

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 399, UM 2220**

In the Matter of	)	
	)	
PACIFICORP, dba, PACIFIC POWER,	)	REPLY OF THE OREGON CITIZENS'
	)	UTILITY BOARD TO PACIFICORP'S
Request for a General Rate Revision (UE	)	COMBINED REPLY SUPPORTING
399), and	)	AND OPPOSING MOTIONS TO
	)	CONSOLIDATE
Application for Approval of Deferred	)	
Accounting for Operating Costs and Capital	)	
Investments Made to Implement PacifiCorp's	)	
Distribution System Plan (UM 2220).	)	
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**I. INTRODUCTION**

Pursuant to OAR 860-001-0600, OAR 860-001-0420(4), and Administrative Law Judge (ALJ) Lackey's April 5, 2022 Memorandum, the Oregon Citizens' Utility Board (CUB) hereby files this Reply to PacifiCorp's (PAC or the Company) April 5, 2022 Combined Reply Supporting and Opposing Motions to Consolidate. In its Combined Reply, PAC opposes CUB's request to consolidate Docket No. UM 2220, PacifiCorp's Application for Approval of Deferred Accounting for Operating Costs and Capital Investments Made to Implement PacifiCorp's Distribution System Plan, into the Docket No. UE 399 general rate case (GRC).<sup>1</sup> CUB respectfully disagrees with PAC's position, and continues to believe consolidation of UM 2220 will promote judicial and administrative efficiency by allowing the Commission to address preliminary issues related to the approval and scope of UM 2220 alongside a review of proposed

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<sup>1</sup> OPUC Docket Nos. UE 399, UM 1964, UM 2134, UM 2142, UM 2167, UM 2185, UM 2186, UM 2201, UM 2220 – PacifiCorp's Combined Reply Supporting and Opposing Motions to Consolidate at 3-5 (Apr. 5, 2022) (hereafter PacifiCorp's Combined Reply).

distribution system-related costs to be included in base rates in the GRC. The Public Utility Commission of Oregon (Commission) has recently held that issues related to deferred accounting applications are relevant to the determination of setting just and reasonable rates in a GRC.<sup>2</sup>

CUB reached out to representatives from the Alliance of Western Energy Consumers (AWEC). CUB has been authorized to represent that AWEC does not oppose CUB's motion to consolidate UM 2220 into UE 399. CUB supports AWEC's motion to consolidate Docket No. UM 2201 into UE 399.

## II. ARGUMENT

PacifiCorp misstates the purpose of CUB's motion to consolidate UM 2220 into the UE 399 GRC. According to PacifiCorp, CUB seeks to resolve *all* issues related to UM 2220 in UE 399.<sup>3</sup> However, as made clear in CUB's earlier pleading, CUB proposes to only address *preliminary* issues related to the deferral's approval and scope of costs eligible for inclusion in UM 2220. CUB does not intend to address issues related to the deferral's amortization, carrying charges, earnings review, or any other issues that are appropriately addressed at the end of the deferred accounting period. CUB does not dispute that UM 2220 is at an earlier procedural phase than the other deferrals subject to potential consolidation into the UE 399 GRC.

As Staff astutely notes, deferrals can be addressed as relevant within a GRC whether or not the deferral docket has been formally consolidated with the GRC.<sup>4</sup> However, rather than raising issues related to UM 2220 and the interplay between distribution costs subject to potential recovery in the deferral or the GRC for the first time in opening testimony, CUB moved to

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<sup>2</sup> *In re Portland General Electric Company, Request for a General Rate Revision*, OPUC Docket No. UE 394, Ruling Denying Motion to Strike at 3-4 (Nov. 10, 2021).

<sup>3</sup> PacifiCorp's Combined Reply at 4.

