 2026. Calpine, CTUIR, Fred Meyer, and Vitesse did not file testimony.

Staff's testimony included 14 witnesses. Staff recommended a range of reasonable returns on equity, multiple revenue requirement adjustments, and addressed several other issues, including rate spread and rate design.

CUB's testimony discussed the impact of a residential rate increase on energy insecure customers and addressed coal-related issues.

AWEC's testimony addressed return on equity, proposed modifications to PacifiCorp's treatment of the rate impacts of the Service Area Transfer, and addressed several other issues, including rate spread, rate design, and PacifiCorp's cost of service study.

KWUA's testimony recommended modifications to PacifiCorp's proposed rate spread and addressed the rate spread associated with the Service Area Transfer.

Sierra Club's testimony recommended that the Commission not accept any additional reallocation of coal generation or capacity to Oregon. Sierra Club's testimony did not take a position on any other issues in the case.

Walmart's testimony highlighted the impact of a rate increase on business customers, addressed return on equity, and recommended that PacifiCorp develop a new electric vehicle (EV) retail rate for electric vehicle chargers.

The *James* class's testimony discussed the litigation related to the Labor Day 2020 fires.

Q. Did PacifiCorp update its filing and respond to these adjustments and recommendations in its reply testimony?

A. Yes, PacifiCorp filed reply testimony on September 21, 2026. The company's reply filing responded to parties' recommendations and reduced its overall rate increase request from $170.7 million to $162.7 million, or 8.2 percent.[11]

Q. Did the parties hold settlement discussions?

A. Yes. The parties participated in settlement conferences on August 28, 2026, September 11, 2026, September 29, 2026, and October 9, 2026. The Stipulating Parties reached an agreement in principle on the issues addressed in the Stipulation on October 12, 2026.

Q. Did the parties request a change in the procedural schedule in this case after reaching the agreements reflected in the Stipulation?

A. Yes. On October 13, 2026, PacifiCorp requested that the Commission suspend the procedural schedule, which the Commission did. On October 21, 2026, PacifiCorp filed and the Commission adopted a new procedural schedule to address the Stipulation.

[11] PAC/1100, Link/1

III. TERMS OF THE STIPULATION

A. Revenue Requirement

Q. Please summarize the adjustment to revenue requirement agreed upon by the Stipulating Parties.

A. As noted above, PacifiCorp proposed an overall rate increase of $170.7 million or 8.6 percent,[12] excluding the impact of the proposed Service Area Transfer, and an overall rate increase of $173.7 million, if the impact of the Service Area Transfer is included.[13] Staff proposed various adjustments to reduce the company's requested revenue requirement.[14] In its reply testimony, PacifiCorp proposed a revised overall rate increase request of $162.7 million or 8.2 percent.[15]

The Stipulating Parties agree that the Commission should authorize PacifiCorp to implement a base rate change based on a revenue requirement increase of $131.9 million.[16] Including agreed upon deferral adjustments, this rate change results in a net increase of $134.5 million, representing an increase of 6.8 percent over current net rates. The new rates resulting from this case will become effective on April 5, 2027.

[12] Initial Filing, Executive Summary at 1.
[13] PAC/800, McCoy/5, Table 1.
[14] Staff/200, Chipanera/3-4.
[15] PAC/1100, Link/1.
[16] Stipulation ¶ 15.

Q. Please describe the Stipulating Parties' testimony and their agreement regarding rate of return.

A. PacifiCorp requested a rate of return (ROR) of 7.56 percent,[17] with a capital structure comprised of 50 percent equity and 50 percent long-term debt,[18] a 5.412 percent cost of debt,[19] and a 9.70 percent ROE.[20] Staff proposed a ROR of 7.556 percent,[21] and a 5.411 percent cost of long-term debt.[22] Staff recommended that the Commission select a ROE within a range of 9.20 percent to 9.50 percent.[23] AWEC recommended a ROE of 9.25 percent based on an analysis of current market conditions and investor expectations as well as financial modeling of PacifiCorp's proposed utility peer group.[24] Walmart did not recommend a specific ROE but testified that PacifiCorp's proposed ROE was not supported and recommended that the Commission consider the customer impacts, PacifiCorp's currently approved ROE of 9.50 percent, and recent ROEs approved for other utilities in Oregon and nationwide.[25]

The Stipulating Parties agree that PacifiCorp's ROE should be set at 9.50 percent, PacifiCorp's cost of long-term debt should be set at 5.411 percent, and PacifiCorp's capital structure for ratemaking purposes will be based on 50 percent equity and 50 percent long-term debt.[26] Based on these agreed upon elements, the

[17] PAC/200, Link/8.
[18] PAC/300, Weems/3.
[19] *Id.*
[20] PAC/400, Bulkley/4.
[21] Staff/100, Muldoon/19, Table 3.
[22] Staff/800, Pileggi/13.
[23] Staff/100, Muldoon/21.
[24] AWEC/100, Kaufman/21.
[25] Walmart/100, McGovern/14.
[26] Stipulation ¶ 16.

