



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

May 16, 2014

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Salem, Oregon 97302-1166

Attn: Filing Center

Re: UM 1483(4) Application of PacifiCorp for Reauthorization for Deferred Accounting

Enclosed for filing by PacifiCorp d/b/a Pacific Power is an Application for Reauthorization for Deferred Accounting to defer the costs associated with the photovoltaic feed-in-tariff program required by ORS 757.365. A copy of the enclosed Notice has been served on all parties in Docket UM 1483 as indicated on the attached Certificate of Service.

Informal inquiries regarding this filing may be directed to Natasha Siores, Director, Regulatory Affairs and Revenue Requirement, at (503) 813-6583.

Sincerely,

A handwritten signature in black ink, appearing to read "RBDalley", with a long horizontal flourish extending to the right.

R. Bryce Dalley
Vice President, Regulation

Enclosures

cc: Service List UM 1483

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1483(4)

In the Matter of PACIFICORP d/b/a.
PACIFIC POWER for a Deferred
Accounting Order

**PACIFIC POWER’S APPLICATION
FOR REAUTHORIZATION FOR
DEFERRED ACCOUNTING**

1 Pursuant to ORS 757.365(10), ORS 469A.120(1) and (3), or ORS 757.259 and
2 OAR 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) applies to the
3 Public Utility Commission of Oregon (Commission) for an order reauthorizing the Company
4 to defer the costs and expenses associated with the photovoltaic feed-in tariff pilot program,
5 known as the Oregon Solar Incentive Program, for the 12-month period beginning May 19,
6 2014. Reauthorization to defer the requested costs is necessary to allow the Company to
7 recover costs associated with compliance with ORS 757.365, as required by
8 ORS 757.365(10). Previously, Commission Order No. 11-021 authorized deferral of these
9 costs for the 12-month period beginning May 19, 2010. Additionally, Commission Order
10 No. 11-251 reauthorized the deferral of these costs for the 12-month period beginning
11 May 19, 2011; Order No. 12-370 reauthorized the deferral of these costs for the 12-month
12 period beginning May 19, 2012 and Order No. 13-249 reauthorized the deferral of these costs
13 for the 12-month period beginning May 19, 2013.

14 In support of this Application, the Company states:

I. NOTICE

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Phone: 503.813.5542

Etta Lockey
PacifiCorp
825 NE Multnomah Street, Suite 1800
Portland, Oregon 97232
Phone: 503.813.5701

Email: oregondockets@pacificorp.com

Email: etta.lockey@pacificorp.com

1 In addition, PacifiCorp requests that all data requests regarding this Application be
2 sent to the following:

3 By email (preferred): datarequest@pacificorp.com

4 By regular mail: Data Request Response Center
5 PacifiCorp
6 825 NE Multnomah Street, Suite 2000
7 Portland, Oregon 97232

8 Informal questions may be directed to Natasha Siores, Director, Regulatory Affairs
9 and Revenue Requirement at 503-813-6583.

10 II. STATUTORY AND REGULATORY FRAMEWORK

11 A. Oregon Solar Incentive Program

12 In docket AR 538, the Commission adopted rules to establish a solar photovoltaic
13 feed-in tariff pilot program, as required by ORS 757.365.¹ In docket UM 1452, the
14 Commission established volumetric incentive rates for solar photovoltaic energy systems.²
15 The Company is implementing the solar photovoltaic feed-in tariff program (for Pacific
16 Power, the program is known as the Oregon Solar Incentive Program) through Schedules 136
17 and 137. Additionally, Schedule 204³ was adopted for later recovery of the costs authorized
18 under the deferral approved in the docket.

19 B. Statutory Authority

¹ See Order No. 10-200.

² See Order Nos. 10-198, 10-304 and 11-089.

³ Advice No. 11-019 approved in Commission Public Meeting on December 20, 2011 effective with service rendered on and after January 1, 2012.

