

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2194

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Application for a Pre-filed Emergency
Deferral Account.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on October 18, 2022, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.



BY THE COMMISSION:

A handwritten signature in blue ink, appearing to read "Nolan Moser".

Nolan Moser

Chief Administrative Law Judge

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

**PUBLIC UTILITY COMMISSION OF OREGON
CONFIDENTIAL STAFF REPORT
PUBLIC MEETING DATE: October 18, 2022**

REGULAR CONSENT EFFECTIVE DATE _____ N/A _____

DATE: October 10, 2022

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Bryan Conway, Marc Hellman, and Matt Muldoon **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. UM 2194)
Requests for a Pre-Filed Emergency Deferral Account.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Pacific Power's (PacifiCorp, PAC, or Company) application to establish a pre-filed emergency deferral account.

DISCUSSION:

Issue

Whether the Commission should approve PacifiCorp's request for to establish a pre-filed emergency deferral account.

Applicable Law

Under ORS 757.259, the Commission may authorize deferred accounting for later incorporation in rates. Specific amounts eligible for deferred accounting treatment with interest authorized by the Commission include:

Identifiable utility expenses or revenues, the recovery or refund of which the commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers.

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Unless subject to an automatic adjustment clause under ORS 757.210(1), amounts deferred are allowed in rates to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon review of the utility's earnings at the time of application to amortize the deferral.

Analysis

Background

In Order No. 21-259, the Commission approved the recommendation of the Administrative Hearings Division in Docket No. UM 2181 to invite utilities to establish pre-filed emergency deferral accounts.¹ Under the Commission's order, utilities may file applications to establish emergency deferral accounts to streamline recovery efforts after emergency events, natural disasters, and extreme weather that may create significant impacts to utility systems. Under Order No. 21-259, the utility may use the emergency deferral account to track only expenses proximately caused by an emergency that is the subject of a state or federal declaration.

After establishment of the emergency deferral account, within 30 days following an actual state of declared emergency, PacifiCorp would file a letter notifying the Commission that it is activating the deferral by describing the emergency event, the general impacts to utility systems because of the event, and any estimate of expenses, if available. PacifiCorp will seek amortization of the deferred costs in the emergency deferral account in a future Commission proceeding.

The emergency deferral accounts themselves do not have to be renewed every twelve months. However, to the extent the utility uses the account to defer cost related to a federal or state emergency, the deferral authority will last no more than twelve months after the date the utility files the notice of deferral, unless re-authorized by the Commission.

Reason for deferral

PacifiCorp requests the Commission authorize this account under ORS 757.259(2)(e) and Order No. 21-259.

Description of Expenses

PacifiCorp cannot estimate potential amounts to be deferred. To the extent, it is available; an estimate of the amounts associated with a particular emergency would be

¹ *In re Pre-Filed Deferral Applications* (UM 2181), Order No. 21-259, Public Meeting Date: August 10, 2021.

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included in PacifiCorp's letter notifying the Commission that it is activating the deferral filed within 30 days of the declaration.

Proposed Accounting

PacifiCorp proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets), crediting the FERC accounts where the expenses would otherwise be recorded, such as FERC 593 (Distribution Overhead Line Maintenance). In the absence of a deferred accounting order, the costs would remain in these expense accounts.

Conclusion

Staff concludes PacifiCorp's application meets the requirements of ORS 757.259 and Commission Order No. 21-259. The Company should be allowed to establish a pre-filed emergency deferral account. The Company has reviewed this memo and agrees with its contents.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's application to establish a pre-filed emergency deferral account beginning September 3, 2021.

PAC UM 2194 pre-filed emergency deferral