Stipulating Parties agree PacifiCorp's overall ROR should be set at 7.456 percent.[27] The Stipulating Parties' agreement is reflected in Table 1 below.

Table 1. Docket UE 470 Stipulated				
Component	**Percent of Total**	**Cost**	**Weighted Average**	**ROR vs. Current**
Long-Term Debt	50.00%	**5.411%**	2.706%	**0.055%**
Common Stock	50.00%	**9.50%**	4.750%	
	100.00%	**ROR**	**7.456%**	

Adopting PacifiCorp's proposed capital structure is reasonable given that no party opposed PacifiCorp proposal. Adopting Staff's proposed cost of debt is reasonable because PacifiCorp's and Staff's proposals were just 0.001 percent different, and Staff's proposal reflected more updated information because it was developed later in time. Finally, the agreed-upon ROE represents a reasonable compromise among the Stipulating Parties' positions. The Stipulating Parties agree that the stipulated cost of capital will result in fair, just, and reasonable rates.

Q. Please describe the Stipulating Parties' testimony and their agreement regarding Dave Johnston Unit 4.

A. PacifiCorp proposed to include in rates Oregon's $2.8 million share of the $10 million insurance deductible for repairs to Unit 4 of the Dave Johston plant.[28] Staff and CUB recommended disallowing the full $2.8 million.[29] After PacifiCorp's Initial Filing, the company became aware that the repairs to Dave Johnston Unit 4 would not be placed in-service until late 2027, so the company removed the incremental costs associated

[27] Stipulation ¶ 16.
[28] PAC/800, McCoy/41.
[29] Staff/600, Drennan/10; CUB/100, Dougan-Jenks/33.

with these repairs from the case.[30]

The Stipulating Parties agree to PacifiCorp's proposal to remove the *pro forma* capital additions associated with Dave Johnston Unit 4 from rate base.[31] This reduces the revenue requirement by $400,000. The Stipulating Parties further agree that PacifiCorp reserves the right to seek recovery of these costs in a future rate case.[32] The Stipulating Parties' agreements on this issue are reasonable given that the repairs will not be in service before rates resulting from this case take effect.

Q. Please describe the Stipulating Parties' testimony and their agreement regarding the Gateway South Segment F Aeolus-to-Mona/Clover 500 kilovolt transmission line (Gateway South).

A. PacifiCorp requested the Commission allow the company to recover its full rate of return on Gateway South.[33] Staff recommended that the Commission continue to deny PacifiCorp full cost recovery of its investment in Gateway South.[34]

The Stipulating Parties agree that PacifiCorp may begin to recover a full rate of return on Gateway South upon the rate effective date, subject to the unspecified monetary adjustment discussed below.[35] The Stipulating Parties further agree that, within five business days after the order approving the Stipulation becomes final and non-appealable, PacifiCorp will fully withdraw its deferral applications for Gateway South in docket UM 2402 and will file in the Oregon Court of Appeals motions to dismiss with prejudice and without award of costs or fees its petitions for judicial

[30] PAC/1600, McCoy/76.
[31] Stipulation ¶ 17.
[32] Stipulation ¶ 17.
[33] PAC/200, Link/6.
[34] Staff/800, Pileggi/11.
[35] Stipulation ¶ 18.

review from docket UE 433 (Case No. A187388), which addressed Gateway South and wildfire mitigation transmission issues, and docket UE 451 (Case No. A190791), which addressed Gateway South.[36]

The Stipulating Parties' agreement is reasonable because it brings to an end years of litigation over multiple dockets and appeals regarding recovery for Gateway South and allows PacifiCorp full recovery beginning on the rate effective date, subject to an unspecified monetary adjustment, for an important transmission asset that has been in-service for almost two years.

Q. Please describe the Stipulating Parties' testimony and their agreement regarding the Willamette River Crossing Project.

A. PacifiCorp requested full recovery for the Willamette River Crossing Project, which involved replacing and upgrading distribution infrastructure that crosses the Willamette River to allow remediation of the Portland Harbor Superfund Site.[37] Rather than allowing recovery in this case, Staff identified a number of concerns with the timing and cost of the project and proposed deferring PacifiCorp's investments in the Willamette River Crossing Project, with interest accruing at the modified blended treasury rate, until the pre-existing underground lines have been removed.[38] PacifiCorp opposed Staff's deferral recommendation.[39]

The Stipulating Parties agree that PacifiCorp can recover its full request related to the Willamette River Crossing Project.[40] The Stipulating Parties further

[36] Stipulation ¶ 18.
[37] PAC/500, Foster and Wetzsteon/3, 33.
[38] Staff/900, Moore/19-20.
[39] PAC/1100, Link/54.
[40] Stipulation ¶ 19.

agree that recovery in this case does not set a precedent for or establish the prudency of any future costs related to the Willamette River Crossing Project for which PacifiCorp seeks recovery.[41] The Stipulating Parties' agreement is reasonable because it is undisputed that the project is necessary to facilitate the remediation.

