

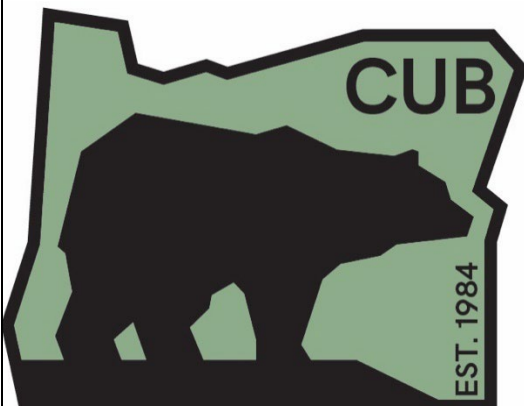
**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 407

In the Matter of)
)
PACIFICORP dba PACIFIC POWER,)
)
Application for Approval of an Automatic)
Adjustment Clause for Recovery of Costs)
Associated with the Company's Wildfire)
Protection Plan.)
_____)

**OBJECTIONS
OF THE
OREGON CITIZENS' UTILITY BOARD**

January 20, 2023



**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 407

In the Matter of)	
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PACIFICORP dba PACIFIC POWER,)	OBJECTIONS OF THE OREGON
)	CITIZENS' UTILITY BOARD IN
Application for Approval of an Automatic)	OPPOSITION TO SETTLEMENT
Adjustment Clause for Recovery of Costs)	
Associated with the Company's Wildfire)	
Protection Plan.)	
_____)	

I. INTRODUCTION

Pursuant to OAR 860-0010350(8) and Administrative Law Judge (“ALJ”) Mapes’ December 7, 2022 Ruling modifying the procedural schedule, the Oregon Citizens’ Utility Board (CUB) submits its objections to the Joint Stipulation entered into by PacifiCorp (PAC or the Company), Staff of the Public Utility Commission of Oregon (Staff), and the Alliance of Western Energy Consumers (AWEC) (Stipulating Parties) on December 29, 2022. In these objections, CUB affirms its opposition to the Joint Stipulation and provides context for its rationale to oppose a discrete portion of the Wildfire Protection Plan (WPP) automatic adjustment clause agreed to by the Stipulating Parties. CUB’s opposition focuses on the lack of an earnings test contained in the terms of the Joint Stipulation.

II. STANDARD OF REVIEW

Under OAR 860-001-0350, the Public Utility Commission of Oregon (Commission) may adopt, reject, or propose to modify a stipulation. If the Commission proposes to modify a stipulation, the Commission must explain the decision and provide the parties sufficient opportunity on the record to present evidence and argument to support the stipulation.¹

In reviewing a stipulation, the Commission determines whether the overall result of the stipulation results in fair, reasonable, and just rates. The Commission reviews settlements on a holistic basis to determine whether they serve the public interest and result in just and reasonable rates. A party may challenge a settlement by presenting evidence that the overall settlement results in something that is not compatible with a just and reasonable outcome.²

Where a party opposes a settlement, the Commission reviews the issues pursued by that party, and considers whether the information and argument submitted by the party suggests that the settlement is not in the public interest, will not produce rates that are just and reasonable, or otherwise is not in accordance with the law. To support the adoption of a settlement, the stipulating parties must present evidence that the stipulation is in accord with the public interest, and results in just and reasonable rates.³

¹ *In re Northwest Natural Gas Company, dba NW Natural, Request for a General Rate Revision, Advice 20-19, Schedule 198 Renewable Natural Gas Recovery Mechanism*, Docket Nos. UG 435, ADV 1215, and UG 411, OPUC Order No. 22-388 at 6 (Oct. 24, 2022).

² *Id.*

³ *Id.*

III. ARGUMENT

To be clear, CUB does not oppose cost recovery associated with PacifiCorp's WPP. Further, CUB recognizes the importance of WPP-related investments, especially in light of increased wildfire activity due to climate change. CUB objects to the Joint Stipulation on the basis that it will not result in just and reasonable rates.⁴ As described more thoroughly in CUB's concurrently filed Testimony in Opposition to Settlement, despite the Stipulating Parties' erroneous contention, the Joint Stipulation as filed cannot guarantee that future rates will be just and reasonable.⁵ This is because the WPP automatic adjustment clause agreed to by the Stipulating Parties contains no earnings test with which to assess whether rates that result after costs flow through the mechanism are just and reasonable. CUB's opposition to the Joint Stipulation narrowly focuses on the lack of an earnings test. In order to ensure that future rates are just and reasonable, consistent with the Commission's mandate, CUB respectfully requests that the Commission modify the Joint Stipulation to include an earnings test in the mechanism set at PAC's authorized return on equity (ROE).

IV. CONCLUSION

CUB files these objections on the merits of the terms of the Joint Stipulation to comply with the procedural requirements in OAR 860-001-0350(8). Since a procedural schedule to hear CUB's objections has already been designated in this proceeding, CUB will reserve its substantive arguments for its concurrently-filed testimony, the evidentiary hearing, briefing, and oral argument. In order to satisfy its mandate to establish just and

⁴ See ORS 756.040(1).

⁵ UE 407 Stipulation, ¶ 23 (Dec. 29, 2022) ("The Stipulating Parties agree that this Stipulation will result in rates that meet the standard in ORS 756.040.").

reasonable rates, CUB respectfully requests that the Commission modify the Joint Stipulation to include an earnings test in the mechanism set at PAC's authorized ROE.

Dated this 20th day of January, 2023.

Respectfully submitted,

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

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