

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2407

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Petition for Limited Waiver of OAR 860-
027-0350(2).

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on October 28, 2025, 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.

ITEM NO. CA11

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 28, 2025**

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

DATE: October 15, 2025

TO: Public Utility Commission

FROM: Ming Peng

THROUGH: Scott Gibbens and Matt Muldoon **SIGNED**

SUBJECT: PACIFICORP:
(Docket No. UM 2407)
Petition for Limited Waiver of OAR 860-027-0350(2) Extension of Deadline
to File Next Depreciation Study.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve PacifiCorp's (PacifiCorp or Company) request in Docket No. UM 2407 for an additional extension of its depreciation study filing deadline from December 31, 2025 to June 30, 2026.

DISCUSSION:

Issue

Whether the Commission should grant PacifiCorp a limited waiver of OAR 860-027-0350(2), which requires electric utilities to file depreciation studies "no less frequently than once every five years," and extend the deadline for filing its next depreciation study to June 30, 2026.

Applicable Rule or Law

- **OAR 860-027-0350(2):**
Requires regulated electric utilities to file a new depreciation study "no less frequently than once every five years."
- **ORS 757.140(1):**
Every public utility shall maintain a proper and adequate depreciation account.

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The Public Utility Commission shall determine appropriate rates of depreciation for each class of property such that the amounts provided, in addition to maintenance expenses, will keep such property in efficient operating condition consistent with industry progress. The Commission may revise such depreciation rates as necessary.

Background and Prior Commission Action

A. Prior Depreciation Study (UM 1968)

PacifiCorp filed its most recent depreciation study in September 2018. The Commission approved the Company's updated depreciation rates for non-Coal plant in Order No. 20-470 (December 16, 2020), with rates effective January 1, 2021.

Staff noted that the data underlying the 2018 filing was dated. Since then, PacifiCorp's capital additions, asset retirements, and net salvage ratios have changed significantly, indicating that updated depreciation parameters (i.e., service lives and net salvage ratios) are necessary.

B. Segregation of Coal and Non-Coal Depreciation Issues

In March 2020, PacifiCorp filed an unopposed motion to separate issues related to coal-fired plants from the 2018 depreciation proceeding. The Commission granted that request, resulting in two proceedings:

1. UM 1968 (Non-Coal Depreciation Accounts):

Addressed Hydro, Natural Gas, Wind, Solar, Mobile Generator, Transmission, Distribution, and General Plant accounts. The Commission approved the associated **survival curve-projection lives and net salvage ratios** in **Order No. 20-470**.

2. UE 374 (Coal-Fired Production Plant):

Addressed **coal plant retirement dates**. The Commission approved revised **live spans** for coal units in **Order No. 20-473**, consistent with the **2020 Protocol exit dates**.

C. Previous Waiver (UM 1631)

In February 2024, PacifiCorp petitioned for a limited waiver of OAR 860-027-0350(2) in **Docket No. UM 1631** to extend its depreciation study deadline from year-end 2023 (five years from its prior filing) to December 31, 2025.

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The Commission approved that waiver in **Order No. 24-074 (March 21, 2024)** and directed the Company to file its next depreciation study no later than December 31, 2025.

D. Current Request (UM 2407)

On October 2, 2025, PacifiCorp filed an application in Docket No. UM 2407 requesting an additional, limited waiver of OAR 860-027-0350(2) to extend the filing deadline for its next depreciation study **from December 31, 2025 to June 30, 2026**.

PacifiCorp states that additional time is necessary to incorporate the results of its ongoing **coal facility decommissioning study**, scheduled for completion in October 2025. This study will provide critical data for determining **terminal net salvage values** and plant retirement assumptions. Without these inputs, PacifiCorp would be required to submit a depreciation study that would later need revision, resulting in inefficiencies and duplicative effort.

Analysis

Staff finds that PacifiCorp has demonstrated good cause for an additional limited waiver under OAR 860-027-0350(2).

- The coal facility decommissioning study is a prerequisite to developing an accurate and comprehensive depreciation study.
- Allowing additional time will enable PacifiCorp to integrate the decommissioning study results, ensuring a complete and internally consistent depreciation filing.
- The requested six-month extension—to June 30, 2026—is reasonable and limited in scope.
- Depreciation rates must continue to reflect the economic costs of providing utility service and remain consistent with **ORS 757.140** and **OAR 860-027-0350**.

Accordingly, Staff supports approval of the Company's request.

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Conclusion

Staff supports granting the requested limited waiver and expects PacifiCorp's next depreciation study to comprehensively reflect updated plant lives, net salvage, and investment data.

Staff recommends that the Commission **approve PacifiCorp's request in Docket No. UM 2407** for a limited waiver of **OAR 860-027-0350(2)** and **direct PacifiCorp to file its next depreciation study no later than June 30, 2026.**

The Company has reviewed a draft of this memorandum and agrees with its content.

PROPOSED COMMISSION MOTION:

1. Approve PacifiCorp's request in Docket No. UM 2407 for a limited waiver of OAR 860-027-0350(2); and
2. Direct PacifiCorp to file its next depreciation study no later than June 30, 2026.

CA11 - PAC UM 2407 *Request for Waiver of Depreciation Study Filing Requirements*