

March 23, 2023

# VIA ELECTRONIC FILING

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

# Re: UM 2238(1)—PacifiCorp's Application for Approval of Deferred Accounting for Administrative Costs Associated with House Bill 2475 Energy Affordability Act

PacifiCorp d/b/a Pacific Power submits for filing its Application for Reauthorization of Deferred Accounting for Administrative Costs Associated with House Bill 2475 Energy Affordability Act.

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 carla.scarsella@pacificorp.com

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

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

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

Sincerely,

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Matthew McVee Vice President, Regulatory Policy and Operations

Enclosures

# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

# UM 2238(1)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting for Administrative Costs Associated with House Bill 2475 Energy Affordability Act

# 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 reauthorizing deferred accounting to track the incremental

administrative costs associated with House Bill (HB) 2475 Energy Affordability Act for the

12 months beginning March 29, 2023. PacifiCorp will seek amortization for recovery of the

deferred costs in a future Commission proceeding.

## 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>

In addition, the Company requests that all data requests regarding this application be

sent to the following:

By email (preferred): datarequest@pacificorp.com

By regular mail:	Data Request Response Center
	PacifiCorp
	825 NE Multnomah Street, Suite 2000
	Portland, OR 97232

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

#### III. BACKGROUND AND SUMMARY OF REQUEST

In May 2021, the Governor of Oregon signed into law HB 2475, the Energy Affordability Act. This bill amends ORS 757.230 (1) to provide that utilities may take into account the "differential energy burdens on low-income customers and other economic, social equity or environmental justice factors that affect affordability for certain classes of utility customers" when designing rates and provides utilities with the opportunity to offer a bill discount to income-qualified eligible residential customers.

In docket UM 2223, PacifiCorp filed for authorization to defer the incremental costs and revenues associated with implementation and administration of HB 2475. On March 22, 2022, in Order No. 22-094, the Commission adopted staff's proposal to approve the Company's deferral application for the costs and revenues associated with the low-income bill discount program but required the Company to file a new deferral application, in a separate docket, to establish a separate account to track and defer incremental administrative costs associated with the implementation of HB 2475 mitigation measures.

On March 29, 2022, PacifiCorp filed an application to defer the incremental administrative costs associated with HB 2475. The Commission approved the deferral application on June 2, 2022, in Order No. 22-198, for the 12 months beginning on

2

March 29, 2022. Thus, incremental administrative costs incurred prior to March 29, 2022, will be included with the costs deferred in UM 2223.<sup>1</sup>

In this application, PacifiCorp requests reauthorization to continue deferral of the costs and revenues to implement rate mitigation measures authorized under HB 2475(7)(1) for the 12-month period beginning on March 29, 2023.

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

## A. Description of Utility Expense

This deferral application requests reauthorization to track the incremental administrative costs, including marketing costs, associated with PacifiCorp's low-income bill discount program.

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

As discussed above, PacifiCorp requests reauthorization to defer the incremental administrative costs to implement and administer the low-income bill discount program. 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 incremental administrative costs for the program 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.

<sup>&</sup>lt;sup>1</sup> On June 16, 2022, PacifiCorp filed Advice No. 22-008/docket UE 409 to implement Schedule 7, Low-Income Discount, its interim low-income bill discount for residential customers. The filing also included implementation of Schedule 92, Low-Income Discount Cost Recovery Adjustment. The Commissioned approved the Company's filing on September 1, 2022, in Order No. 22-317.

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 Modified Blended Treasury Rate, consistent with the program costs and revenues deferred in UM 2223.

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

PacifiCorp has estimated an annual budget of \$215,000 for administrative costs.

# 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. OAR 860-027-0300(4) REQUIREMENTS

PacifiCorp provides the following information required by OAR 860-027-0300(4):

#### A. Entries in the Deferred Account to Date

Exhibit B of the Application provides the entries in the deferred account to date.

#### B. Reason for Continuation of Deferred Accounting

As discussed in this application, continuation of this deferral is necessary to track incremental administrative costs to implement and administer the rate mitigation measures authorized under HB 2475(7).

# VI. CONCLUSION

For the reasons set forth above, in accordance with ORS 757.259(2)(e), PacifiCorp respectfully requests reauthorization for a deferred account beginning on March 29, 2023, to track the incremental administrative costs associated with HB 2475.

Respectfully submitted this 23<sup>rd</sup> day of March, 2023.

By:

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 2238(1)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting for Administrative Costs Associated with House Bill 2475 Energy Affordability Act

## NOTICE OF APPLICATION FOR DEFERRED ACCOUNTING

On March 23, 2023, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferred accounting to track the incremental administrative costs associated with House Bill 2475 Energy Affordability Act. The reauthorization 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 March 23, 2023.

la Scarsella By:

Carla Scarsella Deputy General Counsel

# Exhibit B

#### HB2475 Admin Costs

Period	Beginning Balance	Deferral	Interest	Ending Balance
May-22	-	2,195.00	6.53	2,201.53
Jun-22	2,201.53	(450.55)	11.75	1,762.73
Jul-22	1,762.73	-	10.48	1,773.21
Aug-22	1,773.21	-	10.55	1,783.76
Sep-22	1,783.76	-	10.61	1,794.37
Oct-22	1,794.37	3,279.00	20.42	5,093.79
Nov-22	5,093.79	2,200.30	36.84	7,330.93
Dec-22	7,330.93	445.00	44.92	7,820.86
				-
	FY 2022 TOTAL	\$ 3,827.00	\$ 152.11	
				-
Jan-23	7,820.86	887.95	48.96	8,757.77
Feb-23	8,757.77	2,186.52	58.36	11,002.65
	FY 2023 TOTAL	\$ 3,074.47	\$ 411.53	-

# **CERTIFICATE OF SERVICE**

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

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Dated this 23<sup>rd</sup> day of March 2022.

Santiago Gutierrez Coordinator, Regulatory Operations