

December 27, 2022

VIA ELECTRONIC FILING

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

Re: UM _____—PacifiCorp’s Application of Deferred Accounting for Costs Associated with the Commission Approved Independent Evaluators and Third-Party Expert Services in Request for Proposals

PacifiCorp d/b/a Pacific Power submits for filing its Application of Deferred Accounting for Costs Associated with the Commission Approved Independent Evaluators and Third-Party Expert Services in Request for Proposals.

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
Email: oregondockets@pacificorp.com

Carla Scarsella
Deputy General Counsel
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Email: carla.scarsella@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 Street, Suite 2000
Portland, OR 97232

Very truly yours,



Matthew McVee
Vice President, Regulatory Policy and Operations

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM ____

In the Matter of

PACIFICORP, dba PACIFIC POWER

Application of Deferred Accounting for
Costs Associated with the Commission
Approved Independent Evaluators and
Third-Party Expert Services in Request for
Proposals.

**PACIFICORP'S APPLICATION FOR
DEFERRED ACCOUNTING**

I. INTRODUCTION

Pursuant to ORS 757.259 and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) applies to the Public Utility Commission of Oregon (Commission) for an order authorizing the Company to defer the costs associated with the independent evaluator (Oregon IE) approved by the Commission for the Company's 2022 All Source Request for Proposal (2022AS RFP) and other Commission approved Oregon IEs in future RFPs and also the cost of third-party expert services required under OAR 860-089-0400(5)(a). PacifiCorp respectfully requests reauthorization for the 12 months beginning December 27, 2022.

II. CONTACT INFORMATION

Communications regarding this Application should be addressed to:

Oregon Dockets
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825 NE Multnomah, Suite 2000
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Phone: 503.813.5542
Email: oregondockets@pacificorp.com

Carla Scarsella
Deputy General Counsel
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232
Email: carla.scarsella@pacificorp.com

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

By email (preferred): datarequest@pacificorp.com

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

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

III. BACKGROUND AND SUMMARY OF REQUEST

OAR 860-089-0200 and RFP Guideline 5 requires an Oregon IE's participation in all RFPs.¹ OAR 860-089-0200 further provides that a company may request recovery of fees and expenses associated with an Oregon IE. The Commission has also provided that a utility may request deferred accounting to track the costs of an Oregon IE for later potential inclusion in rates.² OAR 860-089-0400(5)(a) also requires an electric company to use a qualified and independent third-party expert to review site-specific critical performance factors for wind and solar resources on the initial shortlist before modeling the effects of such resources.

On September 15, 2011, PacifiCorp filed an application under docket UM 1556 for deferral of the costs associated with the Oregon IE for its 2011 Request for Proposals. The Commission approved the deferral on October 28, 2011, in Order No. 11-431.

¹ *In the matter of an Investigation Regarding Competitive Bidding*, Docket No. UM 1182, Order No. 06-446 at 6 (Aug. 10, 2006) ("An IE must be used in each RFP to help ensure that all offers are treated fairly").

² *Id.* ("We agree that if an IE is useful to the process, and we believe that to be so, then the cost of the IE should be included in rates. Utilities may request deferred accounting to track the costs of IEs for later prudence review and potential inclusion in rates.").

On June 1, 2017, PacifiCorp filed an application for approval of a solicitation process for new wind resources (2017R RFP).³ The Company did not file an application for deferred accounting of the costs associated with the Oregon IE costs for the 2017R RFP.

On September 2, 2021, PacifiCorp filed an application requesting the Commission to open a docket for the approval of the 2022AS RFP and appoint an IE for the 2022AS RFP. The filing was assigned docket UM 2193. On October 25, 2021, the Commission approved the Company's choice of PA Consulting as the Oregon IE for the 2022AS RFP.⁴

In this application, PacifiCorp seeks authorization to establish deferred accounting for the costs associated with the third-party expert required under OAR 860-089-0400(5)(a) as well as the Oregon IEs approved by the Commission for the Company's current 2022AS RFP. For administrative efficiency, the Company is also proposing to include in this deferral the costs associated with Commission approved Oregon IEs and third-party experts in future RFPs. Given the possibility that PacifiCorp could have multiple RFPs running concurrently, a single deferral would streamline the reauthorization.

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

The following is provided pursuant to the requirements set forth in OAR 860-027-0300(3).

