



Pacific Power |  
Rocky Mountain Power  
825 NE Multnomah, Suite 1800  
Portland, Oregon 97232

VIA eFILING

May 12, 2023

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

RE: *PacifiCorp*  
Informational Filing of 2023 Transmission Formula Rate Annual Update  
Docket No. ER23-\_\_\_\_\_

Dear Secretary Bose:

PacifiCorp hereby submits its 2023 Transmission Formula Rate Annual Update (“Annual Update”) as required under Section I.3(e) of Attachment H-2, “Formula Rate Implementation Protocols” (the “Protocols”), of PacifiCorp’s Open Access Transmission Tariff (“OATT”). As provided in the Protocols, this 2023 Annual Update is an informational filing to the Federal Energy Regulatory Commission (“FERC” or the “Commission”).<sup>1</sup>

## 1. Introduction

On May 23, 2013, the Commission accepted a settlement agreement (“Settlement Agreement”) in Docket No. ER11-3643, which implemented a formula transmission rate for PacifiCorp.<sup>2</sup> Under the formula transmission rate, the charges PacifiCorp assesses for Point-to-Point Transmission Service and Network Integration Transmission Service are calculated annually using the Annual Transmission Revenue Requirement (“ATRR”). Pursuant to the Protocols, PacifiCorp calculates by May 15 of the current year: (1) the projected ATRR and transmission rates for the next Rate Year (the “Projection”) and Schedule 1 rate for the next Rate Year, in accordance with the Formula Rate; and (2) the true-up for the projections effective in the preceding calendar year in accordance with the Formula Rate (the “True-Up”).<sup>3</sup>

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<sup>1</sup> All capitalized terms not otherwise defined herein shall have the meaning as set forth in PacifiCorp’s OATT.

<sup>2</sup> *PacifiCorp*, 143 FERC ¶ 61,162 at P 5 (2013) (the “May 23 Order”).

<sup>3</sup> Attachment H-2, Formula Rate Implementation Protocols, § I.3(a)-(b) (1.0.0). The Schedule 1 rate shall not be subject to the True-Up. *Id.* “Rate Year” is defined in Section I.2 of the Protocols as “June 1 of a given calendar year through May 31 of the subsequent calendar year.”

## 2. Description of 2023 Annual Update

The ATRR calculated as part of the Projection of this Annual Update was used to derive the transmission rates applicable to service under PacifiCorp's OATT from June 1, 2023, through May 31, 2024 (i.e., the "next Rate Year" for purposes of this Annual Update). PacifiCorp calculated its Projection for the next Rate Year in accordance with Section I.3(a) of the Protocols. The Projection calculation in the 2023 Annual Update includes inputs from PacifiCorp's 2022 FERC Form No. 1, filed on April 18, 2023<sup>4</sup>, as well as limited projections of current calendar year transmission plant forecasted for the applicable Rate Year. This calculation is included in this filing as Enclosure 1.

Pursuant to Section I.3(d) of the Protocols, PacifiCorp must include with the Annual Update: (1) a narrative and worksheets, where appropriate, explaining the source and derivation of any data input to the Formula Rate that is not drawn directly from PacifiCorp's FERC Form No. 1; and (2) specific information for all transmission facilities included in the expected transmission plant additions. This information is included in the Attachments to the Formula Rate and the additional materials included in this informational filing.

PacifiCorp also calculated the Schedule 1 rate for the next Rate Year in a manner consistent with Appendix B to Attachment H-1. This calculation is included in the filing as Enclosure 2.

PacifiCorp calculated its True-Up for the preceding calendar year in accordance with Sections I.3(b) and I.4(a) of the Protocols, as applicable. This calculation is included in this filing as Enclosure 3.

Consistent with Section I.4(b) of the Protocols, PacifiCorp has developed a "variance analysis" of the Formula Rate compared with the projected Formula Rate components contained in the Annual Update for the Rate Year under review, to show the percentage change of each Formula Rate input compared to the preceding Rate Year. This variance analysis is provided for the Projection as Enclosure 4 and for the True-Up as Enclosure 5. The variance analysis is for illustrative and informational purposes and has no impact on transmission customers' rates or charges.

PacifiCorp is providing the enclosures described above in native format with supporting worksheets for ease of review. In addition, PacifiCorp is including the following work papers and other materials in this informational filing:<sup>5</sup>

- Information supporting forecasted transmission plant additions as described in Section I.3(d) of the Protocols including: (i) the expected date of completion; (ii) percent

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<sup>4</sup> PacifiCorp, <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=0F383B6C-7A8C-CF77-9097-879600A00000>.

