



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

May 15, 2015

***VIA ELECTRONIC FILING***

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

Attn: Filing Center

**Re: UM 1483(5) 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 Erin Apperson, Manager, Regulatory Affairs, at (503) 813-6642.

Sincerely,

A handwritten signature in black ink that reads "R. Bryce Dalley" with a stylized flourish at the end.

R. Bryce Dalley  
Vice President, Regulation

Enclosures

cc: Service List UM 1483

## CERTIFICATE OF SERVICE

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

UM 1483

G. Catriona McCracken (W)  
Citizens' Utility Board of Oregon  
610 SW Broadway, Suite 400  
Portland, OR 97205  
[catriona@oregoncub.org](mailto:catriona@oregoncub.org)

Renee M. France (W)  
Department of Justice  
Natural Resources Section  
1162 Court St. NE  
Salem, OR 97301-4096  
[Renee.m.france@doj.state.or.us](mailto:Renee.m.france@doj.state.or.us)

Etta Lockey (W)  
PacifiCorp  
825 NE Multnomah St., Ste. 1800  
Portland, OR 97232  
[Etta.lockey@pacificorp.com](mailto:Etta.lockey@pacificorp.com)

Randall J. Falkenberg (W)  
RFI Consulting Inc  
PMB 362  
8343 Roswell Road  
Sandy Springs, GA 30350  
[consultrfi@aol.com](mailto:consultrfi@aol.com)


Robert Jenks (W)  
Citizens' Utility Board of Oregon  
610 SW Broadway, Suite 400  
Portland, OR 97205  
[Bob@oregoncub.org](mailto:Bob@oregoncub.org)

Irion A. Sanger (W)  
Sanger Law PC  
1117 SE 53<sup>rd</sup> Ave  
Portland, OR 97215  
[irion@sanger-law.com](mailto:irion@sanger-law.com)

Kacia Brockman (W)  
Oregon Department of Energy  
625 Marion St. NE  
Salem, OR 97301-3737  
[Kacia.brockman@state.or.us](mailto:Kacia.brockman@state.or.us)

Oregon Dockets (W)  
PacifiCorp  
825 NE Multnomah St., Ste. 2000  
Portland, OR 97232  
[oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Dated this 15<sup>th</sup> of May, 2015.

  
\_\_\_\_\_  
Amy Eissler  
Coordinator, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1483(5)**

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 2015. 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).

9 In support of this Application, the Company states:

**I. NOTICE**

Oregon Dockets  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Phone: 503.813.6642  
Email: [oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Etta Lockey  
PacifiCorp  
825 NE Multnomah Street, Suite 1800  
Portland, Oregon 97232  
Phone: 503.813.5701  
Email: [etta.lockey@pacificorp.com](mailto:etta.lockey@pacificorp.com)

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

12 By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

1                   By regular mail:       Data Request Response Center  
2   PacifiCorp  
3   825 NE Multnomah Street, Suite 2000  
4   Portland, Oregon 97232

5                   Informal questions may be directed to Erin Apperson, Manager, Regulatory Affairs at  
6                   503-813-6642.

7                   **II. STATUTORY AND REGULATORY FRAMEWORK**

8                   **A.     Oregon Solar Incentive Program**

9                   In docket AR 538, the Commission adopted rules to establish a solar photovoltaic  
10                  feed-in tariff pilot program, as required by ORS 757.365.<sup>1</sup> In docket UM 1452, the  
11                  Commission established volumetric incentive rates for solar photovoltaic energy systems.<sup>2</sup>  
12                  The Company is implementing the solar photovoltaic feed-in tariff program (for Pacific  
13                  Power, the program is known as the Oregon Solar Incentive Program) through Schedules 136  
14                  and 137. Additionally, Schedule 204<sup>3</sup> was adopted for later recovery of the costs authorized  
15                  under the deferral approved in the docket.

16                  **B.     Statutory Authority**

17                  The Company again files its Application in the alternative under ORS 757.365(10),  
18                  ORS 469A.120(1) and (3), or ORS 757.259 because the Commission has not yet ruled on an  
19                  application to defer costs associated with compliance with ORS 757.365, so the source of the  
20                  Commission’s legal authority to allow deferral of such costs has not yet been resolved.<sup>4</sup> As  
21                  discussed in the Company’s initial Application for Deferred Accounting in this docket,

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<sup>1</sup> See Order No. 10-200.

<sup>2</sup> See Order Nos. 10-198, 10-304 and 11-089.

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

<sup>4</sup> Order No. 11-021, Order No. 11-251, Order No. 12-370, Order No.13-249 and Order No.14-208 did not provide resolution on this issue.

