

June 1, 2023

Michael Grant
Executive Director
Public Utility Commission of Oregon
201 High St SE, Ste. 100
Salem, OR 97301

**Re: Klamath Dam Removal – Supplement to December 12, 2022
Disbursement Request under DM #7810225**

Dear Mr. Grant:

The Klamath River Renewal Corporation (Renewal Corporation) requests that the Public Utility Commission (Commission) disburse the accrued interest in the Oregon trust accounts, totaling \$4,747,365 as of April 30, 2023. PacifiCorp supports this request.

This supplements our December 12, 2022 request for disbursement of \$62,345,266. The Commission made that disbursement, which we received on December 20, 2022. As of that date, disbursements from the Oregon trust accounts totaled \$184 million. That amount consisted of surcharges collected from PacifiCorp's customers in this state, plus accrued interest.

The funds remaining in the Oregon trust accounts are additional accrued interest. We request disbursement of these remaining funds to pay necessary and eligible project costs in Phase 3 (deconstruction of the dams and habitat restoration), as defined in Funding Agreement DM #7810225, as approved in Order No. 17-018. We incorporate by reference the accounting, exhibits, and certifications attached to our December 12, 2022 request. Phase 3 began on March 10, 2023, when we notified Kiewit Infrastructure West to proceed with site preparation for deconstruction.

This request is consistent with the requirements of ORS Chapter 757. PacifiCorp collected surcharges in amounts as directed by the State Legislature in ORS 757.736(3) and as approved by the Commission. The collection schedule set per ORS 757.736(7) timely funded Oregon's share of the customer contribution, \$184 million, by December 31, 2019. Consistent with sound fiscal practice, the Commission chose interest-bearing trust accounts to hold the collected surcharges. As stated above, accrued interest reduced

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the amount of surcharges needed to be collected to fund Oregon's share of the customer contribution.

The amount of accrued interest in the trust accounts depended, in part, upon when final regulatory approvals were secured. On November 17, 2022, the Federal Energy Regulatory Commission issued the license surrender order to the Renewal Corporation, and the States of Oregon and California, as co-licensees. As shown in our reports to the Commission, the Renewal Corporation has managed every aspect of this project, including our procurement contracts, to minimize the fiscal impact of inflation resulting from this order issuing in 2022 and not earlier. Disbursement of the accrued interest remaining in the trust accounts is needed to cover necessary and eligible project costs, and it complies with the customer protections in ORS Chapter 757.

We are available to address any questions or concerns about this request for disbursement of the accrued interest remaining in the Oregon trust accounts.

Respectfully submitted,



Laura F. Hazlett
Chief Operations Officer

Cc: Stefan Bird, PacifiCorp
Ryan Flynn, PacifiCorp
Dustin Till, PacifiCorp
Richard W. Whitman, State of Oregon