

ORDER NO. 24-187

ENTERED Jun 12 2024

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2250, UM 2250(1)

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Application for Authorization and
Reauthorization of Deferred Accounting
for an Independent Evaluator to Review
Decommissioning Costs.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on June 11, 2024, 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:



Alison Lackey

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
STAFF REPORT
PUBLIC MEETING DATE: June 11, 2024**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A**

DATE: May 29, 2024

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Bryan Conway and Russell Beitzel **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket Nos. UM 2250 and UM 2250(1))
PacifiCorp's Application for Reauthorization of Deferred Accounting
for an Independent Evaluator to Review Decommissioning Costs.

STAFF RECOMMENDATION:

Staff recommends the Commission approve PacifiCorp's applications requesting authorization of deferred accounts for an Independent Evaluator to Review Decommissioning Costs for the 12-month periods beginning July 27, 2022, and, July 27, 2023, respectively.

DISCUSSION:

Issue

Whether the Commission should approve PacifiCorp's applications for deferred accounting related an Independent Evaluator to Review Decommissioning Costs

Applicable Rule or Law

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submitted two separate applications to the Public Utility Commission of Oregon (Commission) requesting orders authorizing 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.

Analysis

Background

On July 8, 2021, PacifiCorp filed an application for authority to implement a decommissioning cost recovery adjustment and coal removal mechanism. 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 No. 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.

PacifiCorp worked with parties in 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.

The Company on both July 27, 2022, and July 26, 2023, filed applications to defer the costs associated with the retention of an Independent Evaluator, including to conduct a review of the Kiewit Studies. The Company requested deferrals for two periods, one for the 12-month period beginning July 27, 2022; and the other for the 12-month period beginning July 27, 2023, respectively.

Reason for Deferral

With the Commission approval of the PacifiCorp's applications, the Company will be able to track and defer costs for the Independent Evaluator separate from PacifiCorp's other costs and revenues. Granting these Applications will minimize the frequency of rate changes and match appropriately the costs borne by, and benefits received by customers.

Proposed Accounting

The Company proposes to record deferred amounts to Federal Energy Regulatory Commission Account 182.3, Other Regulatory Assets.

Estimated Deferrals in Authorization Period

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

In addition, in 2022-2023, PacifiCorp has incurred approximately \$60,252 of costs associated with the Independent Evaluator.

Conclusion

For the reasons stated above, Staff recommends the Commission approve PacifiCorp's request for the initial authorization and reauthorization of deferred accounts for an Independent Evaluator to Review Decommissioning since is reasonable.

The Company has had the opportunity to review this memo and voiced no concerns.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's applications requesting authorization and reauthorization of deferred accounts for an Independent Evaluator to Review Decommissioning Costs for the 12-month periods beginning July 27, 2022, and July 27, 2023, respectively.

PacifiCorp UM 2250 and UM 2250(1)