<sup>4</sup> UE 399, UM 1964, UM 2134, UM 2142, UM 2167, UM 2185, UM 2186 – Corrected Staff Response to PacifiCorp Motion to Consolidate at 2 (Mar. 30, 2022).

consolidate UM 2220 into UE 399 to create a clear record for the Commission and to provide PacifiCorp the opportunity to address issues related to UM 2220 in UE 399 in advance of its July 19, 2022 Reply Testimony.<sup>5</sup>

CUB respectfully urges the Commission exercise its discretion<sup>6</sup> to grant CUB’s motion to consolidate UM 2220 into UE 399. To CUB, UM 2220 is the proper vehicle to recover incremental distribution costs that are purely driven by developing PAC’s Distribution System Plan (DSP). Comporting with longstanding Commission precedent, PAC already has an avenue for recovering distribution-related capital costs through the GRC process. The scope and potential preliminary approval of UM 2220 is particularly relevant to the UE 399 because distribution-related costs are typically recovered in a GRC. Consolidation would enable a fulsome discussion that aligns with prior Commission treatment of deferrals in their preliminary phases and would further judicial and administrative efficiency.

In UM 2115, Portland General Electric Company’s (PGE) deferral of wildfire emergency costs and lost revenues, PGE’s initial application sought authority to defer costs associated with the Labor Day Wildfires as well as lost revenues.<sup>7</sup> After consulting with parties—before the deferral had been preliminarily approved—PGE filed a Clarification of Application in which it stated that it no longer sought to defer lost revenues.<sup>8</sup> It is common for the scope of costs eligible for inclusion in a deferred accounting application to be addressed at or before the time the deferral is approved. Here, CUB seeks to have a discussion of the scope and preliminary approval of UM 2220 alongside a discussion of distribution-related costs included in the GRC.

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<sup>5</sup> UE 399 – Procedural Conference Memorandum (Apr. 4, 2022) (PacifiCorp has been afforded the procedural ability to file Opening Testimony on any consolidated dockets on April 22, 2022).

<sup>6</sup> OAR 860-001-0600.

<sup>7</sup> UM 2115 – Staff Report at 2 (Oct. 15, 2020).

<sup>8</sup> *Id.*

The Commission has exercised its discretion to consolidate cases when consolidation was the most efficient and logical approach.<sup>9</sup> CUB's proposal is both logical and efficient.

Apart from aligning with Commission precedent, CUB's proposal will most efficiently use Commission and party resources. All Commission-regulated utilities, including PAC, have a multitude of outstanding deferrals. Addressing issues related to the scope and preliminary approval of UM 2220 in the UE 399 GRC would be efficient because parties can do so while holistically examining distribution-related costs included in UE 399. CUB is concerned that UM 2220 as filed is too broad, and may allow PAC to potentially include distribution-related costs that should be recovered in a GRC. Enabling parties to review this deferral in the context of the GRC will ensure that the deferral and GRC are truly discrete. Further, consolidating these cases will limit the number of venues in which the Commission and stakeholders are reviewing deferrals, thereby efficiently using the resources of all parties.

Although amounts accrued in UM 2220 are not yet eligible for potential amortization, it is important to ensure this deferral has clear contours around eligibility. The UE 399 GRC is an appropriate venue to address these issues. This is consistent with ALJ Lackey's UE 394 memorandum indicating the Commission's broad flexibility to consider *any* elements of any potential deferral within a GRC.<sup>10</sup> Conducting this analysis within an ongoing GRC will ensure customers are not potentially being asked to fund distribution investments in two different arenas.

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<sup>9</sup> *In re Portland General Electric and In re PacifiCorp*, Dockets UA 37 and UA 41, Order No. 92-557 (Apr. 16, 1992).

<sup>10</sup> *In re Portland General Electric Company, Request for a General Rate Revision*, OPUC Docket No. UE 394, Ruling Denying Motion to Strike at 3-4 (Nov. 10, 2021).

### III. CONCLUSION

For the reasons discussed above, CUB respectfully urges the Commission to consolidate UM 2220 into UE 399 alongside the other deferred accounting applications the Company has highlighted. At this time, CUB seeks to ensure cost recovery in the two processes is truly discrete and fair to residential customers. CUB envisions that issues related to amortization, carrying charges, and an earnings review can be conducted in UM 2220 when amounts in the deferral are eligible for potential inclusion in rates at the end of the deferred accounting period.

Dated this 7<sup>th</sup> day of April, 2022.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Michael P. Goetz".

Michael P. Goetz, OSB #141465  
General Counsel  
Oregon Citizens' Utility Board  
610 SW Broadway, Ste. 400  
Portland, OR 97205  
T. 503.227.1984  
E. [mike@oregoncub.org](mailto:mike@oregoncub.org)