

Oregon Citizens' Utility Board

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3/17/2023

Public Utility Commission
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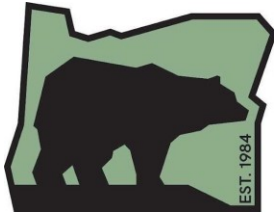
**RE: Pacific Power (Docket No. Adv 1490/Advice No. 23-004) PacifiCorp Advice No. 23-004
Schedule 271 System Benefits Charge**

CUB thanks Staff and parties for their work on this issue, and appreciates the opportunity to provide written comments on this agenda item for the forthcoming Oregon Public Utility Commission (Commission) regularly scheduled public meeting. In this filing, Pacific Power seeks to create a community benefits and impact advisory group (CBIAG) cost recovery mechanism. Pacific Power's proposed mechanism is an automatic adjustment clause for costs associated with the Community Benefits and Impacts advisory group. While CUB supports Staff's recommendation on this agenda item in this limited circumstance, we are concerned with proliferation of single-issue ratemaking mechanisms and their impact on customer rates. CUB requests that, if approved, the merits of the CBIAG automatic adjustment clause be subject to review in Pacific Power's next general rate case.

Single-issue ratemaking as a practice has increased dramatically in Oregon.

CUB is concerned with the frequency, volume, and number of single-issue ratemaking mechanisms that investor-owned utilities have presented before the Commission. This presents several issues for the Commission and customers. Single-issue ratemaking mechanisms shift cost risk solely to customers, without reducing the cost of capital that shareholders are compensated for in rates to account for risk. CUB has found it difficult to manage the volume of rate increases being requested through single-issue rate mechanisms, such as automatic adjustment clauses and deferrals.

For example, Pacific Power is currently deferring costs associated with its distribution system plan (DSP). Pacific Power is assuming that it will be able to receive dollar for dollar cost recovery for all capital and O&M costs from the DSP. This would be like allowing PacifiCorp to defer the cost of service associated with generation and transmission investments from the Company's Integrated Resource Plan from customers. CUB strongly disagrees with Pacific Power use of a deferral for all costs associated with the distribution system plan and does not support the use of deferral for these types of costs when distribution investments are historically recovered through the General Rate Case process.



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CUB supports the creation of a CBIAG as part of HB 2021's framework. However, CUB questions the value and necessity of creating an automatic adjustment clause for this specific cost item. If the Commission were to grant Pacific Power an automatic adjustment clause for the CBIAG, CUB requests that the Commission make this mechanism subject to review in Pacific Power's next General Rate Case proceeding and invite stakeholders to look at single issues ratemaking mechanisms holistically in that proceeding.

CUB appreciates the opportunity to provide prewritten comments on this topic. Given recent comments on this mechanism, CUB does not intend on making oral comments at the forthcoming public meeting, but will be available for questions from Commissioners, should any arise.

Respectfully submitted,

/s/ Will Gehrke

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