1 The Company again files its Application in the alternative under ORS 757.365(10),
2 ORS 469A.120(1) and (3), or ORS 757.259 because the Commission has not yet ruled on an
3 application to defer costs associated with compliance with ORS 757.365, so the source of the
4 Commission’s legal authority to allow deferral of such costs has not yet been resolved.⁴ As
5 discussed in the Company’s initial Application for Deferred Accounting in this docket,
6 ORS 757.365(10) provides the Commission authority, independent of other statutes, to
7 authorize deferral of costs associated with compliance with ORS 757.365(10). The
8 Company, therefore, again requests that the Commission reauthorize deferral under that
9 statute. Alternatively, if the Commission finds that ORS 757.365(10) does not provide
10 independent legal authority, such costs are appropriately deferred under ORS 469A.120(1)
11 and (3) as costs associated with compliance with the Oregon Renewable Portfolio Standards
12 (“RPS”). Finally, if the Commission determines that neither ORS 757.365(10) nor
13 ORS 469A.120(1) and (3) allow for deferral of such costs, the Commission should
14 reauthorize deferral under ORS 757.269.⁵

15 **B. Request for Reauthorization of Deferral**

16 In this docket, pursuant to Order No. 11-021, the Commission originally authorized
17 deferral of the costs associated with compliance of ORS 757.365 for the 12-month period
18 beginning May 19, 2010. In 2011, the Commission reauthorized, pursuant to Order No. 11-
19 251, the deferral of the costs with compliance of ORS 757.365 for the 12-month period
20 beginning May 19, 2011. In 2012, the Commission reauthorized, pursuant to Order 12-370,
21 the deferral of the costs with compliance with ORS 757.365 for the 12-month period

⁴ Order No. 11-021, Order No. 11-251, Order No. 12-370 and Order No. 13-249 did not provide resolution on this issue.

⁵ See, *Re PacifiCorp Application for Deferred Accounting Order* in Docket UM 1483 (May 19, 2010) for a discussion of the applicable legal standard.

1 beginning May 19, 2012. In 2013, the Commission reauthorized, pursuant to Order 13-249,
2 the deferral of the costs with compliance of ORS 757.365 for the 12-month period beginning
3 May 19, 2013. The Company seeks reauthorization of this deferral for a 12-month period
4 beginning May 19, 2014.

5 **III. DEFERRAL OF COSTS**

6 **A. Description of Utility Expense.**

7 The Company requests reauthorization to defer costs associated with the Oregon
8 Solar Incentive Program. After PacifiCorp filed its initial application to defer the costs on
9 May 19, 2010, in docket UM 1483, Commission Staff convened two workshops with
10 interested parties on August 18, 2010 and September 21, 2010, to discuss PacifiCorp's
11 deferral application, along with Portland General Electric Company's similar deferral
12 application. Through these workshops, the utilities, Commission Staff and the interested
13 stakeholders reached agreement on a number of issues related to the deferrals for solar
14 incentive programs, including the timing of filings, formats and types of costs to be
15 recovered through the deferral. The costs to be deferred would include any administrative,
16 marketing, metering, incentive payments and any other costs incurred by PacifiCorp for
17 purposes of implementing the pilot program, consistent with this agreement. For this program
18 year through April 2014, the Company has deferred approximately \$1.6 million of costs
19 associated with the program.

20 **B. Reasons for Deferral**

21 As described above, ORS 757.365 requires the implementation and administration of
22 the Oregon Solar Incentive Program. The statute also provides that prudently incurred costs
23 associated with compliance with the statute are recoverable in rates. Moreover, the

1 renewable energy credits associated with generation sold to the utility under ORS 757.365
2 may be used to comply with the Oregon RPS, which also requires cost recovery of prudently
3 incurred costs associated with compliance.⁶ Costs associated with compliance with
4 ORS 757.365 are not currently included in rates. Accordingly, reauthorization of the deferral
5 application is necessary to allow for recovery of the costs as contemplated by
6 ORS 757.365(10) and ORS 469A.120(1). Reauthorization of deferred accounting will allow
7 the Company to continue to match the benefits that customers will be receiving with the costs
8 to the Company of providing those benefits.

