

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 422

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Adjustments to Schedule 96, Schedule 97, and
Schedule 207.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on June 27, 2023, 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.

ITEM NO. CA6

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT**

PUBLIC MEETING DATE: June 27, 2023

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** July 1, 2023

DATE: June 13, 2023

TO: Public Utility Commission

FROM: Rawleigh White and Bret Stevens

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

SUBJECT: PACIFIC POWER:
(Docket No. UE 422/Advice No. 23-014)
Adjustments to Schedule 96, Schedule 97, and Schedule 207.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission (Commission) approve Pacific Power's (PacifiCorp, PAC, or Company) updated rates in Schedule 96 (Property Sales Balancing Account Adjustment), Schedule 97 (Intervenor Funding Adjustment), and Schedule 207 (Community Solar Start-Up Cost Recover Adjustment) as described in Advice No. 23-014, for service rendered on and after July 1, 2023.

DISCUSSION:

Issue

There are three issues related to this filing:

1. Whether to allow PAC to amortize the deferral balance related to gains and losses on property sales in the Property Sales Balancing Account Adjustment.
2. Whether to allow PAC to amortize the deferral balance related to intervenor funding amounts in the Intervenor Funding Adjustment.
3. Whether to allow PAC to amortize the deferral balance related to start-up costs for the Community Solar program, including 2023 projected start-up costs, in the Community Solar Start-Up Cost Recovery Adjustment.

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Applicable Rule or Law

ORS 757.259 authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates.

ORS 757.072 allows a utility to amortize amounts deferred for intervenor funding grants.

ORS 727.259 the amortization of intervenor funding is not subject to an earnings test.

OAR 860-088-0160(1) start-up costs incurred during the development of the Community Solar Program are recoverable in rates, but the cost must be reviewed and approved by the Commission.

Analysis

Property Sales Balancing Account Adjustment (Schedule 96)

The Company's property sales balancing account nets gains and losses from property sales as approved in Commission Order No. 01-787 in Docket No. UE 116.

Additionally, amounts related to increasing Commission fees are deferred to the property sales balancing account. The balance in the account is approximately \$3.3 million and will be amortized over one year.

Intervenor Funding Adjustment (Schedule 97)

Deferral of intervenor costs were originally approved by the Commission in Order No. 03-560 and have been reauthorized annually, most recently in Order No. 23-028 in Docket No. UM 1102. The balance in the account is approximately \$3.3 million in intervenor payments, including interest and will be amortized over one year. The deferral account includes actual intervenor funding payments and interest from October 2015 through April 2023 and estimated interest accruals from May 2023 through June 2024.

Deferred amounts will be recovered from the broad base of customers represented by the organizations receiving intervenor funding payments as approved in each of the Orders granting Issue Fund payment to intervenors. Within these broad customer classes, the deferred amounts will be recovered from customers on an equal cents per kilowatt-hour basis. The total amount, including interest during amortization, to be collected from residential customers is \$1.8 million.

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Community Solar Start-Up Cost Recovery (Schedule 207)

Community Solar Start-Up Costs include the costs associated with the State of Oregon's program Administrator, Low Income Facilitator, and the company's costs associated with implementing the program that are otherwise not already recovered in rates. The last deferral application reauthorization, UM 1981(4) projected annual program costs of \$1.23 million in 2023 and as of March 31, 2023, the deferral balance was \$2,842,018 and will be amortized over two years.

Staff views that none of the deferrals should have an earnings test applied given the historical treatment, such as the property sales balancing account, or the nature of the costs deferred, such as the intervenor funding deferral and the community solar start-up deferral.

Conclusion

The combined rate changes will affect approximately 652,000 customers. The combined effect of the proposed changes is an overall rate increase of approximately \$8.0 million or 0.5 percent. A residential customer using 900 kWh per month would see a bill increase of \$0.53 per month because of the above changes.

Staff has reviewed Pacific Power's calculation of the deferred balances and the proposed rate changes associated with the amortization fund balances. Staff also met with the Company to discuss the work papers on June 1, 2023. Based on our review of the filings, discussions with the Company, past orders, and dockets, Staff supports Pacific Power's request under Advice No. 23-014 filing.

The Company has reviewed a draft of this memo and voiced no concerns.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's tariff revision for Schedules 96, 97, and 207, as described in Advice No. 23-014, for service rendered on and after July 1, 2023.

PAC UE 422 / Advice No. 23-014 Adjustments to Schedules 96, 97, and 207