Q. Please describe the Stipulating Parties' testimony and their agreement regarding insurance expenses.

A. PacifiCorp proposed using a three-year average of the 12-month periods ending June 2023, June 2024, and June 2025 to set legal fees (FERC Account 925).[42] Staff proposed instead to freeze FERC Account 925 legal fees at the level authorized in docket UE 433.[43] The Stipulating Parties agree to hold legal fees (FERC Account 925) at the authorized level from docket UE 433, as Staff recommended, which resulted in a $5.2 million reduction to revenue requirement.[44]

PacifiCorp also proposed using the most recent three-year average of property damage expense to establish its property self-insurance reserve accrual.[45] Staff recommended that the Commission continue to use a 10-year average.[46] PacifiCorp disagreed with Staff's proposal to use a 10-year average, arguing that a three-year average would better align with PacifiCorp's recent experience.[47] The Stipulating Parties agree to use of a five-year average to calculate property loss self-insurance accruals, resulting in a $1.6 million reduction to revenue requirement.[48]

[41] Stipulation ¶ 19.
[42] PAC/1600, McCoy/14.
[43] Staff/900, Moore/28.
[44] Stipulation ¶ 20(a).
[45] PAC/800, McCoy/20.
[46] Staff/900, Moore/29-30.
[47] PAC/1600, McCoy/18.
[48] Stipulation ¶ 20(b).

Together, these changes result in a revenue requirement reduction of $6.8 million related to insurances expenses. The Stipulating Parties' agreements regarding insurance expenses are reasonable because, in one instance, PacifiCorp accepted Staff's adjustment, and in the other, the agreed-upon adjustment is a compromise between PacifiCorp's and Staff's positions.

Q. Please describe the Stipulating Parties' testimony and their agreement about deferred liability insurance expenses.

A. PacifiCorp requested the amortization of deferred costs relating to incremental liability insurance premiums, for which the company filed for a deferral in docket UM 2433.[49] Staff expressed concern that the request to start amortizing incremental insurance costs was premature.[50] AWEC recommended that the Commission reject PacifiCorp's deferral request because it is an expense consistent with general inflation and does not meet the standard for the Commission to exercise its discretion and approve PacifiCorp's requested deferral.[51] In the alternative, AWEC recommended that if the Commission approved the request, it amortize only the balance as of February 15, 2027.[52] PacifiCorp disagreed with Staff's concern and opposed AWEC's recommendations.[53]

The Stipulating Parties agree that PacifiCorp reserves the right to seek recovery of its deferred liability insurance expense,[54] consistent with

[49] PAC/800, McCoy/60, 63. The deferral is pending in Docket No. 2433.
[50] Staff/1000, Mondragon/21.
[51] AWEC/100, Kaufman/12, 13.
[52] AWEC/100, Kaufman/13.
[53] PAC/1600, McCoy/92, 100-01.
[54] The deferral was first approved by the Commission in Order No. 24-021, issued in docket UM 2301; Stipulation ¶ 20.

Order No. 24-447, issued in docket UE 433.[55]

Q. Please describe the Stipulating Parties' testimony and their agreement regarding wildfire mitigation capital investments.

A. PacifiCorp proposed to recover for its wildfire mitigation capital investments that are not recoverable under the Wildfire Mitigation Plan Automatic Adjustment Clause (WMP AAC) and to remove assets being recovered through the WMP AAC from the case.[56] Staff reviewed PacifiCorp's removal adjustment and proposed corrections that decrease revenue requirement by $1.53 million, decrease depreciation expense by $1.63 million, and increase accumulated depreciation by $1.63 million.[57] In its reply testimony, PacifiCorp corrected errors in its removal adjustment, reducing the company's requested revenue requirement by approximately $2.1 million.[58] Specifically, PacifiCorp corrected an adjustment to remove general plant depreciation expense that was made to FERC Account 108GP (accumulated depreciation reserve) instead of FERC Account 403GP (depreciation expense) in the Initial Filing, and removed a wildfire mitigation project that should have been removed from the base period in the Initial Filing because it would be more appropriately recovered under the WMP AAC.[59] PacifiCorp also proposed a revenue requirement reduction of approximately $623,000 to reflect the removal from *pro forma* forecasted capital

[55] *In the Matter of PacifiCorp dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 433, Order No. 24-447 at 25 (Dec. 19, 2024).
[56] PAC/800, McCoy/41.
[57] Staff/1000, Mondragon/42.
[58] PAC/1600, McCoy/70, 86.
[59] PAC/1600, McCoy/70.

additions of two duplicate out-of-state transmission projects and one general plant project that should be recovered through the WMP AAC.[60]

The Stipulating Parties agreed to both adjustments proposed by PacifiCorp.[61] The adjustments are reasonable because they correct errors that PacifiCorp and Staff identified with the Initial Filing and ensure that wildfire mitigation capital investments are being recovered in the appropriate proceeding (general rate case or WMP AAC).