³ *In the Matter of PacifiCorp, dba Pacific Power, Request for Proposals of an Independent Evaluator to Oversee the Request for Proposal Process, Docket No. UM 1845.*

⁴ *In the Matter of PacifiCorp d/b/a Pacific Power Application for Approval of an Independent Evaluator in 2022 All-Source Request for Proposals, Docket No. UM 2193, Order No. 21-351 (Oct. 25, 2021).*

A. Description of Utility Expense.

OAR 860-089-0200 and RFP Guideline 5 requires an Oregon IE’s participation in all RFPs.⁵ OAR 860-089-0200 further provides that a company may request recovery of fees and expenses associated with an Oregon IE. The Commission has also provided that a utility may request deferred accounting to track the costs of an Oregon IE for later potential inclusion in rates.⁶ PacifiCorp respectfully requests authorization under ORS 757.259(2)(e) to establish and maintain a balancing account to record the costs associated with the third-party experts required under OAR 860-089-0400(5)(a) and Commission approved Oregon IEs in PacifiCorp’s current 2022AS RFP and all future RFPs.

B. Reasons for Deferral.

ORS 757.259(2)(e) allows the deferral of utility expenses or revenues where necessary to match appropriately the costs borne by and benefits received by customers. This request seeks to align the costs of the Oregon IE and third-party experts and the services they will perform on behalf of PacifiCorp’s customers. The Commission has approved of the use of deferred accounting to track the costs of Oregon IEs for later potential inclusion in rates.⁷

C. Proposed Accounting.

During the period of deferral, PacifiCorp proposes to account for the deferred costs of the IE and third-party experts by recording the deferral in Account 182.3, Other

⁵ *In the matter of an Investigation Regarding Competitive Bidding*, Docket No. UM 1182, Order No. 06-446 at 6 (Aug. 10, 2006) (“An IE must be used in each RFP to help ensure that all offers are treated fairly”).

⁶ *Id.* (“We agree that if an IE is useful to the process, and we believe that to be so, then the cost of the IE should be included in rates. Utilities may request deferred accounting to track the costs of IEs for later prudence review and potential inclusion in rates.”).

⁷ *In the matter of an Investigation Regarding Competitive Bidding*, Docket No. UM 1182, Order No. 06-446 at 6 (Aug. 10, 2006).

Regulatory Assets. This account will accrue interest at the Commission-authorized rate for deferred accounts. Amortization of the balance would be considered in a subsequent proceeding coincident with inclusion in rates.

In the absence of approval of deferred accounting the costs would be recorded in Account 928, Regulatory Commission Expenses.

D. Estimate of Amounts.

The Company anticipates that the cost of the Oregon IE will be approximately \$750,000 and the cost of the third-party expert will be approximately \$420,000.

E. Notice.

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

V. CONCLUSION

PacifiCorp respectfully requests that, in accordance with ORS 757.259, the Commission authorize the Company to defer the costs described in this Application.

DATED: December 27, 2022.



Carla Scarsella
Deputy General Counsel
PacifiCorp

EXHIBIT A

EXHIBIT A
NOTICE
BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM ____

In the Matter of

PACIFICORP, dba PACIFIC POWER

Application of Deferred Accounting for
Costs Associated with the Commission
Approved Independent Evaluators and
Third-Party Engineering Services in
Request for Proposals.

NOTICE OF APPLICATION

On December 27, 2022, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing deferred accounting to defer the costs associated with the independent evaluator (Oregon IE) approved by the Public Utility Commission of Oregon for the Company’s solicitation process in its 2020 All Source Request for Proposal in docket UM 2059, other Commission approved Oregon IEs in future RFPs, and the cost of third-party engineering services required under OAR 860-089-0400(5)(a).

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
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 within 25 days of the date of this filing.

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

Respectfully submitted on December 27, 2022.

By: 
Carla Scarsella
Deputy General Counsel

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 and/or or overnight delivery in compliance with OAR 860-001-0180.

Service List UM 2059

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Dated this 27th day of December 2022.



Santiago Gutierrez
Coordinator, Regulatory Operations

CERTIFICATE OF SERVICE

I certify that I delivered 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 399

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Dated this 27th day of December 2022.



 Santiago Gutierrez
 Coordinator, Regulatory Operations