

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2269(3)

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Application for Reauthorization to Defer
Costs Associated with the Commission
Approved Independent Evaluators and
Third-Party Expert Services in Request for
Proposals.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on February 3, 2026, 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.

Docket No. UM 2269(3)
January 20, 2026
Page 2

- a) A description of the utility expense or revenue for which deferred accounting is requested,
- b) The reason(s) deferred accounting is being requested and a reference to the section(s) of ORS 757.259 or 759.200 under which deferral may be authorized,
- c) The account proposed for recording of the amounts to be deferred and the account which would be used for recording the amounts in the absence of approval of deferred accounting,
- d) An estimate of the amounts to be recorded in the deferred account for the 12-month period subsequent to the application, and
- e) A copy of the notice of application for deferred accounting and list of persons served with the notice.

OAR 860-089-0200(1) and RFP Guideline 5 require an electric company to engage the services of an IE to oversee the competitive bidding process. OAR 860-089-0200(3) permits an electric company to request recovery of fees and expenses associated with an Oregon IE in customer rates.

In Order No. 06-446, the Commission provided that “[u]tilities may request deferred accounting to track the costs of IEs for later prudence review and potential inclusion in rates.”

Analysis

Background

On December 27, 2022, the Company filed for authorization to establish deferred accounting for the costs associated with the third-party expert required under OAR 860-089-0400(5)(a) and the Oregon IEs approved by the Commission for the Company’s 2022AS RFP. For administrative efficiency, the Company also proposed to include in the deferral the costs associated with Commission approved Oregon IEs and third-party experts in future RFPs. The Commission approved the Company’s application on October 20, 2023, in Order 23-377.

On September 29, 2023, the Company notified the Commission that it was suspending the 2022AS RFP. On April 3, 2024, the Company notified interested parties that the 2022AS RFP was being terminated. On March 12, 2025, in Order No. 25-098, the Commission ordered PacifiCorp to show cause if an RFP was not issued by

Docket No. UM 2269(3)
January 20, 2026
Page 3

June 1, 2025. Thus, on April 16, 2025, PacifiCorp filed an application for Partial Waiver of OAR Chapter 860-089 and for expedited approval of the 2025 Draft RFP. In Order No. 25-343 on August 21, 2025, the Commission adopted PacifiCorp's 2025 Oregon-situs Draft RFP and created a Phase 2 of the RFP.

In this application, the Company requests reauthorization under ORS 757.259(2)(e) to continue deferral of Oregon IE costs and third-party experts for RFPs for the 12-month period beginning December 26, 2025.

Description of Expenses

The company may request recovery of fees and expenses associated with an Oregon IE. The Commission has also provided that a utility may request deferred accounting to track the costs of an Oregon IE for later potential inclusion in rates.

Reasons for Deferral

ORS 757.259(2)(e) allows the deferral of utility expenses or revenues where necessary to match appropriately the costs borne by and benefits received by customers. This request seeks to align the costs of the Oregon IE and third-party experts and the services they will perform on behalf of PacifiCorp's customers.

Proposed Accounting

The Company proposes to account for the deferred costs of the IE and third-party experts by recording the deferral in Account 182.3, Other Regulatory Assets. This account will accrue interest at the Commission-authorized rate for deferred accounts.

Estimate of Amounts

The Company anticipates that the cost of the Oregon IE will be approximately \$750,000 and the cost of the third-party expert will be approximately \$420,000.

Also, amortization of the balance would be considered in a subsequent proceeding coincident with inclusion in rates.

Information Related to Future Amortization

- Earnings Review - An earnings review is required prior to amortization, per ORS 757.259(5).
- Prudence Review - A prudence review is required prior to amortization and should include verification of accounting methodology used to determine final amortization balance.
- Sharing - Staff is not recommending any sharing for this activity/filing.

Docket No. UM 2269(3)
January 20, 2026
Page 4

- Three Percent Test (ORS 757.259(6))- The amortization of the deferred IE costs will be subject to the three percent test in accordance with ORS 757.259(6), with exceptions set forth in (7) and (8), which limits aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

Conclusion

Staff recommends the Commission approve PacifiCorp's request to defer costs associated with the Commission Approved IEs and Third-Party Expert Services in RFPs. The PacifiCorp activity is required by Commission rule.

The Company has reviewed this memo and has stated no objection.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's application to re-authorize the deferral of costs associated with the Commission Approved Independent Evaluators and Third-Party Expert Services in Request for Proposals for the 12-month period beginning December 27, 2025.