

ORDER NO. 25-445  
ENTERED Nov 14 2025

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1693(11)

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Request for Reauthorization to Defer Costs  
Associated with Net Power Cost  
Variances.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

At its public meeting on November 13, 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. CA4

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: November 13, 2025**

<b>REGULAR</b>	<b>CONSENT</b>	<b>X</b>	<b>EFFECTIVE DATE</b>	<b>N/A</b>
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**DATE:** October 20, 2025

**TO:** Public Utility Commission

**FROM:** Kathy Zarate

**THROUGH:** Scott Gibbens and Michelle Scala **SIGNED**

**SUBJECT:** PACIFIC POWER:  
(Docket No. UM 1693(11))  
Requests for reauthorization of Deferred Power Costs Variances.

**STAFF RECOMMENDATION:**

Staff recommends the Public Utility Commission of Oregon (Commission) approve Pacific Power's (PacifiCorp, PAC, or Company) request for reauthorization to defer costs associated with net power cost (NPC) variances for the 12-month period beginning May 16, 2025.

**DISCUSSION:**

Issue

Whether the Commission should approve PacifiCorp's request for reauthorization to defer costs associated with net power cost variances for the respective 12-month periods for each PacifiCorp filing, Docket No. UM 1693(11).

Applicable Law

Under ORS 757.259 empowers the Commission to authorize the deferral of expenses or revenues of a public utility for later inclusion in rates.

OAR 860-027-0300 specifies the required contents of an application for deferred accounting including: A description of the expense or revenue for which deferral is requested, the basis for the request, the accounts proposed for recording the amounts

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to be deferred, an estimate of the amounts to be recorded in the deferred account, and a copy of the notice of the application for deferred accounting.

In addition, the annual variance will be determined under the terms of Order No. 12-493, which requires a deadband, sharing, and an earnings test.

### Analysis

#### *Background*

Under ORS 757.210, ORS 757.259, and OAR 860-027-0300 the Company requests an order reauthorizing PacifiCorp to defer for later ratemaking treatment annual net power cost variances under Schedule 206, as authorized by Order No. 12-493.

Reauthorization of this deferral is necessary to facilitate rate changes under PacifiCorp's power cost adjustment mechanism (PCAM) if variances in cost elements of the Company's transition adjustment mechanism in 2025 exceed the deadbands and other limitations in Order No. 12-493.

In this application, filed, on May 14, 2025, the Company respectfully requests reauthorization for 12-month period beginning May 16, 2025. While the Company states that UM 1693(10) is still pending before the Commission, the Company is mistaken. The previous Staff memo in this docket took up both UM 1693(9) and UM 1693(10).

The Commission adopted the Staff memo and issued Order No. 24-200, on June 27, 2024. eDocket's notes that the Order applies to dockets UM 1693(9)(10).

#### *Description of the Expenses*

The Company expects reauthorization from the Commission to defer, for future amortization, the difference between actual annual net power costs and forecasted annual net power costs, in accordance with Order No. 12-493.

The annual variance will be determined under the terms of Order No. 12-493, which includes a deadband, sharing, and an earnings test.

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*Reasons for Deferral*

According to the Company the deferral is intended to capture the net annual power cost difference, which will then be subject to amortization pursuant to the provisions of the PCAM.

This deferral is filed in accordance with Order No. 12-493 and ORS 757.259(2)(e). Thus, the deferral will minimize the frequency of rate changes or the fluctuation of rate levels or match appropriately the costs borne by and benefits received by customers.

*Proposed Accounting*

The Company will record revenues and expenses that would be subject to the deferral order in accordance with the Code of Federal Regulations (CFR) to Federal Energy Regulatory Commission (FERC) Account 501 (Fuel), FERC Account 503 (Steam from Other Sources), FERC Account 547 (Fuel), FERC Account 447 (Sales for Resale), FERC 456 (Other Electric Revenues), FERC 565 (Transmission by Others), FERC 409.1 (Income Taxes, Utility Operating Income), FERC Account 509 (Allowances), and FERC 555 (Purchased Power).

*Estimate of Amounts*

The Company is unable to provide an estimate of the deferred amount because it is a function of several unknown and unpredictable factors.

PacifiCorp requests that, under Order No. 08-263 as modified by Order No. 10-279, it be allowed to accrue interest on the unamortized balance, consistent with the treatment of interest rates during accrual and amortization described in those orders.

*Information Related to Future Amortization*

- Earnings review - An earnings review should be applied prior to amortization of prudently incurred net power cost variances subject to the Commission's approved PCAM design.
- Prudence Review - A prudence review is required to establish that costs were prudently incurred; and should include verification of the accounting methodology used to determine the final amortization balance.
- Sharing - Staff believes that customers would bear the responsibility for prudently incurred costs consistent with the Commission's approved PCAM design.
- Rate Spread/Design - Amounts amortized in rates through the PCAM should be spread based on equal percentage generation revenues.

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- Three Percent Test (OR S 757.259(6)) - The three percent test measures the annual overall average effect on customer rates resulting from deferral amortizations. The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year. Amortization of the expense associated with this deferral is subject to the three percent test.

Conclusion

Based on Staff's review of PacifiCorp's application, Staff concludes that the request for reauthorization is an appropriate use of deferred accounting under ORS 757.259(2)(e), and the request meets the requirements of OAR 860-027-0300.

Staff recommends approval of the request with instructions to apply Commission Order No. 12-493 regarding accrual of interest.

**PROPOSED COMMISSION MOTION:**

Approve PacifiCorp's request for reauthorization to defer costs associated with net power cost variances for the 12-month period beginning May 16, 2025.

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