1 ORS 757.365(10) provides the Commission authority, independent of other statutes, to  
2 authorize deferral of costs associated with compliance with ORS 757.365(10). The  
3 Company, therefore, again requests that the Commission reauthorize deferral under that  
4 statute. Alternatively, if the Commission finds that ORS 757.365(10) does not provide  
5 independent legal authority, such costs are appropriately deferred under ORS 469A.120(1)  
6 and (3) as costs associated with compliance with the Oregon Renewable Portfolio Standards  
7 (“RPS”). Finally, if the Commission determines that neither ORS 757.365(10) nor  
8 ORS 469A.120(1) and (3) allow for deferral of such costs, the Commission should  
9 reauthorize deferral under ORS 757.269.<sup>5</sup>

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

11 In this docket, pursuant to Order No. 11-021, the Commission originally authorized  
12 deferral of the costs associated with compliance of ORS 757.365 for the 12-month period  
13 beginning May 19, 2010. In 2011, the Commission reauthorized, pursuant to Order No. 11-  
14 251, the deferral of the costs with compliance of ORS 757.365 for the 12-month period  
15 beginning May 19, 2011. In 2012, the Commission reauthorized, pursuant to Order 12-370,  
16 the deferral of the costs with compliance with ORS 757.365 for the 12-month period  
17 beginning May 19, 2012. In 2013, the Commission reauthorized, pursuant to Order 13-249,  
18 the deferral of the costs with compliance of ORS 757.365 for the 12-month period beginning  
19 May 19, 2013 and Order No. 14-208 reauthorized the deferral of these costs for the 12-month  
20 period beginning May 19, 2014. The Company seeks reauthorization of this deferral for a 12-  
21 month period beginning May 19, 2015.

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

### III. DEFERRAL OF COSTS

#### A. Description of Utility Expense.

The Company requests reauthorization to defer costs associated with the Oregon Solar Incentive Program. After PacifiCorp filed its initial application to defer the costs on May 19, 2010, in docket UM 1483, Commission Staff convened two workshops with interested parties on August 18, 2010 and September 21, 2010, to discuss PacifiCorp's deferral application, along with Portland General Electric Company's similar deferral application. Through these workshops, the utilities, Commission Staff and the interested stakeholders reached agreement on a number of issues related to the deferrals for solar incentive programs, including the timing of filings, formats and types of costs to be recovered through the deferral. The costs to be deferred would include any administrative, marketing, metering, incentive payments and any other costs incurred by PacifiCorp for purposes of implementing the pilot program, consistent with this agreement. For this program year through April 2015, the Company has deferred approximately \$1.9 million of costs associated with the program.

#### B. Reasons for Deferral

As described above, ORS 757.365 requires the implementation and administration of the Oregon Solar Incentive Program. The statute also provides that prudently incurred costs associated with compliance with the statute are recoverable in rates. Moreover, the renewable energy credits associated with generation sold to the utility under ORS 757.365 may be used to comply with the Oregon RPS, which also requires cost recovery of prudently incurred costs associated with compliance.<sup>6</sup> Costs associated with compliance with

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<sup>6</sup> ORS 469A.120(1).

1 ORS 757.365 are not currently included in rates. Accordingly, reauthorization of the deferral  
2 application is necessary to allow for recovery of the costs as contemplated by  
3 ORS 757.365(10) and ORS 469A.120(1). Reauthorization of deferred accounting will allow  
4 the Company to continue to match the benefits that customers will be receiving with the costs  
5 to the Company of providing those benefits.

6 **C. Proposed Accounting.**

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

12 **D. Estimate of Amounts.**

13 Costs and expenses of the Oregon Solar Incentive Program include the payment of  
14 volumetric incentive rates and program administration costs to implement and administer the  
15 program. Attachment 2 to the Company Advice No. 10-022<sup>7</sup> contains a description of the  
16 types of incremental costs, by cost category, to be included in the deferral. The Company  
17 estimates that the costs may range from \$4.2 million to \$4.6 million during this deferral  
18 period. Changes in the incentive rate established by the Commission, as well as differences  
19 between actual and projected generation due to the timing of project interconnection, may  
20 impact this estimate.

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

1 **E. Notice.**

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

4 **IV. CONCLUSION**

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

DATED: May 15, 2015.

  
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Etta Lockety  
Senior Counsel, Pacific Power



## **EXHIBIT A**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1483(5)**

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

**NOTICE OF APPLICATION**

On May 15, 2015, 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 \$4.2 million to \$4.6 million during this deferral period. The Company requests that the deferral continue no longer than twelve months from the date of this filing.

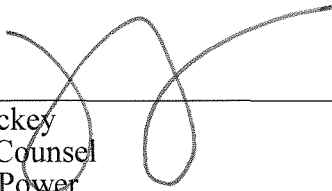
The granting of the Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

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

Oregon Dockets  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Phone: (503) 813-6642  
E-mail: [oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

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 15, 2015



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Etta Lockey  
Senior Counsel  
Pacific Power