

Application No. 23-09-____
Exhibit No. PAC/600
Witness: Anthony B. Worthington

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

PACIFICORP 2024 ECAC

Direct Testimony of Anthony B. Worthington
Administrative Costs for the Greenhouse Gas Cap and Trade Program

September 2023

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ATTACHED EXHIBITS

Exhibit PAC/601 – 2013-2023 Recorded/Forecast Administrative Costs

Exhibit PAC/602 – 2024 Forecast Administrative Costs

Exhibit PAC/603 – Commission Template D-3 – Detail of Administrative Costs

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name, business address, and present position with PacifiCorp**
3 **d/b/a Pacific Power (PacifiCorp or Company).**

4 A. My name is Anthony B. Worthington. My business address is 825 NE Multnomah
5 Street, Suite 600, Portland, Oregon 97232. I am the Customer Services Manager of
6 Billing within the Company.

7 **Q. Briefly describe your education and business experience.**

8 A. I hold a Bachelor of Business Administration from the University of Oregon. I joined
9 PacifiCorp in May 1997 and assumed my current position in December 2015.

10 **Q. Please explain your responsibilities as PacifiCorp’s Manager of Billing within**
11 **Customer Services.**

12 A. I manage the Company’s customer billing services for approximately 2.0 million
13 customers, including complex managed accounts billing, and the customer service
14 billing system’s implementation of commission-approved price and rate changes for
15 PacifiCorp’s six-state service territory.

16 **II. SUMMARY OF TESTIMONY**

17 **Q. Please summarize your direct testimony.**

18 A. My testimony reconciles PacifiCorp’s actual recorded administrative costs incurred in
19 2022 and year-to-date through May 31, 2023, as compared to the forecast set out in
20 PacifiCorp’s last application filed August 1, 2022.¹ My testimony also provides an
21 overview of the administrative costs the Company expects to incur in 2024 for
22 administering the Greenhouse Gas (GHG) Cap and Trade Program (Cap and Trade

¹ Application (A.) 22-08-001 (2023 Application).

1 Program), namely related to the distribution of Climate Credits.

2 **III. RECONCILIATION OF FORECASTED AND ACTUAL RECORDED 2022**
3 **AND 2023 ADMINISTRATIVE COSTS**

4 **Q. What were the 2022 GHG Program administrative costs?**

5 A. As indicated in Exhibits PAC/601 and PAC/603, the Company incurred \$4,355 in
6 Cap and Trade Program administrative costs in 2022, which was less than the \$5,000
7 originally projected in the 2022 Application. The Company tracked the number of
8 checks requested following the distribution of the California Climate Credits in 2022.

9 **Q. What are the drivers of the administrative costs incurred in 2022?**

10 A. The Company's administrative costs are driven primarily by the cost to issue checks
11 to customers with a surplus account balance. In 2022, a total of 871 checks were
12 issued to customers with a surplus balance who requested payment via check. The
13 Company estimates the incremental cost for issuing each check to be \$5, which
14 represents the cost for the bank to issue and mail a check.² At a cost of \$5 per check,
15 the total cost for issuing 871 checks in 2022 was \$4,355.

16 **Q. What administrative costs does PacifiCorp expect to incur in 2023?**

17 A. The budget for 2023 approved in Decision (D.) 23-03-008 is \$5,000. From January 1,
18 2023, through May 31, 2023, PacifiCorp has incurred \$1,730 in administrative costs
19 for issuing checks to customers. There is \$3,270 remaining in the budget for 2023.

20 As indicated in Exhibit PAC/601, the company expects to incur the remaining \$3,270
21 from June 1, 2023, through the remainder of the year, for a total of \$5,000. The

² See Direct Testimony of Ms. Valerie F. Smith Exhibit PAC/300 at page 3 in A.14-08-003. Administrative costs include the costs for printing and mailing the check and do not include internal labor costs. The Company will continue to monitor this process and if it finds that incremental labor is required, it may include these costs in the future.

1 Company tracked the number of checks requested following the distribution of the
2 expedited April 2022 California Climate Credit issued in March 2023. A total of 346
3 checks were issued to customers with a surplus balance remaining in their account.
4 At a cost of \$5, the total cost for issuing checks through May 31 in 2023 was \$1,730.
5 The Company believes it will receive a number of requests after the October-
6 November 2023 distribution, resulting in administrative costs equal to at least the
7 \$5,000 budget for 2022.³ Any difference will be trued-up in the Company's next
8 ECAC application filed in 2024.

9 IV. FORECASTED 2024 ADMINISTRATIVE COSTS

10 **Q. What are the 2024 forecasted administrative costs?**

11 **A.** As indicated in Exhibit PAC/602, PacifiCorp forecasts that it will incur \$5,000 in
12 administrative costs specific to the Cap and Trade Program for 2024. This funding is
13 for administrative activities associated with the semi-annual disbursement of the
14 California Climate Credit, including customer-requested check processing for the
15 surplus account balance.

16 **Q. Has the Company included Commission Template D-3 with this application?**

17 **A.** Yes. Commission Template D-3⁴ provides an overview of forecast and recorded
18 customer outreach and program administrative costs from 2013 to 2024.
19 Administrative costs are addressed in my testimony and customer outreach costs are
20 addressed in the testimony of Company witness Selyna Bermudez. Because these
21 topics are addressed by different PacifiCorp witnesses, the template has been divided

³ See D.21-03-007 at 10.

