

Decision 14-06-018 June 12, 2014

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PACIFICORP (U901E), an Oregon Company, for an Order Authorizing a General Rate Increase Effective January 1, 2011.

Application 09-11-015
(Filed November 20, 2009)

**DECISION GRANTING PETITION TO MODIFY DECISION 13-07-026
AND WAIVER OF THREE-YEAR FILING REQUIREMENT
IN DECISION 07-07-004**

1. Summary

This decision grants PacifiCorp's Petition to Modify Decision (D.) 13-07-026 in Application 09-11-015, as discussed herein. In particular, we authorize PacifiCorp to: 1) make a Post-Test Year Adjustment Mechanism Attrition Factor filing effective January 1, 2016; 2) forgo filing a General Rate Case (GRC) application for Test Years 2015 and 2016 (as required by D.07-07-004); and 3) file its next GRC application for Test Year 2017. This proceeding is closed.

2. Background

By Decision (D.) 10-09-010, the Commission approved a settlement between PacifiCorp, the Office of Ratepayer Advocates (ORA),¹ and the California Farm Bureau Federation (CFBF) regarding PacifiCorp's Test Year 2011

¹ Subsequent to the issuance of D.13-07-026, the Division of Ratepayer Advocates changed its name to the Office of Ratepayer Advocates. We therefore use the title Office of Ratepayer Advocates or ORA, throughout this decision.

general rate case (GRC) request in Application (A.) 09-11-015. Pursuant to D.10-09-010, PacifiCorp was required to file a Post-Test Year Adjustment Mechanism (PTAM) Attrition Factor filing by January 1, 2013. Pursuant to D.07-07-004, PacifiCorp is required to file a GRC application on a three-year cycle.

By D.12-10-006, the Commission granted PacifiCorp's petition for modification of D.10-09-010, which allowed PacifiCorp to make a PTAM Attrition Factor filing by January 2014 and forgo filing a GRC for Test Year 2014.

By D.13-07-026, the Commission granted PacifiCorp's petition for modification of D.12-10-006, which allowed PacifiCorp to make a PTAM Attrition Factor filing by January 2015 and forgo filing a GRC for Test Year 2015.

On March 19, 2014, PacifiCorp filed a petition to modify D.13-07-026 (Petition), in which it requested that the Commission authorize it to: 1) make a PTAM Attrition Factor filing effective January 1, 2016 (an extension of one year beyond what is authorized in D.13-07-026); 2) forgo filing a GRC application for Test Years 2015 and 2016; and 3) file its next GRC application for Test Year 2017. PacifiCorp's Petition also includes an *Agreement Regarding PacifiCorp's Post-Test Year Mechanism and General Rate Case Cycle* (Agreement) with ORA and CFBB, in which all three active parties agree to PacifiCorp's request for the extension of the PTAM Attrition Factor and delay of one year in filing its next GRC. We authorized a similar uncontested request by PacifiCorp in D.12-10-006.

3. Procedural Requirements Under Rule 16.4

Rule 16.4 of the Commission's Rules of Practice and Procedure² governs the process for the filing and consideration of petitions for modification. Rule 16.4(b) requires that a petition for modification concisely state the justification for the proposed relief and propose specific wording for all requested modifications. PacifiCorp's Petition contained a concise but thorough statement of justification for the proposed modifications. Hence, we conclude that PacifiCorp's Petition complies with the requirements of Rule 16.4 regarding its requested modifications to D.13-07-026.

4. Requested Relief

PacifiCorp requests that D.13-07-026 be modified so that PacifiCorp may file for a PTAM Attrition Factor effective January 1, 2016 based on the September 2015 Global Insight "U.S. Economic Outlook" forecast of the Consumer Price Index for 2016 with an offsetting productivity factor of 0.5%, or zero, whichever is greater. PacifiCorp also requests that it not be required to file a GRC application for Test Years 2015 and 2016 pursuant to D.07-07-004, and instead file its next GRC application for Test Year 2017. In its Petition, PacifiCorp included an agreement between itself, ORA, and CFBF, in which all parties agreed to PacifiCorp's current request. All modifications and revisions to D.13-07-026 throughout this decision are **bold and underlined** or ~~stricken~~. In particular, PacifiCorp requests modification to D.13-07-026 as follows:

² All future references to Rules throughout this decision refer to the Commission's Rules of Practice and Procedure.