<sup>5</sup> PacifiCorp is providing Enclosures 1, 3 & 4 in native format and including in the informational filing additional materials (Enclosures 4-6) that were previously made available on PacifiCorp's OASIS in response to "Staff's Guidance on Formula Rate Updates" issued on July 17, 2014. See Staff's Guidance on Formula Rate Updates, <https://www.ferc.gov/sites/default/files/2020-04/staff-guidance.pdf>.

completion status as of the date of the Annual Update; (iii) a one-line diagram of facilities with a value greater than \$5 million in cost; (iv) the estimated total installed cost of the facility; (v) the reason for the facility addition; and (vi) upgrade costs paid by generator or transmission customer to the Transmission Provider (provided in Enclosure 6);

- Information addressing the requirements in Section I.3(c) of the Protocols to identify and explain each “Material Change” (provided in Enclosure 7); and
- A copy of PacifiCorp’s annual actuarial valuation report that supports the actual post-retirement benefits other than pensions amount included in Attachment 17 (and, accordingly, Attachment 5) of the Annual Update (provided in Enclosure 8).<sup>6</sup>

Please note that according to Paragraph 3.4.2.5 of the Settlement Agreement and also noted as footnote Q to its Formula in Attachment H-1, as reflected on Appendix 1, “*The equity ratio is capped at 53%, and if the actual equity ratio exceeds 53%, then the debt ratio will be equal to 1 minus the preferred stock ratio minus 53%.*” Based on 2022 Cost of Capital data (derived from Attachment 14 of the formula rate template) the equity ratio slightly exceeded 53% percent (53.48%) and therefore excel cell H209, Common Percent, on Appendix A, was adjusted down to reflect 53%. Excel cell H207, the Debt Percent, on Appendix A, was reflected to show 1 minus the preferred stock ratio minus 53% as outlined in the Settlement.

Pursuant to Section I.3(b) of the Protocols, as part of the True-Up, PacifiCorp has calculated refunds or surcharges for each transmission customer identified in Attachment 9B of the Formula Rate and recalculated the bills for transmission service for each such transmission customer. PacifiCorp will also be providing the itemized calculations of a refund or surcharge to each of the applicable transmission customers by May 31, 2023. PacifiCorp will provide the refunds or surcharges, as applicable, to each transmission customer identified in Attachment 9B, pursuant to Section I.3(b)(ii) of the Protocols.

The Annual Update is subject to the detailed review and challenge procedures set forth in Sections II and III of the Protocols. Therefore, no action is required by the Commission regarding this Annual Update at this time.

### 3. Supporting Documentation

The following enclosures are included in this filing:

- **Enclosure 1 – Calculation of Projected ATRR and Transmission Rates for the Rate Year**, which includes PacifiCorp’s Formula Rate, Attachment H-1 (Appendix A and Attachments 1-17), in a populated form reflecting 2022 FERC Form No. 1 data and forecasted transmission capital additions;
- **Enclosure 2 – Calculation of Schedule 1 for the Rate Year**, which includes a populated Schedule 1 formula rate (Appendix B of Attachment H-1) reflecting 2022 FERC Form No. 1 data and load data from the 2022 True-Up;

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<sup>6</sup> See *Utah Associated Mun. Power Sys. v. PacifiCorp*, 149 FERC ¶ 61,267 at P 14 (2014).

- **Enclosure 3 – Calculation of True-Up for the preceding calendar year**, which includes PacifiCorp’s Formula Rate, Attachment H-1 (Appendix A and Attachments 1-17), in a populated form reflecting 2022 FERC Form No. 1 data;
- **Enclosure 4 – Projection variance analysis**, which includes a comparison of PacifiCorp’s Formula Rate, Attachment H-1 (Appendix A) of the 2023 Projection and PacifiCorp’s Formula Rate, Attachment H-1 (Appendix A) of the 2022 Projection;
- **Enclosure 5 – True-Up variance analysis**, which includes a comparison of PacifiCorp’s Formula Rate, Attachment H-1 (Appendix A) of the 2022 True-Up and PacifiCorp’s Formula Rate, Attachment H-1 (Appendix A) of the 2022 Projection;
- **Enclosure 6 – Transmission Plant Additions Detail for the Rate Year;**
- **Enclosure 7 – Summary of Material Changes;** and
- **Enclosure 8 – 2023 Actuarial Study Report for Post-Retirement Benefits Other than Pensions for calendar year ending December 31, 2022.**

Each of the items provided in the enclosures described above are also available on PacifiCorp’s OASIS website, at the address listed below in Section 4.

#### 4. Posting and Service

Pursuant to Section I.3(d) of the Protocols, PacifiCorp shall post this Annual Update on the date of this informational filing, as well as a populated formula in fully-functional spreadsheets showing the calculation of the Annual Update with documentation supporting the calculation, in an accessible location on PacifiCorp’s OASIS website. Included among that documentation are Appendices A and B and Attachments 1 through 17 to the Formula Rate.