Q. Please describe the Stipulating Parties' testimony and their agreement regarding coal inventory.

A. PacifiCorp recommended that the Commission approve the company's forecast coal inventory balances for the Test Year as proposed in the Initial Filing, as the forecast coal inventory levels represent a least-cost, least-risk solution under current coal conditions.[62] Staff recommended an adjustment to bring Jim Bridger in line with the base year and to bring all other coal plants within their target inventory or near their base year balance.[63] CUB proposed that PacifiCorp not be permitted to change its coal inventory targets, instead advocating that the company should draw down its coal inventory allocated to Oregon in anticipation of Oregon's exit from coal in 2030.[64]

The Stipulating Parties agree to a revenue requirement reduction of $1.8 million related to Staff's coal inventory adjustment.[65] This adjustment represents

[60] PAC/1600, McCoy/86.
[61] Stipulation ¶ 21.
[62] PAC/600, Branch/22.
[63] Staff/500, Bolton/11.
[64] CUB/100, Dougan-Jenks/33.
[65] Stipulation ¶ 22.

a reasonable compromise among the Stipulating Parties' varying positions on this issue.

Q. Please describe the Stipulating Parties' testimony and their agreement regarding other adjustments.

A. The Stipulating Parties proposed various other corrections and adjustments in their testimonies. To resolve the issues in this case, the Stipulating Parties agree to a revenue requirement reduction of $900,000 related to other corrections[66] and an unspecified revenue requirement reduction of $9.4 million applied to Operations and Maintenance expense.[67] These adjustments reasonably account for identified corrections and reflect a compromise to resolve other contested issues.

B. Washington Service Area Transfer

Q. Please describe the Stipulating Parties' testimony and their agreement regarding how the Service Area Transfer will affect the allocation of resources.

A. In the Service Area Transfer, PacifiCorp has proposed selling its Washington service area and certain Washington-based assets. This would remove Washington load and certain resources from PacifiCorp's multi-state system, transitioning it from a six-state system to a five-state system. Accordingly, PacifiCorp recommended reallocating the roughly seven percent of system costs and resources currently allocated to Washington across its remaining five states, resulting in an approximately two percent increase in the costs and resources allocated to Oregon, including coal. While the approval of the sale is being considered in a separate docket,[68] the

[66] Stipulation ¶ 23.
[67] Stipulation ¶ 24.
[68] Docket No. UP 441.

reallocation of costs to Oregon if the sale is approved was addressed in this case. Staff, CUB, and Sierra Club recommended rejecting any reallocation of coal costs and resources to Oregon.[69] Staff supported,[70] while CUB[71] and Sierra Club[72] took no position on PacifiCorp's recommended reallocation of the other costs and resources.

The Stipulating Parties agree that if the Service Area Transfer is approved, then Oregon will accept a reallocation of all resources (generation and transmission) previously allocated to Washington consistent with PacifiCorp's Initial Filing, except Oregon will receive no additional allocation of coal-fired generation resources.[73]

Q. When will the rate impact of the Service Area Transfer take effect?

A. If approved, the Stipulating Parties agree that the revenue requirement impact of the Service Area Transfer will take effect on the later of the rate effective date of docket UE 470 (i.e., April 5, 2027) or the close of the Service Area Transfer.[74] PacifiCorp will use an equal percentage of base revenue to spread the costs and benefits of the Service Area Transfer to each rate class.[75]

Q. How does the Stipulation address the calculation of the non-NPC revenue requirement impact resulting from the agreement to allocate no additional coal-fired generation resources?

A. The Stipulating Parties agree that there will be no overall change to PacifiCorp's filed revenue requirement in this case to reflect the non-allocation of additional coal-fired

[69] Staff/600, Drennan/8; CUB/100, Dougan-Jenks/22-26; SC/100, Comings/15.
[70] Staff/600, Drennan/5.
[71] *See generally* CUB/100, Dougan-Jenks/18-26.
[72] *See* SC/100, Comings/6 (opining only on "the potential impact of the reallocation of coal capacity to Oregon resulting from the sale").
[73] Stipulation ¶ 25.
[74] Stipulation ¶ 32.
[75] Stipulation ¶ 32.

generation resources.[76] For purposes of this agreement, the Stipulating Parties agree that the non-NPC revenue requirement decrease resulting from the non-allocation of additional coal-fired generation resources is assumed to be entirely offset by the NPC and resource adequacy cost increases and that both changes will be reflected in the base rates established in this general rate case.

