

December 13, 2023

***VIA ELECTRONIC FILING***

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

**Re: UM 2269(1)—PacifiCorp’s Application of Deferred Accounting for Costs Associated with the Commission Approved Independent Evaluators and Third-Party Engineering 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 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](mailto:oregondockets@pacificorp.com)

Carla Scarsella  
Deputy General Counsel  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [carla.scarsella@pacificorp.com](mailto:carla.scarsella@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 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 2269(1)**

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.

**PACIFICORP'S APPLICATION FOR  
REAUTHORIZATION OF 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 reauthorizing 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), other Commission approved Oregon IEs in future RFPs, and the cost of third-party engineering services required under OAR 860-089-0400(5)(a). PacifiCorp respectfully requests reauthorization for the 12 months beginning December 27, 2023.

**II. CONTACT INFORMATION**

Communications regarding this Application should be addressed to:

Oregon Dockets  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232  
Phone: 503.813.5542  
Email: [oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

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

OAR 860-089-0200 and RFP Guideline 5 requires an Oregon IE's participation in all RFPs.<sup>1</sup> 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.<sup>2</sup> 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.

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<sup>1</sup> *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”).

<sup>2</sup> *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).<sup>3</sup> 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.<sup>4</sup>

On December 27, 2022, PacifiCorp filed for 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 2022AS RFP. For administrative efficiency, the Company has also proposed to include in this deferral the costs associated with Commission approved Oregon IEs and third-party experts in future RFPs. The Commission approved the Company's application on October 20, 2023, in Order 23-377.

On September 29, 2023, the Company notified the Commission that it was suspending the 2022AS RFP.<sup>5</sup> However, even though the 2022AS RFP is currently suspended, the IE continues to be retained and the Company is incurring costs.

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<sup>3</sup> *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.*

<sup>4</sup> *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).*

<sup>5</sup> *See Docket No. UM 2193, Letter from PacifiCorp dated September 29, 2023.*

#### IV. DEFERRAL OF COSTS

In this application, PacifiCorp respectfully requests reauthorization under ORS 757.259(2)(e) to continue deferral of Oregon IE costs and third-party experts for RFPs for the 12-month period beginning December 27, 2023. As required by OAR 860-027-0300(3) and (4), PacifiCorp provides the following:

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

OAR 860-089-0200 and RFP Guideline 5 requires an Oregon IE's participation in all RFPs.<sup>6</sup> 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.<sup>7</sup> PacifiCorp respectfully requests authorization under ORS 757.259(2)(e) to establish and maintain a balancing account to record the costs associated with 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

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<sup>6</sup> *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").

<sup>7</sup> *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.").

approved of the use of deferred accounting to track the costs of Oregon IEs for later potential inclusion in rates.<sup>8</sup>

**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 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.

**F. Entries in the Deferred Account to Date**

Exhibit B provides the most recent entries in the deferred account to date of the Application.

**G. Reason for Continuation of Deferred Accounting**

As discussed in this application, continuation of this deferral is necessary to track the ongoing Oregon IE costs and third-party experts for RFPs.


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<sup>8</sup> *In the matter of an Investigation Regarding Competitive Bidding*, Docket No. UM 1182, Order No. 06-446 at 6 (Aug. 10, 2006).

**V. CONCLUSION**

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

DATED: December 13, 2023.



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Carla Scarsella  
Deputy General Counsel  
PacifiCorp

## **Exhibit A**

Notice



**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 2269(1)**

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 FOR  
REAUTHORIZATION OF  
DEFERRED ACCOUNTING**

On December 13, 2023, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferred accounting for 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 2022 All Source Request for Proposal (RFP) 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](mailto: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 13, 2023.

By:   
Carla Scarsella  
Deputy General Counsel

## CERTIFICATE OF SERVICE

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

### Service List UE 399

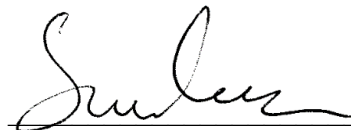
<b>PACIFICORP</b>	
PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND, OR 97232 <a href="mailto:oregondockets@pacificorp.com">oregondockets@pacificorp.com</a>	KATHERINE A MCDOWELL (C) MCDOWELL RACKNER & GIBSON PC 419 SW 11TH AVE., SUITE 400 PORTLAND, OR 97205 <a href="mailto:katherine@mrg-law.com">katherine@mrg-law.com</a>
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CORENE RODDER SOMACH SIMMONS & DUNN <a href="mailto:crodder@somachlaw.com">crodder@somachlaw.com</a>	
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<b>SBUA</b>	
GRANT HART (C) SMALL BUSINESS UTILITY ADVOCATES <a href="mailto:grant@utilityadvocates.org">grant@utilityadvocates.org</a>	MARY ANNE COOPER (C) OREGON FARM BUREAU FEDERATION 1320 CAPITOL ST NE STE 200 SALEM, OR 97301 <a href="mailto:maryanne@oregonfb.org">maryanne@oregonfb.org</a>
WILLIAM STEELE (C) BILL STEELE AND ASSOCIATES, LLC PO BOX 631151 HIGHLANDS RANCH, CO 80164 <a href="mailto:w.steele1@icloud.com">w.steele1@icloud.com</a>	DIANE HENKELS (C) SMALL BUSINESS UTILITY ADVOCATES 621 SW MORRISON ST. STE 1025 PORTLAND, OR 97205 <a href="mailto:diane@utilityadvocates.org">diane@utilityadvocates.org</a>

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ALEX KRONAUER (C) WALMART <a href="mailto:alex.kronauer@walmart.com">alex.kronauer@walmart.com</a>	STEVE W CHRISS (C) WAL-MART STORES, INC. 2001 SE 10TH ST BENTONVILLE, AR 72716-0550 <a href="mailto:stephen.chriss@wal-mart.com">stephen.chriss@wal-mart.com</a>

Dated this 13<sup>th</sup> day of December, 2023.



Santiago Gutierrez  
Coordinator, Regulatory Operations

## **Exhibit B**

<b>Reg Asset - OR Independent Evaluator</b>				
	<b>Begin</b>			<b>End</b>
<b>Month</b>	<b>Balance</b>	<b>Additions</b>	<b>Interest</b>	<b>Balance</b>
Dec-22	39,170.09	1,530.00	60.57	40,760.65
Jan-23	40,760.65	3,978.00	182.75	44,921.41
Feb-23	44,921.41	3,393.00	199.29	48,513.70
Mar-23	48,513.70	20,728.00	251.70	69,493.40
Apr-23	69,493.40	32,073.50	365.64	101,932.54
May-23	101,932.54	13,453.50	464.52	115,850.56
Jun-23	115,850.56	(84.00)	495.08	116,261.64
Jul-23	116,261.64	432.00	497.94	117,191.59
Aug-23	117,191.59	2,590.00	506.53	120,288.12
Sep-23	120,288.12	1,692.50	517.85	122,498.47
Oct-23	122,498.47	(482.50)	522.65	122,538.62
Nov-23	122,538.62	972.00	525.93	124,036.55
		80,276.00	4,590.46	