

**PUBLIC UTILITY COMMISSION OF OREGON
INTRAOFFICE CORRESPONDENCE**

DATE: June 24, 2021
TO: John Crider
FROM: Scott Gibbens
SUBJECT: Verification of PacifiCorp Replaced Meters Deferred Amounts Effective July 1, 2021. Compliance Filing Advice No. 21-013.

In Order No. 20-473, Docket No. UE 374 (The Order), entered December 18, 2020 the Public Utility Commission of Oregon (Commission) adopted rates following a general rate case investigation. In response to The Order, PacifiCorp submitted its Compliance Filing Advice No. 20-017 on December 28, 2020. As part of the Order, the Commission directed PacifiCorp to remove \$16,126,628 associated with the undepreciated balance of the Company's old meters from rate base. The recovery of this balance was set through a regulatory asset, with interest at the time value of money, to be amortized over ten-years. Schedule 194 was created to implement this recovery, with rates that went into effect on January 1, 2021. In Order No. 21-090, the Commission directed the Company to amortize the unrecovered amounts over five-years instead of the originally ordered ten. In Advice No. 21-013, Schedule 194 rates are adjusted to increase the recovery to achieve the five year amortization. Intuitively, the rates roughly double, going from 0.017 ¢/kWh to 0.033 ¢/kWh for residential customers.

The proposed change affects approximately 628,000 customers, and results in an overall annual rate increase of approximately \$1.8 million or 0.2 percent. Residential customers using 900 kWh per month will see a monthly bill increase of \$0.14 per month as a result of this change..

As part of the verification, Staff collaborated with the Company over email and via phone.

The checks and analytic tasks required to affirm the accuracy of rates included the following:

- Review of the amortization schedule to ensure the annual revenue target accurately reflects both the original amount to recover and the six-months of already recovered amounts.
- Confirm that the prices contained in the current and filed tariffs conform to those of the Billing Determinants spreadsheet.
- Confirm the veracity of marginal cost study revenue functionalization based on the Commission approved methodology.
- Confirm that the rate design workpaper results in proper cost recovery and Commission specified rate spreads.
- Verify the accuracy of all dates, revision numbers, coding indicators, rates, and language changes in Company-filed updated tariff sheets.

Staff filed no information requests as the Company dutifully provided all required workpapers and documents for review. Staff found no issues with the filed tariffs.

Staff found the tariffs and workpapers to be correct, and finds that the tariffs result in fair, just, and reasonable rates.

Based on the review of PacifiCorp's application, Staff concludes that the proposed revisions are consistent with Order No. 20-473 and Order No. 21-090 and the tariff sheets should be allowed to go into effect on July 1, 2021.