Q. How does the Stipulation address the calculation of the NPC revenue requirement impact resulting from the Service Area Transfer?

A. Starting from the later of the date the Service Area Transfer closes or the rate effective date of this case, through the end of 2027, to the extent necessary to effectuate a post-sale update, PacifiCorp will update TAM rates to reflect only the change in resource mix and allocation of resources resulting from the Service Area Transfer (i.e., PacifiCorp will not make an update to the most recent Official Forward Price Curve, new contracts, or any other elements that are included in the typical Final Update).[77] In both the 2027 mid-year TAM update and future TAM and Power Cost Adjustment Mechanism (PCAM) filings, PacifiCorp will not make any adjustments to reflect the non-allocation of additional coal-fired generation resources.[78] Therefore, TAM rates will be set as if the Washington share of coal-fired resources were reallocated to Oregon, while the offsetting rate impacts associated with not allocating coal-fired resources to Oregon will be reflected in the base rates made effective

[76] Stipulation ¶ 25(a).
[77] Stipulation ¶ 25(b). The Stipulation filed in PacifiCorp's 2027 Transition Adjustment Mechanism, docket UE 469, on September 25, 2026, contemplated that the NPC update at the close of the Service Area Transfer would reflect the decision made in this case related to allocation of certain expenses associated with coal-fired generation resources, but the Stipulation in this case makes that particular update unnecessary by addressing coal allocation issues in a different way.
[78] Stipulation ¶ 25(c).

through the Stipulation.[79] Similarly, the true-up occurring annually in PacifiCorp's PCAM will assume coal-fired generation resources were reallocated to Oregon.[80] The ratemaking treatment outlined above will continue until Oregon exits coal-fired generation resources or a new cost-allocation methodology is adopted.[81]

Q. Why is the Stipulation's treatment of the Service Area Transfer reasonable?

A. The Stipulating Parties' agreements with respect to coal reallocation represent a reasonable compromise because they accommodate Staff's, CUB's, and Sierra Club's recommendations that Oregon not accept coal reallocation, while also addressing PacifiCorp's concerns regarding the cost impacts of this decision. The agreement aligns with House Bill (HB) 1547 (2016) and HB 2021 (2021) and protects customers from additional coal plant decommissioning costs. For simplicity, the compromise base rates implemented here are intended to address all revenue requirement impacts of not reallocating coal resources (i.e., the lower non-NPC revenue requirement and higher NPC and resource adequacy revenue requirement), and therefore, the TAM and PCAM will be filed as if Oregon accepted the coal reallocation. However, this ratemaking treatment of coal reallocation costs does not change the fact that Oregon is not being allocated any additional share of coal resources as a result of the Service Area Transfer.

[79] Stipulation ¶ 25(c).
[80] Stipulation ¶ 25(c).
[81] Stipulation ¶ 25(d).

C. Deferrals

Q. Please describe the Stipulating Parties' testimony and their agreement regarding the Renewable Adjustment Clause (RAC) deferral.

A. PacifiCorp initially proposed to amortize $4.2 million in deferred costs related to Rock Creek I (docket UM 2402) and Rock Creek II (docket UM 2430) from all customers through Schedule 203, and an additional $1.8 million in deferred costs related to the delay of the effective date for residential customers of the RAC rate change (docket UM 2426).[82]

Because additional deferred amounts are no longer being added to the Rock Creek I and RAC residential rate change deferrals, Staff recommended that PacifiCorp file an advice filing to start amortizing the deferred amounts before the end of this case.[83] PacifiCorp agreed and made the amortization filing on September 4, 2026.[84] The Stipulating Parties agree with this approach,[85] which benefits customers by reducing the amount of time for which the deferred amounts are accruing interest at a higher rate.

For the Rock Creek II deferral, Staff did not oppose PacifiCorp's request to amortize deferred amounts beginning on the rate effective date of this case.[86] The Stipulating Parties agree that PacifiCorp will adjust Schedule 203, Renewable Resource Deferral Adjustment, to recover $1.2 million in deferred costs associated

[82] PAC/1000, Ridenour/21.
[83] Staff/1000, Mondragon/19, 26-27.
[84] PAC/1600, McCoy/102.
[85] Stipulation ¶ 26.
[86] Staff/1000, Mondragon/18-19, 27.

with the Rock Creek II wind resource, consistent with the company's proposal in reply testimony.[87]

Q. Please describe the Stipulating Parties' testimony and their agreement on consolidating adjustment schedules into base rates.

