

**PacifiCorp's Proposed Changes to
Staff's PacifiCorp's Draft Proposed Methodology
SB 838 (Section 12) Annual Revenue Requirement**

(1) "Annual Revenue Requirement" means the total revenue the Commission authorizes an electric company the opportunity to recover in Oregon rates pursuant to:

(a) a general rate proceeding in which the Commission issues its final order at least 45 days prior to the beginning of a compliance year, excluding amounts and costs in accordance with ORS [Section 12(3) of SB 838], or

(b) for all other years, the authorized total revenue for an electric company in its most recent general rate case and but including updates for the following specific adjustments: base rate changes relating to automatic adjustment clauses, adjustments for electric company load changes, and other adjustments ordered by the Commission for the purpose of this definition, but excluding amounts and costs in accordance with ORS [Section 12(3) of SB 838].

(2) Pursuant to section (1)(b), the Annual Revenue Requirement is calculated as the sum of:

(a) The operating revenues related to net power costs, the renewable adjustment clause, and other updates in paragraph (1)(b) of this rule, authorized subsequent to the most recent general rate case; and

(b) The product of:

(i) The total operating revenues authorized in the most recent general rate case, reduced by the amount of operating revenues related to energy efficiency programs, low income energy assistance, the incremental cost of compliance, unbundled renewable energy certificates, alternative compliance payments, and net power costs in the general rate case; and

(ii) The ratio of the compliance year forecasted load to the load from the most recent general rate case. -

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(23) On or before November 15, 2010, and annually thereafter, each electric company that is subject in the following calendar year to a renewable portfolio standard in the following calendar year contained pursuant to ORS [in SB 838, Sections 6 or 7]; must file its proposed Annual Revenue Requirement for the following compliance year. The Annual Revenue Requirement for each compliance year is calculated as the sum of:

(a) The operating revenues related to net power costs, the renewable adjustment clause, and other updates in paragraph (1) of this rule, authorized subsequent to the most recent general rate case; and

(b) The product of:

(i) The total operating revenues authorized in the most recent general rate case, reduced by the amount of operating revenues related to energy efficiency programs, low income energy assistance, the incremental cost of compliance, unbundled renewable energy

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~~certificates, alternative compliance payments, and net power costs in the general rate case; and~~

~~(ii) The ratio of the compliance year forecasted load to the load from the most recent general rate case.~~

(34) On or before December 1, 2010, and annually thereafter, ~~the each~~ electric company must update its filing ~~under pursuant to section paragraph (23)~~ for any updated renewable adjustment clause filing and retail electricity consumer loads that will be served through direct access in the compliance year.

(45) For each electric company, the Commission will establish the Annual Revenue Requirement for a compliance year at a public meeting no later than January 1 of the compliance year.