⁴ See D.14-10-033, D.14-10-055, and D.15-01-024.

1 into two parts. Template D-3 – Detail of Administrative Costs is provided as Exhibit
2 PAC/603. Much of this same data may also be found in Exhibits PAC/601 and
3 PAC/602. For Template D-3 – Detail of Outreach Costs, refer to Ms. Bermudez’s
4 Exhibit PAC/504.

5 **Q. Does this conclude your direct testimony?**

6 **A. Yes.**

Application No. 23-09-____
Exhibit No. PAC/601
Witness: Anthony B. Worthington

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

PACIFICORP 2024 ECAC

2013-2023 Recorded/Forecast Administrative Costs

September 2023

Exhibit PAC/601
PacifiCorp
2013 - 2022 Recorded/Forecast Administrative Costs
September 15, 2023

Line No.	Description	Recorded (as of 5/31/2022)	Estimated 6/1/2022 - 12/31/2022	Total 12/31/2022
1	Recorded/Forecast Expenses 2013 - 2022:			
2	GHG Administrative Costs - 2013 ⁽¹⁾	\$ -	\$ -	\$ -
3	GHG Administrative Costs - 2014 ⁽²⁾	\$ 6,345	\$ -	\$ 6,345
4	GHG Administrative Costs - 2015 ⁽³⁾	\$ 6,580	\$ -	\$ 6,580
5	GHG Administrative Costs - 2016 ⁽⁴⁾	\$ 5,645	\$ -	\$ 5,645
6	GHG Administrative Costs - 2017 ⁽⁵⁾	\$ 3,960	\$ -	\$ 3,960
7	GHG Administrative Costs - 2018 ⁽⁶⁾	\$ 5,015	\$ -	\$ 5,015
8	GHG Administrative Costs - 2019 ⁽⁷⁾	\$ 5,645	\$ -	\$ 5,645
9	GHG Administrative Costs - 2020 ⁽⁸⁾	\$ 4,440	\$ -	\$ 4,440
10	GHG Administrative Costs - 2021 ⁽⁹⁾	\$ 2,895	\$ -	\$ 2,895
11	GHG Administrative Costs - 2022 ⁽¹⁰⁾	\$ 4,370		\$ 4,370
12	GHG Administrative Costs - 2023 ⁽¹¹⁾	\$ 1,730	\$ 3,270	\$ 5,000
12	Other	\$ -	\$ -	\$ -
13	Total	\$ 46,625	\$ 3,270	\$ 49,895

- ⁽¹⁾ See A.14-08-003 Exhibit PAC/300 page 2 for a discussion about actual GHG administrative costs incurred in 2013.
- ⁽²⁾ See A.15-08-004 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2014.
- ⁽³⁾ See A.16-08-001 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2015.
- ⁽⁴⁾ See A.17-08-005 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2016.
- ⁽⁵⁾ See A.18-08-001 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2017.
- ⁽⁶⁾ See A.19-08-002 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2018.
- ⁽⁷⁾ See A.20-08-002 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2019.
- ⁽⁸⁾ See A.21-08-004 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2020.
- ⁽⁹⁾ See A.20-08-002 Exhibit PAC/600 page 2-3 for a discussion about actual GHG administrative costs recorded for 2021.
- ⁽¹⁰⁾ See A.21-08-004 Exhibit PAC/600 page 2-3 for a discussion about actual GHG administrative costs recorded for 2022.

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PACIFICORP 2024 ECAC

2024 Forecast Administrative Costs

September 2023

Exhibit PAC/602
PacifiCorp
2023 Forecast Administrative Costs
September 15, 2023

Line No.	Description	Forecast for 2024
1	Forecast Expenses 2024	
2	GHG Administrative Costs ⁽¹⁾	\$ 5,000
3	Total	<u>\$ 5,000</u>

⁽¹⁾ See Exhibit PAC/600 page 3-4.

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PACIFICORP 2024 ECAC

Commission Template D-3 – Detail of Administrative Costs

September 2023

Exhibit PAC/603
PacifiCorp
Commission Template D-3 (Note 1)
Detail of Administrative Costs
September 15, 2023

Line Description	2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023 (Note 2)		2024	
	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded
1 Utility Administrative																								
2 Detail of administrative activities	-	-	-	6,345	5,000	6,580	7,500	5,645	7,000	3,960	5,000	5,015	4,500	5,645	5,100	4,440	5,600	2,895	5,000	4,355	5,000	5,000	5,000	-
3 Total Administrative Expenses	-	-	-	6,345	5,000	6,580	7,500	5,645	7,000	3,960	5,000	5,015	4,500	5,645	5,100	4,440	5,600	2,895	5,000	4,355	5,000	5,000	5,000	-

Note 1: This is Commission Template D-3. The template provided by the Commission included outreach and administrative costs in the same table. The template has been split into two tables, one for outreach costs and one for administrative costs, so that each table may be included as an exhibit for the appropriate Company witness. Exhibit PAC/504 provided with the testimony of Ms. Bermudez is the detail of outreach costs. Exhibit PAC/603 is detail of administrative costs.

Note 2: Recorded amount includes forecast expenditures for the remainder of 2023.