A. Staff recommended including in base rates the incremental administrative costs associated with the Community Benefits and Impact Advisory Group (CBIAG), required by HB 2021, Section 6, and deferred in docket UM 2222.[88] Staff also recommended including in base rates the incremental administrative costs associated with implementing the low-income discount (LID) under HB 2475, and deferred in docket UM 2238.[89] Staff further recommended that PacifiCorp's vegetation management mechanism, Schedule 94, end effective December 31, 2026, with its last recovery filing in 2027.[90] PacifiCorp did not agree that these changes should occur in this case.[91]

The Stipulating Parties reached agreements to resolve the LID deferral (docket UM 2238) and the CBIAG deferral (docket UM 2222). For the LID deferral, program administration costs will be moved into base rates based on the average of the three years ending August 2026.[92] These program administration costs total $177,000. For the CBIAG deferral, costs will be removed from System Benefits Charge (Schedule 291) and moved into base rates based on the 12 months ending

[87] PAC/1605, McCoy/1; PAC/2004, Ridenour/3; Stipulation ¶ 30.
[88] Staff/1000, Mondragon/52-53.
[89] Staff/1000, Mondragon/50-51.
[90] Staff/1000, Mondragon/36.
[91] PAC/1100, Link/51.
[92] Stipulation ¶ 27(a).

August 2026.[93] These costs total $352,000. Both the LID and CBIAG deferrals will terminate as of the rate effective date in this case.[94] Additionally, amortization of the net deferred balance of the LID and CBIAG deferrals will begin on the rate effective date of this case.[95] Finally, the Stipulating Parties agree that Staff's recommendation regarding the vegetation management mechanism will not be adopted in this case, but Staff reserves the right to make recommendations related to vegetation management in docket AR 676 or in PacifiCorp's multi-year rate plans.[96] These agreements represent a reasonable approach to resolving Staff's proposals.

Q. Please describe the Stipulating Parties' testimony and their agreement regarding the WMP AAC true-up.

A. PacifiCorp proposed to include a true-up calculation to Schedule 190 for recovery of costs under the WMP ACC, consistent with the past cases.[97] Staff did not make a recommendation regarding the true-up in its opening testimony.[98] AWEC raised questions regarding the appropriate cost of capital to use in the WMP AAC, arguing that it is not appropriate to apply a cost of capital approved in this case to true-up costs incurred prior to the approval of that cost of capital, and that authorized cost of capital is typically substantially lower than a utility's requested cost of capital.[99] AWEC recommended that if the Commission finds the true-up appropriate, it be based on the final authorized cost of capital.[100] In response, PacifiCorp explained that

[93] Stipulation ¶ 27(b).
[94] Stipulation ¶ 27(c).
[95] Stipulation ¶ 27(d).
[96] Stipulation ¶ 28.
[97] PAC/800, McCoy/64.
[98] Staff/1000, Mondragon/38.
[99] AWEC/100, Kaufman/15.
[100] AWEC/100, Kaufman/15.

the WMP AAC provides concurrent, on-going recovery for WMP capital investments, rather than recovery for accumulated costs from past periods.[101] PacifiCorp also agreed that the final implementation of the true-up will reflect revenue requirement assumptions consistent with the final outcomes in this case.[102]

The Stipulating Parties agree that, in the compliance filing for this proceeding, PacifiCorp may true up the WMP AAC to include indirect loadings associated with WMP assets authorized for recovery under the WMP AAC most recently approved at the time of the filing.[103] The agreed-upon approach is reasonable and consistent with the approach from docket UE 433.

D. Rate Design

Q. Please describe the Stipulating Parties' testimony and their agreement regarding rate design.

A. PacifiCorp proposed to increase the residential basic charge from $14.00 to $17.00 for single-family customers and from $8.00 to $9.00 for multi-family customers.[104] Staff recommended that the residential basic charges remain at their current values.[105] The Stipulating Parties agree to increase the single-family basic charge by $1.00 to $15.00 and the multi-family basic charge by $0.50 to $8.50.[106] These modest increases represents a reasonable compromise between PacifiCorp's and Staff's positions.

[101] PAC/1600, McCoy/103.
[102] PAC/1600, McCoy/104.
[103] Stipulation ¶ 29.
[104] PAC/1000, Ridenour/3.
[105] Staff/1300, Falconer/55.
[106] Stipulation ¶ 33.

Q. Please describe the Stipulating Parties' testimony and their agreement regarding the Rate Mitigation Adjustment (RMA).

