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# Media Release

## FOR IMMEDIATE RELEASE

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### **PACIFIC POWER CUSTOMER RATES INCREASING JANUARY 1, 2023** **Power cost inflation among the causes**

**SALEM, Ore.** – The Oregon Public Utility Commission (PUC) recently finalized rate increases for PacifiCorp (dba Pacific Power) customers effective January 1, 2023. The increase stems from decisions in two proceedings—an annual adjustment for power costs, which are markedly higher due to market volatility, and a general rate case filing for non-energy related costs, including costs to mitigate wildfire risk.

The decisions result in an average overall rate increase of 14.8 percent combined for all customer types. A typical residential customer using 900 kilowatt hours per month can expect monthly bills to increase from \$91.89 to \$111.34. The impact varies depending on actual energy usage for residential, commercial, and industrial customer types.

Significant increases in Pacific Power’s expected cost to purchase and produce electricity in 2023 are a primary driver of the increase, based on forecasts for both the higher cost of fuel (natural gas and coal) to produce electricity and the higher cost to purchase electricity in the market. Pacific Power cited global supply chain problems as one factor in reducing the supply and increasing the cost of electricity.

“We recognize that increasing rates at a time when Oregonians are already dealing with high inflation presents challenges for many customers,” said Megan Decker, PUC Chair. “Unfortunately, fuel cost increases and supply chain delays caused by global events, combined with increasing volatility in regional electricity markets, drive the price for utilities to produce and purchase electricity. Although the utilities cannot avoid all of the impacts of these higher prices in the short term, there may be options available for residential customers to help reduce the bottom line impact.”

Pacific Power recently launched a [new program](#) providing on-bill rate discounts ranging from 20-40 percent to support customers who are experiencing income restraints. Pacific Power’s most vulnerable customers can also access a variety of bill support programs through local community action agencies, including the [Oregon Energy Fund](#), [Oregon Energy Assistance Program](#), [COVID Energy Assistance Program](#) and [Low-Income Home Energy Assistance Program](#).

Additionally, Pacific Power offers a variety of ways to budget for energy expenses, including [time of use](#) and [equal pay](#) billing options. In partnership with Energy Trust of Oregon, Pacific Power customers can also tap into information and rebates to help improve their energy efficiency and lower their bills. Customers can call 1-888-221-7070 to discuss options.

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Docket No. UE 400 and UE 399

Below is a breakdown of the separate decisions made by the PUC that led to the increase in overall customer rates.

### **Transition Adjustment Mechanism (TAM)**

Pacific Power files an annual transition adjustment mechanism (TAM) to update customer rates to reflect the company's actual costs to produce and purchase electricity. Due to volatility in the energy markets and increased costs to produce and purchase energy, customer rates will increase by a larger amount than earlier estimated starting January 1, 2023. In October 2022, the PUC adopted a settlement between Pacific Power, customer advocate groups, and the PUC Staff for a power cost increase of approximately \$66.43 million after taking advantage of tax credits that provide shared benefits with Oregon customers. That expected increase was based on Pacific Power's preliminary power costs estimates. Pacific Power's final November 15, 2022 power cost forecast, however, showed a 20.3 percent increase in power cost rates over the preliminary forecast.

### **General Rate Revision**

The PUC recently approved a \$46.7 million, or 3.7 percent increase for non-energy costs in a general rate proceeding, a reduction from the original requested increase of \$84.4 million. This increase, which will also go into effect January 1, is driven by numerous factors, including increases in wildfire mitigation and vegetation management spending, capital additions, and miscellaneous increases to the company's revenue requirement. The PUC also approved an agreement by the parties preventing Pacific Power from filing a general rate case in Oregon with rates effective earlier than January 1, 2025.

PacifiCorp serves approximately 630,000 customers in Oregon, and approximately 2.0 million total retail customers in California, Idaho, Oregon, Utah, Washington, and Wyoming.

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*The PUC regulates customer rates and services of the state's investor-owned electric and natural gas utilities, including Portland General Electric, Idaho Power, Pacific Power, Avista, Cascade Natural, and NW Natural. The PUC also regulates landline telephone providers and select water companies. The PUC's mission is to ensure Oregonians have access to safe, reliable, and fairly priced utility services that advance state policy and promote the public interest. We use an inclusive process to evaluate differing viewpoints and visions of the public interest and arrive at balanced, well-reasoned, independent decisions supported by fact and law. For more information about the PUC, visit [oregon.gov/puc](http://oregon.gov/puc).*