9 **C. Proposed Accounting.**

10 During the period of deferral, PacifiCorp proposes to account for the deferred costs of
11 the Oregon Solar Incentive Program by recording the deferral in Account 182.3, Other
12 Regulatory Assets. In the absence of the Commission's approval of this Application, the
13 Company would not incur the cost for the program. Were such costs incurred, however, they
14 would be recorded in Account 908, Customer Assistance Expenses.

15 **D. Estimate of Amounts.**

16 Costs and expenses of the Oregon Solar Incentive Program include the payment of
17 volumetric incentive rates and program administration costs to implement and administer the
18 program. Attachment 2 to the Company Advice No. 10-022⁷ contains a description of the
19 types of incremental costs, by cost category, to be included in the deferral. The Company
20 estimates that the costs may range from \$3.6 million to \$4.0 million during this deferral
21 period. Changes in the incentive rate established by the Commission, as well as differences

⁶ ORS 469A.120(1).

⁷ Advice No. 10-022 approved in Commission Public Meeting on December 28, 2010 effective with service rendered on and after January 1, 2011.

1 between actual and projected generation due to the timing of project interconnection, may
2 impact this estimate.

3 **E. Notice.**

4 A copy of the Notice of Application and a list of persons served with the Notice are
5 attached to this Application as Exhibit A.

6 **IV. CONCLUSION**

7 Continued deferral of the costs described in this Application is necessary to allow
8 recovery of prudently incurred costs associated with compliance with ORS 757.365 and the
9 Oregon RPS. Therefore, PacifiCorp respectfully requests that, in accordance with
10 ORS 757.365(10), the Commission reauthorize the Company to defer costs associated with
11 compliance with ORS 757.365 as required by statute. In the alternative, the Company
12 requests that if the Commission determines that ORS 757.365(10) does not authorize
13 deferral, the Commission reauthorize deferral under ORS 469A.120(1) and (3). Finally, if
14 the Commission finds that deferral is not appropriate under ORS 757.365(10) or
15 ORS 469A.120(1) and (3), the Company requests that the Commission reauthorize the
16 deferral under ORS 757.259.

DATED: May 16, 2014.

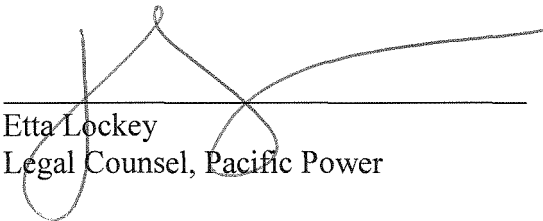

Etta Lockety
Legal Counsel, Pacific Power

EXHIBIT A

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1483(4)

In the Matter of the Application of
PACIFICORP for a Deferred Accounting
Order

NOTICE OF APPLICATION

On May 16, 2014, Applicant PacifiCorp d/b/a Pacific Power (Company) applied to the Public Utility Commission of Oregon (Commission) for reauthorization to use deferred accounting for expenses associated with a photovoltaic pilot program required by ORS 757.365.

The Company proposes to continue to defer the costs and expenses associated with the implementation of a solar feed-in tariff. Though difficult to estimate at this time, the Company has estimated that the annual deferral amounts may range from \$3.6 million to \$4.0 million during this deferral period. The Company requests that the deferral continue no longer than twelve months from the date of this filing.

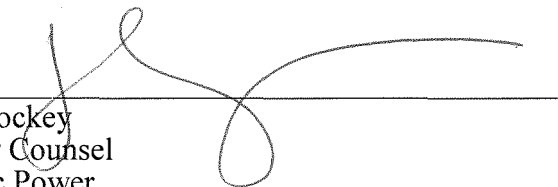
The granting of the Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Interested persons may obtain a copy of the Application by contacting:

Natasha Siores
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Phone: (503) 813-6583

Any person may submit to the Commission written comment on the Application, in accordance with the procedures prescribed by the Commission. The deadline for comments on the application is 25 days from the date of this application.

DATED: May 16, 2014



Etta Lockey
Senior Counsel
Pacific Power

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's Application for Reauthorization for Deferred Accounting on the parties listed below via electronic mail and/or US mail in compliance with OAR 860-001-0180.

Service List UM-1483

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DATED: May 16, 2014



Amy Eissler
Coordinator, Regulatory Administration