A. PacifiCorp proposed increases to RMA credits to cap the net rate increase for residential, small general service, and irrigation customers at 1.35 times the overall incremental general rate case increase.[107] Staff proposed to maintain the RMA cap on net revenue increases, which was set by the Commission in docket UE 433 at 1.25 the average increase.[108] KWUA supported the company's proposed rate spread with caveats.[109] Walmart did not oppose the company's proposed rate spread and application of the RMA.[110] AWEC raised concerns with the calculation of the RMA and proposed that it be adjusted so that it is set as described in PacifiCorp's opening testimony.[111] After updating its revenue requirement and analysis in reply testimony, PacifiCorp proposed to use the RMA to cap the rate change for any customer class at 1.28 times the overall reply rate increase but also expressed openness to a different cap or zero-sum rate spread.[112]

The Stipulating Parties agree to use the RMA to place a cap on the net revenue increase for any customer class at 1.32 times the overall net increase. [113] The RMA rates for Schedules 47 and 48 transmission delivery voltage will be set equal to 0.020 cents per kilowatt-hour. The Stipulating Parties agree that the RMA per-kilowatt-hour adjustments shown in Appendix B to the Stipulation will be the

[107] PAC/1000, Ridenour/15.
[108] Staff/1300, Falconer/42-43.
[109] KWUA/100, Reed/10.
[110] Walmart/100, McGovern/18.
[111] AWEC/100, Kaufman/6, 8.
[112] PAC/2000, Ridenour/25.
[113] The cap is set on the net revenue increase excluding the Service Area Transfer adjustments; Stipulation ¶ 31.

adjustments that take effect on April 5, 2027.[114] Appendix B to the Stipulation also includes the estimated net rate spread. The final rate spread for this case is subject to change following the final 2027 TAM update.[115] The agreed-upon RMA represents a reasonable compromise among the parties for use in this case.

E. Other Issues

Q. Please describe the Stipulating Parties' testimony and their agreement regarding coordination with Community Action Agencies (CAA).

A. CUB testified regarding the average bills of low-income, high-usage customers and concerns that PacifiCorp has not ensured customer referrals to CAAs for weatherization and energy efficiency assistance.[116] PacifiCorp responded that it continues to support its customers by collaborating with community-based organizations and providing resources through the company's customer care agents, including providing contact information for organizations that administer weatherization programs and links to Energy Trust of Oregon energy efficiency programs.[117]

The Stipulating Parties agree that by July 1, 2027, PacifiCorp will do the following:

(1) Hold at least one meeting with CAAs and interested tribes in the company's service territory to develop meaningful avenues for referring income-qualified high-usage customers to Energy Assistance and

[114] Stipulation ¶ 31.
[115] Stipulation ¶ 31.
[116] CUB/100, Dougan-Jenks/8-11.
[117] PAC/1100, Link/9-10.

Weatherization Programs.[118] "Income-qualified high-usage customer" means a residential customer participating in a PacifiCorp-administered bill discount program whose energy consumption places them in the 90th percentile or above of all other bill discount program participants within PacifiCorp's service area.[119]

(2) Meet with the Stipulating Parties and others (including CAAs and interested tribes in the company's service territory) to discuss how customer service representatives can screen and directly refer customers experiencing high bills to CAA Weatherization Programs.[120]

(3) Determine a regular cadence (more than once per year) to share metrics on high-usage customers and PacifiCorp's referrals of such customers to CAAs in PacifiCorp's regular meetings with docket UM 2211 stakeholders.[121]

These measures represent a reasonable resolution of CUB's concerns and a path forward for ensuring effective referrals to weatherization programs.

Q. Please describe the Stipulating Parties' testimony and their agreement regarding EV charging.

A. Walmart recommended that PacifiCorp work with stakeholders to develop a new EV retail rate for public-facing EV chargers or revise the current Schedule 45 to better support public EV chargers.[122] PacifiCorp explained that Schedule 29, General

[118] Stipulation ¶ 34(a).
[119] *See* OAR 860-021-0408.
[120] Stipulation ¶ 34(b).
[121] Stipulation ¶ 34(c).
[122] Walmart/100, McGovern/21.

Service Time of Use, is currently available and is favorable to electric vehicle charging.[123]

The Stipulating Parties agree that PacifiCorp will hold stakeholder workshops to address developing an EV class, rate, and tariff approach, which will be explored in PacifiCorp's next transportation electrification plan.[124] Consistent with the Commission's rules, PacifiCorp currently expects to file its transportation electrification plan by May 1, 2028, in docket UM 2056.[125]

Q. Please describe the Stipulating Parties' testimony and their agreement regarding standard data requests (SDR).

A. Staff testified regarding PacifiCorp's budgeting process, analyzed budget-to-actuals, and raised concerns regarding PacifiCorp's review of budget-to actuals.[126] While Staff did not propose any adjustments, Staff made various recommendations regarding how PacifiCorp reviews and presents budget-to-actuals.[127] The Stipulating Parties agree that PacifiCorp will hold a workshop in 2027 to consider modifications of SDR responses for general rate cases and multi-year rate plans that would allow parties a better understanding of PacifiCorp's use of budget-to-actuals in the ratemaking process.[128]

[123] PAC/2000, Ridenour/24.
[124] Stipulation ¶ 35.
[125] Stipulation ¶ 35.
[126] Staff/1000, Mondragon/5-9.
[127] Staff/1000, Mondragon/8-9.
[128] Stipulation ¶ 36.

