

November 20, 2020

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

**RE: UM 1981(2)—Application for Reauthorization of Deferred Accounting for Costs  
Related to the Oregon Community Solar Program**

PacifiCorp d/b/a Pacific Power submits for filing its Application for Reauthorization of Deferred Accounting for Costs Related to the Oregon Community Solar Program.

PacifiCorp respectfully requests that all communications related to this filing be addressed to:

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

Matthew McVee  
Chief Regulatory Counsel  
825 NE Multnomah Street, Suite 1800  
Portland, OR 97232  
[Matthew.Mevee@pacificorp.com](mailto:Matthew.Mevee@pacificorp.com)

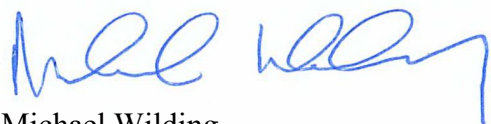
Additionally, PacifiCorp requests that all formal information requests regarding this matter be addressed to:

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

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Informal inquiries may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,



Michael Wilding  
Director, Net Power Costs & Regulatory Policy

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1981(2)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting  
for Costs Related to the Oregon Community Solar  
Program.

**APPLICATION FOR  
REAUTHORIZATION FOR  
DEFERRED ACCOUNTING**

**I. INTRODUCTION**

In accordance with ORS 757.259(2)(e) and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power applies to the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferral of start-up costs related to the Oregon Community Solar Program (Community Solar). PacifiCorp respectfully requests reauthorization for 12 months beginning November 28, 2020.

**II. NOTICE**

Communications regarding this application should be addressed to:

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

Matthew McVee  
Chief Regulatory Counsel  
PacifiCorp  
825 NE Multnomah Street, Suite 1800  
Portland, OR 97232  
Email: [matthew.mcvee@pacificorp.com](mailto:matthew.mcvee@pacificorp.com)

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

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

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232

Informal questions may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

### **III. BACKGROUND**

On November 27, 2018, PacifiCorp filed an application for approval to defer accounting costs related to Community Solar, Docket No. UM 1981. The Commission approved the application in Order No. 18-478.<sup>1</sup> On November 28, 2019, PacifiCorp filed an application for reauthorization to defer of the costs related to Community Solar, Docket No. UM 1981(1). The Commission approved the application in Order No. 20-057.

### **IV. DEFERRAL OF COSTS**

PacifiCorp respectfully requests authorization under ORS 757.259(2)(e) to establish and maintain a balancing account to record costs related to Community Solar, along with related interest at the Modified Blended Treasury Rate, consistent with the treatment of interest rates described in Order No. 08-263 as modified by Order No. 10-279.

As required by OAR 860-027-0300(3), PacifiCorp provides the following:

#### **A. Description of Utility Expense**

PacifiCorp seeks reauthorization to defer, for future amortization, the start-up costs of Community Solar.

OAR 860-088-0160(1) defines start-up costs as:

- 1) Costs associated with the Program Administrator<sup>2</sup> and Low-Income Facilitator;<sup>3</sup>
- and

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<sup>1</sup> *In the Matter of PACIFICORP, dba PACIFIC POWER, Application for Approval to Defer Accounting Costs Related to the Oregon Community Solar Program*, Order No. 18-478 (Dec. 19, 2018).

<sup>2</sup> According to OAR 860-088-0010, Program Administrator means a third-party directed by the Commission to administer the Community Solar Program.

<sup>3</sup> Low-Income Facilitator's responsibilities are provided in OAR 860-088-0030.

- 2) Each electric utility's prudently incurred start-up costs associated with implementing the Community Solar Program. These costs include, but are not limited to, costs associated with customer account information transfer and on-bill crediting and payment, but exclude any costs associated with the electric utility developing a Community Solar Program solar project.

PacifiCorp anticipates the start-up costs consisting of capital costs and internal administration costs, which include internal program management, billing system operating costs, training and support for customer support representatives, and customer outreach costs. Finally, start-up costs will include funding of the Program Administrator and Low Income Facilitator.