A new Ordering Paragraph:

PacifiCorp may file for a Post Test Year Adjustment Mechanism (PTAM) Attrition Factor effective January 1, 2016³ based on the September 2015⁴ Global Insight "U.S. Economic Outlook" forecast of the Consumer Price Index for 2016⁵ with an offsetting productivity factor of 0.5%, or zero, whichever is greater. **PacifiCorp will file for this PTAM Attrition Factor no later than October 1, 2015, by a Tier 2 Advice Letter. This January 1, 2016 PTAM Attrition Factor filing will be made in addition to the PTAM Attrition Factor filing to be effective January 1, 2015, previously approved by D.13-07-026.**

Revision to Existing Ordering Paragraph of D.13-07-026:

We grant PacifiCorp a waiver from Decision 07-07-004, which allows PacifiCorp to forego filing a General Rate Case (GRC) application for test years 2015 and 2016,⁶ and file its next GRC application for test year 2017.⁷

PacifiCorp states that because of the deferral of the GRC, ratepayers will continue to be charged low and stable rates.

PacifiCorp also requests that the authority granted in D.13-07-026, Ordering Paragraph 2.a., to file for a PTAM Attrition Factor effective January 1, 2015, remain in effect.

³ Changed from 2015 to 2016.

⁴ Changed from 2014 to 2015.

⁵ Changed from 2015 to 2016.

⁶ Changed from 2015 to 2015 and 2016.

⁷ Changed from 2016 to 2017.

5. Discussion

PacifiCorp's current request, which is uncontested, is similar to the one granted by the Commission in D.13-07-026. If this Petition is granted, PacifiCorp's rates will remain low and stable.

Therefore, the Commission authorizes the two requested modifications to D.13-07-026, proposed by PacifiCorp in its Petition.⁸ The Commission also authorizes the retention of the original version of Ordering Paragraph 2.a. of D.13-07-026, in order to preserve the authorization granted to PacifiCorp to make a PTAM Attrition Factor filing to be effective January 1, 2015. This ordering paragraph shall be identified as Ordering Paragraph 5 of D.13-07-026 (this request is granted in Ordering Paragraph 3.a. herein).⁹

6. Waiver of Comments

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2) and Rule 14.69(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

7. Assignment of Proceeding

Michael R. Peevey is the assigned Commissioner and Seaneen M. Wilson is the assigned Administrative Law Judge in this proceeding.

⁸ In order to remain consistent with the numbering of Ordering Paragraphs in D.13-07-026, we note that the ordering paragraphs identified by PacifiCorp in its request as a new ordering paragraph and Ordering Paragraph 3 are actually Ordering Paragraphs 2.a. and 2.b. of D.13-07-026.

⁹ In order to remain consistent with the numbering of Ordering Paragraphs in D.13-07-026, we note that the ordering paragraph by which PacifiCorp was granted authority to file for a 2015 PTAM Attrition Factor is Ordering Paragraph 2.a. of D.13-07-026.

Findings of Fact

1. In D.10-09-010, the Commission approved a settlement between PacifiCorp, ORA, and the CFBF regarding PacifiCorp's GRC request in A.09-11-015.
2. Pursuant to D.10-09-010, PacifiCorp was required to file a PTAM Attrition Factor by January 1, 2013.
3. Pursuant to D.07-07-004, PacifiCorp is required to file a GRC application on a three year cycle.
4. By D.12-10-006, the Commission granted PacifiCorp's petition for modification of D.10-09-010, which allowed PacifiCorp to make a PTAM Attrition Factor filing by January 2014 and forego filing a GRC for Test Year 2014.
5. By D.13-07-026, the Commission granted PacifiCorp's petition for modification of D.12-10-006, which allowed PacifiCorp to make a PTAM Attrition Factor filing by January 2015 and forego filing a GRC for Test Year 2015.
6. On March 19, 2014, PacifiCorp filed a petition to modify D.13-07-026, in which it requested that the Commission authorize it to: 1) make a PTAM Attrition Factor filing effective January 1, 2016 (an extension of one year beyond what is authorized in D.13-07-026); and 2) authorize PacifiCorp to forego filing a GRC application for Test Years 2015 and 2016.
7. We authorized a similar request by PacifiCorp in D.13-07-026.
8. PacifiCorp, ORA, and CFBF entered into an agreement in which all three active parties agreed to PacifiCorp's request to file for a PTAM Attrition Factor effective January 1, 2016; and forego its GRC application for Test Years 2015 and 2016, and file its next GRC application for Test Year 2017.
9. PacifiCorp's current request is uncontested.

10. Rule 16.4 governs the process for the filing and consideration of petitions for modification. Rule 16.4(b) requires that a petition for modification concisely state the justification for the proposed relief and propose specific wording for all requested modifications.

