

June 17, 2019

VIA ELECTRONIC FILING

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

Attn: Filing Center

RE: UM ____—Application for Authorization of Deferred Accounting for Energy Storage Projects

PacifiCorp d/b/a Pacific Power submits for filing its Application for Approval of Deferred Accounting for Energy Storage Projects. With this application, the company seeks to defer for later ratemaking treatment the non-capital costs associated with PacifiCorp's energy storage pilot programs, which were approved in Order No. 18-327.

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

Oregon Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Ajay Kumar
Senior Attorney
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
ajay.kumar@pacificorp.com

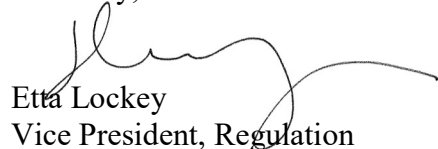
Additionally, PacifiCorp requests that all formal information requests regarding this matter be addressed to:

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

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

If you have any questions, please contact Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,


Etta Lockey
Vice President, Regulation

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM ____

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for authorization of Deferred
Accounting for Energy Storage Projects.

**APPLICATION FOR
AUTHORIZATION OF DEFERRED
ACCOUNTING**

I. INTRODUCTION

Under ORS 757.259 and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp) requests an order authorizing the company to defer for later ratemaking treatment the non-capital costs associated with PacifiCorp’s energy storage pilot programs, which were approved in Order No. 18-327. Authorization of this deferral is necessary to allow for later recovery of the costs of these projects, which have been incurred as a result of PacifiCorp’s obligations under H.B. 2193.¹

In support of this Application, PacifiCorp states:

II. NOTICE

Communications regarding this application should be addressed to:

Oregon Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Ajay Kumar
Senior Attorney
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Ajay.kumar@pacificorp.com

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

¹ *An Act Relating to Energy Storage; and declaring an Emergency*, H.B. 2193, 78th Leg., Reg. Sess. (2015).

By email (preferred): 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, Manager of Regulatory Affairs, at 503-813-5934.

III. OAR 860-027-0300(3) REQUIREMENTS

A. Description

PacifiCorp seeks authorization from the Public Utility Commission of Oregon (Commission) to defer, for future amortization, the non-capital costs associated with implementing the energy storage pilot projects which were approved in Order No. 18-327.

B. Reasons for Deferral

H.B. 2193 required PacifiCorp to submit to the Commission a proposal to develop energy storage systems and procure any authorized projects by January 1, 2020. On April 2, 2018, PacifiCorp filed its final Energy Storage System Project Proposals and Energy Storage Potential Evaluation. In July of 2018, PacifiCorp reached a stipulation with the Staff of the Commission and the Citizen's Utilities Board on the project proposals and evaluation plan.

This stipulation was approved by the Commission on September 3, 2018, through Order No. 18-327. PacifiCorp sought approval for two pilot projects. Pilot Project #1 involved building a 2 MW/6 MWh battery to meet the requirements of the H.B. 2193.² PacifiCorp also proposed Pilot Project #2, where PacifiCorp would provide financial assistance for up to four energy storage installation projects that will seek to support

² *In the Matter of PacifiCorp d/b/a Pacific Power, Draft Storage Potential Evaluation, Docket No. UM 1857, Order No. 18-327 at 3 (Sept. 4, 2018).*

community resiliency while also providing benefits to the utility as identified through technical assistance.³ Under the stipulation PacifiCorp was permitted to select a technical assistance concept consultant and complete a limited amount of initial studies.

PacifiCorp was required under Oregon law to pursue these energy storage projects and has proposed projects that it considers prudent and provides benefits for its customers. As a result, PacifiCorp seeks authority to defer the non-capital costs for these projects until a later date. Consistent with the Commission’s guidance in Order No. 18-423, PacifiCorp is not seeking to defer any capital costs associated with these projects at this time. Consistent with the requirements of ORS 757.259, these costs are identifiable and this deferral will minimize the frequency of rate changes or the fluctuation of rate levels or match appropriately the costs borne by and benefits received by customers.

C. Proposed Accounting

If this application is approved, PacifiCorp will record deferred amounts by debiting FERC Account 182.3—Other Regulatory Assets and crediting the incremental operations and maintenance expense to various FERC Accounts on the income statement. If this application is denied, the costs will remain in the various FERC Accounts.

D. Estimate of Amounts

Pilot Project #1 is a capital project, and as result PacifiCorp is not estimating any non-capital costs for deferral at this time. Pilot Project #2 has been limited for cost recovery at \$200,000, and PacifiCorp seeks authorization to defer up to that amount. PacifiCorp requests

³ *Id.* at 4.

that, under Order No. 08-263 as modified by Order No. 10-279,⁴ it be allowed to accrue interest on the unamortized balance, consistent with the treatment of interest rates during accrual and amortization described in those orders.

E. Notice

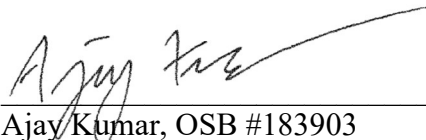
A copy of the Notice of Application for Deferred Accounting and a list of persons served with the notice are included with this filing as Attachment A.

IV. CONCLUSION

Authorization of deferred accounting treatment is an appropriate, just, and reasonable means of supporting PacifiCorp's Energy Storage Pilot Programs. For the reasons stated above, PacifiCorp requests authorization to defer for later ratemaking treatment the non-capital costs associated with PacifiCorp energy storage pilot programs.