IV. STIPULATING PARTIES' SUPPORT FOR THE STIPULATION

Q. What is the basis for the Stipulation?

A. The Stipulation is a compromise based on the record in this case, which includes PacifiCorp's Initial Filing, the Opening Testimony of Staff, CUB, Sierra Club, AWEC, KWUA, and Walmart, and PacifiCorp's Reply Testimony. Over the course of the settlement discussions, the Stipulating Parties resolved their differences regarding the issues in the Stipulation through dialogue, negotiations, and compromise to reach a fair result.

Q. Mr. Muldoon, please explain why Staff supports this Stipulation.

A. Staff recommends that the Commission find this stipulation a reasonable balance between substantial concerns regarding affordability and PacifiCorp's need for a clear financial trajectory supportive of reliable utility operations. An important balance on timing of the recognition of new costs is reached in this stipulation. Further, Stipulating Parties looked to address complex issues involving uncertainty as pragmatically and straightforwardly as possible.

Q. Mr. Muldoon, are these recommended outcomes reflective of Staff's robust methodologies and analysis?

A. Yes, Staff uses proven and conservative methodologies in considering issues addressed herein. While no party entirely agrees with the methodology of other Stipulating Parties, Staff suggests that the Commission see this Stipulation as built upon Staff's diligent discovery and analytics, consistent with Commission direction provided in prior Orders.

Q. Mr. Link, please explain why PacifiCorp supports the Stipulation.

A. The Stipulation represents a reasonable and carefully negotiated compromise among the Stipulating Parties' varying interests and efficiently resolves this case, conserving Commission and party resources. As discussed in PacifiCorp's Opening Testimony and Application requesting interim rates, PacifiCorp continues to face cost and liquidity pressures, and the stipulated rate increase will support the company's financial health during this challenging time. The Stipulation also provides recovery for key investments—such as Gateway South and the Willamette Crossing Project—implements a reasonable rate spread, and addresses party concerns regarding consolidating schedules into base rates, coordination with CAAs, EV charging, and SDRs, among other issues. Finally, the Stipulation encompasses a reasonable compromise to address the issue of the reallocation of coal generation resulting from the Washington Service Area Transfer.

Q. Ms. Dougan, please explain why CUB supports the Stipulation.

A. CUB believes that, overall, the Stipulation represents a fair resolution to the issues in this General Rate Case. In opening testimony, CUB raised concerns about the allocation of additional coal to Oregon customers, as this would not align with HB 1547 (2016) and HB 2021 (2021). The resolution made in this Stipulation to not further allocate coal to Oregon also protects ratepayers from shouldering additional coal plant decommissioning costs. Thus, CUB finds that the Stipulation addresses our concerns by adhering to Oregon statute while protecting customers from increasing rates.

CUB additionally raised concerns regarding the impact of this rate increase on low-income, high usage customers. While CUB still has concerns about the impact of this rate increase on those customers, and residential customers generally, we are hopeful the addition of the weatherization referral program in the Stipulation will further enable the company to find meaningful pathways to alleviate energy burdens of customers. We are additionally please by the company's willingness to involve CAAs in the development of this referral program to support vulnerable customers.

Q. Dr. Kaufman, please explain why AWEC supports the Stipulation.

A. While AWEC maintains the validity of the arguments and recommendations put forth in its Opening Testimony, AWEC supports the Stipulation as a reasonable compromise among the Stipulating Parties regarding all issues in this proceeding. The Stipulation directly resolves AWEC's deferral concerns. The agreed cost of capital is within the reasonable range indicated by my analysis. The general operation and maintenance adjustment is large enough to address my concerns regarding coal major maintenance, and the adjustments to the RMA address my rate spread concerns.

Q. Please explain why the Stipulating Parties believe that the Commission should adopt the Stipulation.

A. The Stipulating Parties have carefully analyzed and thoroughly discussed the record in this case. The Stipulating Parties believe that the adjustments and agreements in this Stipulation provide a fair and reasonable resolution of the issues in this case and the resulting rates are fair, just, and reasonable. The Stipulating Parties agree that the rates resulting from the Stipulation meet the standard set forth in ORS 756.040 and represent a reasonable compromise of the issues presented in this case.

V. CONCLUSION

Q. What do the Stipulating Parties recommend regarding the Stipulation?

A. The Stipulating Parties recommend that the Commission adopt the Stipulation without modification to resolve all the issues in this case and request that the Commission include the terms and conditions of the Stipulation in its final order in this case.

Q. Does this conclude your Joint Testimony?

A. Yes.