Conclusions of Law

1. PacifiCorp's Petition should be granted, as detailed herein.
2. PacifiCorp should be granted a waiver from D.07-07-004, in order to forego filing a GRC application for Test Years 2015 and 2016, and file its next GRC application for Test Year 2017.
3. PacifiCorp's request to file for a PTAM Attrition Factor effective January 1, 2016 based on the September 2015 Global Insight "U.S. Economic Outlook" forecast of the CPI for 2016 with an off-setting productivity factor of 0.5%, or zero, whichever is greater, should be granted.
4. PacifiCorp's petition for modification satisfies the requirements of Rule 16.4 regarding the proposed modifications to D.13-07-026 and its requested waiver from D.07-07-004.
5. PacifiCorp's proposed modifications to Ordering Paragraphs 2.a. and 2.b. of D.13-07-026 should be adopted as follows:
 - a. Ordering Paragraph 2.a.: PacifiCorp may file for a Post Test Year Adjustment Mechanism (PTAM) Attrition Factor effective January 1, 2016 based on the September 2015 Global Insight "U.S. Economic Outlook" forecast of the Consumer Price Index for 2016 with an off-setting productivity factor of 0.5%, or zero, whichever is greater. **PacifiCorp will file for this PTAM Attrition Factor no later than October 1, 2015, by a Tier 2 Advice Letter. This January 1, 2016 PTAM Attrition Factor filing will be made in addition to the PTAM Attrition Factor filing to be effective January 1, 2015, previously approved by D.13-07-026.**

- b. Ordering Paragraph 2.b.: We grant PacifiCorp a waiver from Decision 07-07-004, which allows PacifiCorp to forego filing a General Rate Case (GRC) application for Test Years 2015 **and 2016**, and file its next GRC application for Test Year 2017.
6. The original version of Ordering Paragraph 2.a. of D.13-07-026 should be retained in order to preserve the authorization granted to PacifiCorp to make a PTAM Attrition Factor filing to be effective January 1, 2015. The following ordering paragraph should be identified as Ordering Paragraph 5 of D.13-07-026.
- a. Ordering Paragraph 5: PacifiCorp may file for a Post Test Year Adjustment Mechanism Attrition Factor effective January 1, 2015 based on the September 2014 Global Insight "U.S. Economic Outlook" forecast of the Consumer Price Index for 2015 with an off-setting productivity factor of 0.5%, or zero, whichever is greater.
7. This order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. PacifiCorp's Petition to Modify Decision 13-07-026 is granted as set forth in the Ordering Paragraphs below.
2. Ordering paragraphs of Decision 13-07-026 are modified as follows (modifications are **bold and underlined**):
 - a. Ordering Paragraph 2.a.: PacifiCorp may file for a Post Test Year Adjustment Mechanism (PTAM) Attrition Factor effective January 1, 2016 based on the September 2015 Global Insight "U.S. Economic Outlook" forecast of the CPI for 2016 with an off-setting productivity factor of 0.5%, or zero, whichever is greater. **PacifiCorp will file for this PTAM Attrition Factor no later than October 1, 2015, by a Tier 2 Advice Letter. This January 1, 2016 PTAM Attrition Factor filing will be made in addition to the**

**PTAM Attrition Factor filing to be effective
January 1, 2015, previously approved by D.13-07-026.**

- b. Ordering Paragraph 2.b.: We grant PacifiCorp a waiver from Decision 07-07-004, which allows PacifiCorp to forego filing a General Rate Case (GRC) application for Test Years 2015 **and 2016**, and file its next GRC application for Test Year 2017.

3. The original version of Ordering Paragraph 2.a. of Decision (D.) 13-07-026 shall be retained in order to preserve the authorization granted to PacifiCorp to make a Post Test Year Adjustment Mechanism Attrition Factor filing to be effective January 1, 2015. This ordering paragraph shall be identified as Ordering Paragraph 5 of D.13-07-026.

- a. Ordering Paragraph 5: PacifiCorp may file for a Post Test Year Adjustment Mechanism Attrition Factor effective January 1, 2015 based on the September 2014 Global Insight "U.S. Economic Outlook" forecast of the CPI for 2015 with an off-setting productivity factor of 0.5%, or zero, whichever is greater.

4. Application 09-11-015 is closed.

This order is effective today.

Dated June 12, 2014, at San Francisco, California.

MICHAEL R. PEEVEY
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
CARLA J. PETERMAN
MICHAEL PICKER
Commissioners