

OPUC Approves Ratepayer Advocate Adjustments in 2018 TAM

On November 1, 2017, the Public Utility Commission of Oregon (“OPUC” or the “Commission”) approved PacifiCorp’s (or the “Company”) 2018 net power costs (“NPC”) forecast in Docket UE 323, the Company’s annual Transition Adjustment Mechanism (“TAM”) proceeding in which both NPC and direct access transition charges for the upcoming year are determined. For the first time in three years, however, the Commission approved adjustments to NPC forecasting proposed by ratepayer advocates. Moreover, the Commission has directed PacifiCorp to address numerous issues and concerns raised by ratepayer advocates and OPUC Staff prior to the filing of the 2019 TAM next year. While actual NPC effects from the Commission’s order will not be known until the Company revises calculations and files compliance tariffs, the approved ratepayer advocate adjustments will result in material rate reductions.

Davison Van Cleve represented ratepayers in this proceeding, and the OPUC either adopted or directed PacifiCorp and parties to address all of the primary recommendations from ratepayers represented by the firm. Specifically, the Commission ordered the Company to modify its Day-Ahead/Real Time (“DA/RT”) adjustment to focus on PacifiCorp’s Energy Imbalance Market (“EIM”) participation data. This EIM data has shown considerable customer benefits, yet had been improperly weighted under the Company’s preferred DA/RT methodology. Also, the Company had been directed to conduct a “backcast” or modeling verification of its forecasting methodology, prior to the 2019 TAM, in response to concerns that NPC forecasting accuracy has not been validated for over a decade. Further, PacifiCorp will need to address options for revising its methodology for crediting departing direct access customers in the 2019 TAM. Finally, in addition to workshops and cooperative process between PacifiCorp and parties to address modeling verification and direct access issues, the next few months will feature long-term coal planning workshops, as ordered by the Commission.