825 NE Multnomah, Suite 2000 Portland, Oregon 97232



July 27, 2022

# VIA ELECTRONIC FILING

Public Utility Commission of Oregon Attn: Filing Center 201 High Street SE, Suite 100 Salem, OR 97301-3398

# Re: UM\_\_\_\_PacifiCorp's Application for Approval of Deferred Accounting for an Independent Evaluator to Review Decommissioning Costs

PacifiCorp d/b/a Pacific Power (PacifiCorp) submits for filing its Application for Approval of Deferred Accounting for an Independent Evaluator to Review Decommissioning Costs.

PacifiCorp respectfully requests that all communications related to this filing be addressed to:

Oregon Dockets PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 oregondockets@pacificorp.com Carla Scarsella Deputy General Counsel PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 Email: carla.scarsella@pacificorp.com

Additionally, PacifiCorp requests that all formal information requests regarding this matter be addressed to:

By email (preferred): <u>datarequest@pacificorp.com</u>

By regular mail:

Data Request Response Center PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232

Informal inquiries may be directed to Cathie Allen, Manager, Regulatory Affairs, at (503) 813-5934.

Sincerely,

Shilly McCoy

Shelley McCoy Director, Regulation

Enclosures

## BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM \_\_\_\_\_

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting for an Independent Evaluator to Review Decommissioning Costs

# APPLICATION FOR DEFERRED ACCOUNTING

# I. INTRODUCTION

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon

Administrative Rule (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or

Company) submits this application to the Public Utility Commission of Oregon

(Commission) for an order authorizing deferred accounting to track the costs associated with

retaining an Independent Evaluator for review of coal plant decommissioning costs in

PacifiCorp's Application for Authority to Implement a Decommissioning Cost Recovery

Adjustment and Coal Removal Mechanism.<sup>1</sup>

# II. CONTACT INFORMATION

Communications regarding this application should be addressed to:

Oregon Dockets PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 Email: <u>oregondockets@pacificorp.com</u> Carla Scarsella Deputy General Counsel PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 Email: <u>carla.scarsella@pacificorp.com</u>

<sup>&</sup>lt;sup>1</sup> In the Matter of PacifiCorp, dba Pacific Power, Application for Authority to Implement a Decommissioning Cost Recovery Adjustment and Coal Removal Mechanism, Docket No. UM 2183, Application filed July 8, 2021.

In addition, the Company requests that all data requests regarding this application be sent to the following:

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By email (preferred):	datarequest@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232

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Informal questions may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

#### III. BACKGROUND AND SUMMARY OF REQUEST

On July 8, 2021, PacifiCorp filed an application for authority to implement a decommissioning cost recovery adjustment and coal removal mechanism.<sup>2</sup> In the application the Company requested authorization of a new tariff authorizing it to collect an increase to the estimated decommissioning costs of certain coal-fired generation as reflected in the studies conducted by Kiewit Engineering Group, Inc. (Kiewit Studies). Commission Order No. 20-473 in PacifiCorp's 2021 general rate case (docket UE 374) included a requirement for a robust review and verification of the decommissioning cost estimates in the Kiewit Studies by an Independent Evaluator to demonstrate the estimates are reliable for cost recovery.<sup>3</sup>

PacifiCorp worked with parties to docket UM 2183 to develop a draft Request for Proposal (RFP) for selecting an Independent Evaluator. At the May 5, 2022 Public Meeting, the Commission approved Staff's recommendation to authorize the issuance and use of PacifiCorp's draft RFP for selecting an Independent Evaluator to review the Kiewit Studies. The Company is filing this application to defer the costs associated with the retention of and

 $^{2}$  Id.

<sup>&</sup>lt;sup>3</sup> In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Revision, Order No. 20-473 at 17-19 (Dec. 18, 2020).

the scope of work identified in the RFP for the Independent Evaluator, including to conduct a review of the Kiewit Studies.

#### IV. OAR 860-027-0300(3) REQUIREMENTS

#### A. Description of Utility Expense

The Company issued the RFP to retain an Independent Evaluator to review the Kiewit Studies on July 22, 2022, and seeks to defer the costs associated with the retention of and scope of work identified in the RFP for the Independent Evaluator.

#### **B.** Reasons for Deferral

As discussed above, PacifiCorp requests authorization to defer the costs associated with the retention of an Independent Evaluator. ORS 757.259(2)(e) allows the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne and benefits received by customers. Commission approval of PacifiCorp's application will allow the Company to track the costs for the Independent Evaluator separate from PacifiCorp's other costs and revenues. Granting this Application will minimize the frequency of rate changes and match appropriately the costs borne by, and benefits received by customers.

PacifiCorp's application is consistent with the Commission's previous approval of deferred accounting applications.

#### C. Proposed Accounting

If this application is approved, PacifiCorp proposes to record deferred amounts to Federal Energy Regulatory Commission account 182.3, Other Regulatory Assets. This account will accrue interest at the Commission-authorized rate for deferred accounts.

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#### **D.** Estimate of Amounts

PacifiCorp released the RFP on July 22, 2022, and an estimate of the total expected deferral for the Independent Evaluator costs is not known at this time.

E. Notice

A copy of the Notice of Application and a list of persons served with the notice are attached as Exhibit A to this application.

## V. CONCLUSION

For the reasons set forth above, in accordance with ORS 757.259(2)(e), PacifiCorp respectfully requests authorization for a deferred account beginning on July 27, 2022, to track the costs for retention of an Independent Evaluator to review the Kiewit Studies.

Respectfully submitted this 27<sup>th</sup> day of July, 2022.

By:

arla Scarsella

Carla Scarsella Deputy General Counsel

Attorney for PacifiCorp d/b/a Pacific Power

# Exhibit A

Notice of Application

#### EXHIBIT A

#### NOTICE

#### BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM \_\_\_\_\_

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting for an Independent Evaluator to Review Decommissioning Costs

#### NOTICE OF APPLICATION FOR DEFERRED ACCOUNTING

On July 27, 2022, PacifiCorp d/b/a Pacific Power (PacifiCorp) filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing deferred accounting to track the costs associated with retaining an Independent Evaluator for review of coal plant decommissioning costs in PacifiCorp's Application for Authority to Implement a Decommissioning Cost Recovery Adjustment and Coal Removal Mechanism. The authorization will not authorize a change in rates but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding. To obtain a copy of the application, contact the following:

> Oregon Dockets 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 Email: <u>oregondockets@pacificorp.com</u>

Any person may submit written comments to the Commission regarding the application within 25 days of the date of this filing.

Respectfully submitted on July 27, 2022.

Scarsella By:

Carla Scarsella Deputy General Counsel

# **CERTIFICATE OF SERVICE**

I certify that a true and correct copy of **PacifiCorp's Notice of Application for Deferred Accounting** was served on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

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Dated this 27<sup>th</sup> day of July, 2022.

Jennifer Angell Jennifer Angell Regulatory Project Manager, Regulatory Affairs