PacifiCorp posts its Annual Update on its OASIS website: [www.oatioasis.com/ppw/](http://www.oatioasis.com/ppw/) The Annual Update information is centralized in the following folder on the OASIS site: “2023 Transmission Formula Annual Update.”<sup>7</sup> In addition, in compliance with the Commission’s April 20, 2023 in Docket No. EL22-38,<sup>8</sup> PacifiCorp will post the docket number assigned to its informational filing (along with notice of the Annual Update) on both PacifiCorp’s website and its OASIS website.<sup>9</sup>

Pursuant to Section I.3(f) of the Protocols, PacifiCorp is required to notify all Interested Parties by e-mail (using the last known e-mail addresses provided to PacifiCorp) of the website

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<sup>7</sup> See [www.oatioasis.com/ppw/](http://www.oatioasis.com/ppw/) in the following folder location under “Documents” folder PacifiCorp OASIS Tariff/Company Information > OATT Pricing > 2023 Transmission Formula Annual Update.

<sup>8</sup> See *PacifiCorp*, 183 FERC ¶ 61,031 at P 21 (2023) (“April 20 Order”).

<sup>9</sup> PacifiCorp’s company website can be found at: <https://www.pacificorp.com/transmission/transmission-services.html>.

address where the Annual Update posting is located.<sup>10</sup> Consistent with the Protocols, PacifiCorp serves this Annual Update filing on all transmission customers under the OATT, as well as all intervening parties to the above-referenced proceeding.

PacifiCorp is also serving this filing on FERC Staff and each of the following state public utility commissions regulating PacifiCorp’s retail service operations: California Public Utilities Commission; Idaho Public Utilities Commission; Oregon Public Utility Commission; Public Service Commission of Utah; Washington Utilities and Transportation Commission; and Wyoming Public Service Commission. In compliance with the April 20 Order, PacifiCorp will also serve this filing on consumer advocacy agencies in a state where PacifiCorp serves retail customers and state attorney[s] general in a state where PacifiCorp serves retail customers.

As indicated above, the Annual Update includes all the items included in this filing. The Annual Update will also be discussed at a customer meeting to be held after this Annual Update is posted and pursuant to the timing outlined in the Protocols. PacifiCorp has also included a list of identified Interested Parties and a description on the information request process for such parties on its OASIS website.

## 5. Communications

All communications regarding this filing should be forwarded to the persons listed below, and PacifiCorp requests that they be placed on the service list in this proceeding, if they have not been already.<sup>11</sup>

Matthew Loftus  
Assistant General Counsel  
PacifiCorp  
825 N.E. Multnomah, Suite 2000  
Portland, OR 97232  
(503) 813-5620  
Mathew.Loftus@PacifiCorp.Com

Eva Kwitman  
Transmission Rates and Regulatory Adviser  
PacifiCorp  
825 N.E. Multnomah, Suite 2000  
Portland, OR 97232  
(503) 813-6651  
Eva.Kwitman@PacifiCorp.com

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<sup>10</sup> In the April 20 Order, the Commission directed PacifiCorp to amend the definition of “Interested Party” in the Protocols to include entities such as consumer advocacy agencies and state attorneys general. PacifiCorp submitted revisions to the definition of “Interested Party” to comply with the April 20 Order (Docket No. ER23-1865). The new proposed definition is, “For purposes of these Protocols, the term ‘Interested Party’ includes, but is not exclusive to a transmission customer under PacifiCorp’s Tariff, a state utility regulatory commission in a state where PacifiCorp serves retail customers, any entity having standing in a Federal Energy Regulatory Commission (“Commission” or “FERC”) proceeding investigating the Formula Rate (as defined in Section I.1, below), staff of FERC, consumer advocacy agencies in a state where PacifiCorp serves retail customers, and state attorney[s] general in a state where PacifiCorp serves retail customers.

<sup>11</sup> To the extent necessary, PacifiCorp respectfully requests waiver of Rule 203(b)(3) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.203(b), to permit all of the persons listed to be placed on the official service list for this proceeding.

Scott Bolton  
Senior Vice President, Transmission Development  
PacifiCorp  
825 N.E. Multnomah, Suite 1600  
Portland, OR 97232  
Phone: (503) 813-7205  
Scott.Bolton@PacifiCorp.com

If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

Respectfully submitted,



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Matthew Loftus  
Assistant General Counsel  
PacifiCorp  
825 N.E. Multnomah, Suite 2000  
Portland, OR 97232  
(503) 813-5620  
Matthew.Loftus@PacifiCorp.com  
Attorney for PacifiCorp

**CERTIFICATE OF SERVICE**

I hereby certify that I have on this day caused a copy of the foregoing document to be served via e-mail or first-class mail upon each of the parties identified in Section 4 of this filing.

Dated at Washington, D.C., this 12<sup>th</sup> day of May, 2023.

/s/ Daryl A. Bascus

Daryl A. Bascus

Paralegal

Troutman Pepper Hamilton Sanders LLP

401 9<sup>th</sup> Street NW, Suite 1000

Washington, DC 20004

daryl.bascus@troutman.com