

July 26, 2023

VIA ELECTRONIC FILING

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

Re: UM 2250(1)—PacifiCorp’s Application for Reauthorization of Deferred Accounting for an Independent Evaluator to Review Decommissioning Costs

PacifiCorp d/b/a Pacific Power (PacifiCorp) submits for filing its Application for Reauthorization 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
carla.scarsella@pacificorp.com

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

By email (preferred): datarequest@pacificorp.com

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,



Matthew McVee
Vice President, Regulatory Policy and Operations

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2250(1)

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
REAUTHORIZATION OF 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 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 Mechanism¹ for the 12 months beginning July 27, 2023.

II. CONTACT INFORMATION

Communications regarding this application should be addressed to:

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Email: oregondockets@pacificorp.com

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

¹ *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:

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

On July 8, 2021, PacifiCorp filed an application for authority to implement a decommissioning cost recovery adjustment and coal removal mechanism.² 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.³

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.

² *Id.*

³ *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 RFP was issued in the Summer 2022 and an Independent Evaluator, Sargent & Lundy LLC, was selected in consultation with stakeholders in late Fall 2022.

On July 27, 2022, the Company filed an application to defer the costs associated with the retention of and the scope of work identified in the RFP for the Independent Evaluator, including to conduct a review of the Kiewit Studies, for 12 months beginning July 27, 2022. That application is currently pending before the Commission. In this application, the Company is requesting reauthorization to continue deferral of these costs for 12 months beginning July 27, 2023.

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 reauthorization to continue deferring 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 reauthorization 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 continue tracking 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.

D. Estimate of Amounts

PacifiCorp anticipates the Independent Evaluator's total costs will be approximately \$323,330.

E. Notice

A copy of the Notice of Application is included as Exhibit A. This notice will be served to the service list in docket UE 399.

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

A. Entries in the Deferred Account to Date

PacifiCorp has incurred approximately \$60,252 of costs associated with the Independent Evaluator.

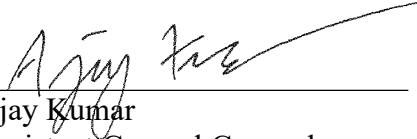
B. Reason for Continuation of Deferred Accounting

As discussed in this application, continuation of this deferral is necessary 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.

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 July 27, 2023, to track the costs for retention of an Independent Evaluator to review the Kiewit Studies.

Respectfully submitted this 26th day of July, 2023.

By: 
Ajay Kumar
Assistant General Counsel

Attorney for PacifiCorp d/b/a Pacific Power

Exhibit A

Notice of Application

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 2250(1)**

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**

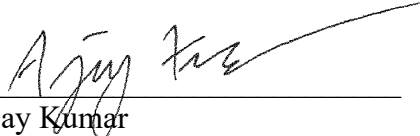
On July 26, 2023, PacifiCorp d/b/a Pacific Power (PacifiCorp) filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferred accounting to track the costs associated with retaining an Independent Evaluator for review of coal plant decommissioning costs in PacifiCorp's Application for Authority to Implement a Decommissioning Cost Recovery Adjustment and Coal Removal Mechanism. The 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: oregondockets@pacificorp.com

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 26, 2023.

By:



Ajay Kumar
Assistant General Counsel
PacifiCorp d/b/a Pacific Power

CERTIFICATE OF SERVICE

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

Service List UE 399

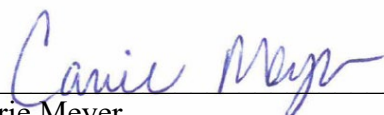
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WILLIAM STEELE (C) BILL STEELE AND ASSOCIATES, LLC PO BOX 631151 HIGHLANDS RANCH, CO 80164 w.steele1@icloud.com	DIANE HENKELS (C) SMALL BUSINESS UTILITY ADVOCATES 621 SW MORRISON ST. STE 1025 PORTLAND, OR 97205 diane@utilityadvocates.org

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Dated this 26th day of July, 2023.



 Carrie Meyer
 Adviser, Regulatory Operations