Respectfully submitted this 17th day of June, 2019.

By:



Ajay Kumar, OSB #183903

Senior Attorney

PacifiCorp

825 NE Multnomah Street, Suite 1800

Portland, OR 97232

Phone: (503) 813-5161

Email: ajay.kumar@pacificorp.com

Attorney for PacifiCorp

⁴ *In the Matter of Public Utility Commission of Oregon Staff Request to Open an Investigation Related to Deferred Accounting*, Docket No. UM 1147, Order No. 08-263 (May 22, 2008); *modified by In the Matter of Public Utility Commission of Oregon Staff Request to Open an Investigation Related to Deferred Accounting*, Docket No. UM 1147, Order No. 10-279 (Jul. 23, 2010).

EXHIBIT A

EXHIBIT A

NOTICE

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for authorization of Deferred
Accounting for Energy Storage Projects.

**NOTICE OF
APPLICATION FOR
DEFERRED ACCOUNTING**

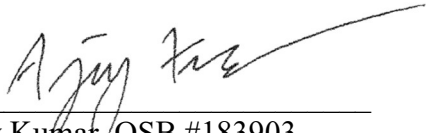
On June 17, 2019, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing the use of deferred accounting for the non-capital costs associated with PacifiCorp's energy storage pilot programs, which were approved in Order No. 18-327. The authorization 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

Any person may submit written comments to the Commission regarding the application with 25 days of the filing of the application.

Respectfully submitted on June 17, 2019.

By:



Ajay Kumar, OSB #183903
Senior Attorney
PacifiCorp

CERTIFICATE OF SERVICE

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

Service List UE 263

OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 dockets@oregoncub.org	GREGORY M. ADAMS RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE, ID 83702 greg@richardsonadams.com
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KEVIN HIGGINS ENERGY STRATEGIES LLC 215 STATE ST - STE 200 SALT LAKE CITY, UT 84111-2322 khiggins@energystat.com	ROBERT JENKS (C) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 bob@oregoncub.org
SARAH E LINK (C) PACIFIC POWER 825 NE MULTNOMAH ST STE 1800 PORTLAND, OR 97232 sarah.link@pacificcorp.com	JODY KYLER COHN BOEHM, KURTZ & LOWRY 36 E SEVENTH ST STE 1510 CINCINNATI, OH 45202 jkylar@bkllawfirm.com
KATHERINE A MCDOWELL (C) MCDOWELL RACKNER & GIBSON PC 419 SW 11TH AVE., SUITE 400 PORTLAND, OR 97205 katherine@mcd-law.com	SAMUEL L ROBERTS (C) HUTCHINSON COX COONS ORR & SHERLOCK 777 HIGH ST STE 200 PO BOX 10886 EUGENE, OR 97440 sroberts@eugenelaw.com

<p>TRACY RUTTEN LEAGUE OF OREGON CITIES 1201 COURT STREET NE SUITE 200 SALEM, OR 97301 trutten@orcities.org</p>	<p>IRION A SANGER (C) SANGER LAW PC 1117 SE 53RD AVE PORTLAND, OR 97215 irion@sanger-law.com</p>
<p>DONALD W SCHOENBECK (C) REGULATORY & COGENERATION SERVICES INC 900 WASHINGTON ST STE 780 VANCOUVER, WA 98660-3455 dws@r-c-s-inc.com</p>	<p>NONA SOLTERO FRED MEYER STORES/KROGER 3800 SE 22ND AVE PORTLAND, OR 97202 nona.soltero@fredmeyer.com</p>
<p>DOUGLAS C TINGEY PORTLAND GENERAL ELECTRIC 121 SW SALMON 1WTC1301 PORTLAND, OR 97204 doug.tingey@pgn.com</p>	<p>JAY TINKER PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC-0306 PORTLAND, OR 97204 pge.opuc.filings@pgn.com</p>
<p>MICHAEL T WEIRICH (C) PUC STAFF--DEPARTMENT OF JUSTICE BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@state.or.us</p>	<p>PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com</p>

Dated June 17, 2019.



Kaley McNay
Coordinator, Regulatory Operations

CERTIFICATE OF SERVICE

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

Service List UM 1857

CREA	
GREGORY M ADAMS (C) RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE, ID 83702 GREG@RICHARDSONADAMS.COM	BRIAN SKEAHAN PMB 409 18160 COTTONWOOD RD SUNRIVER, OR 97707 BRIAN.SKEAHAN@YAHOO.COM
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ROBERT JENKS (C) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY STE 400 PORTLAND, OR 97205 bob@oregoncub.org	
ODOE	
ADAM SCHULTZ (C) OREGON DEPARTMENT OF ENERGY 550 CAPITOL ST NE SALEM OR 97301 adam.schultz@state.or.us	PATRICK ROWE OREGON DEPARTMENT OF ENERGY 1162 COURT ST NE SALEM, OR 97301-4096 patrick.g.rowe@doj.state.or.us
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SILVIA TANNER (C) RENEWABLE NORTHWEST 421 SW 6TH AVE, STE 975 PORTLAND, OR 97204 silvia@renewablenw.org	
STAFF	
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Dated June 17, 2019.



Kaley McNay
Coordinator, Regulatory Operations