**B. Reasons for Deferral**

ORS 757.259(2)(e) allows the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne and received by customers. ORS 757.386(7)(c) and OAR 860-088-0160(1) permit utilities to recover all start-up costs prudently incurred during the development or modification of Community Solar in electric company rates. In this application PacifiCorp seeks the use of a balancing account to match the costs borne and benefits received by customers.

**C. Proposed Accounting**

If this application is approved, PacifiCorp will record deferred Community Solar start-up costs by crediting FERC account 906, Customer Service and Informational Expenses, and other relevant FERC expense accounts, and debiting the Community Solar Start-Up Costs balancing account, in FERC Account 182.3, Other Regulatory Assets. The deferral balance will be reduced monthly by the amount collected under Schedule 207,

Community Solar Star-Up Cost Recovery Adjustment. A carrying charge calculated at the current Modified Blended Treasury rate will be recorded each month on the deferral balance. If this application is denied, Community Solar start-up costs will remain in FERC account 906 and other relevant FERC expense accounts.

**D. Estimate of Amounts**

At this time, PacifiCorp has a debit balance in its deferral account for fiscal year 2020 of approximately \$1,251,055. PacifiCorp estimates that its internal administration costs for Community Solar start-up will be \$143,000 for 2021, and its billing IT (capital) costs<sup>4</sup> in 2021 will be \$317,000. PacifiCorp estimates Program Administration team costs to be \$926,399 in 2021 and 2022 based on its share (39.5 percent) of the State of Oregon’s contract with Energy Solutions, the Program Administrator.<sup>5</sup> Some portion of these costs will be paid by Community Solar Participants and Project Managers once community solar projects come online and begin billing, but the timing and magnitude of that contribution is uncertain at this time.

**Expected Community Solar Start-Up Costs  
(\$000s)**

	<b>FY 2020</b>	<b>FY 2021</b>
Deferral Account Balance	\$1251	
PacifiCorp Administration Costs		\$143
Billing IT Costs (Capital)		\$317
Program Administration Team		\$926

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<sup>4</sup> PacifiCorp included its 2020 billing IT costs in its general rate case filing; these costs represent upgrades above and beyond those accounted for in the rate case.

<sup>5</sup> *Community Solar Start-Up Cost Recovery and Remittance of Funds to the Program Administrator*, Order No. 19-122, Appendix A at 4 (April 11, 2019).


**E. Notice**

A Notice of PacifiCorp's Application for Approval of Deferred Accounting for Costs Related to the Oregon Community Solar Program is included as Exhibit A. This notice will be served to the service list in Docket No. UM 1981.

**V. CONCLUSION**

PacifiCorp respectfully requests that the Commission authorize the company to continue deferring the Community Solar start-up costs, related amortization and interest beginning November 28, 2020.

Respectfully submitted this 20th day of November, 2020.

By:   
Matthew McVee  
Chief Regulatory Counsel  
PacifiCorp d/b/a Pacific Power

# **Exhibit A**

**EXHIBIT A**  
**NOTICE**  
**BEFORE THE PUBLIC UTILITY COMMISSION**  
**OF OREGON**  
**UM 1981(2)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred  
Accounting for Costs Related to the Oregon  
Community Solar Program.

**NOTICE OF**  
**APPLICATION FOR**  
**REAUTHORIZATION OF**  
**DEFERRED ACCOUNTING**

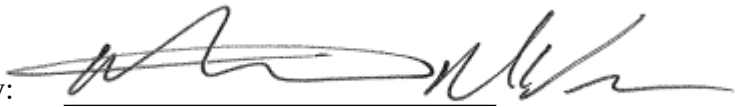
On November 20<sup>th</sup>, 2020, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing the Company to maintain a balancing account to record the deferral of start-up costs related to the Oregon Community Solar Program. The granting of this 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. To obtain a copy of the application, contact the following:

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

Any person who wishes to submit written comments to the Commission must do so within 25 days of the date of PacifiCorp's application.

Respectfully submitted on November 20, 2020.

By:

  
Matthew D. McVee  
Chief Regulatory Counsel