

November 27, 2018

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 Approval of Deferred Accounting for a Balancing Account Related to Multnomah County Business Income Tax Expense

PacifiCorp d/b/a Pacific Power submits for filing its Application for Approval of Deferred Accounting for a Balancing Account Related to Multnomah County Business Income Tax Expense.

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

Matthew McVee
Chief Regulatory Counsel
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Matthew.mcvee@pacificorp.com

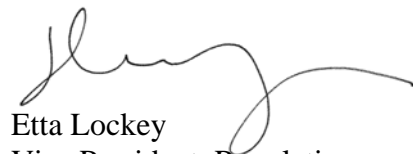
Additionally, PacifiCorp requests that all formal information requests regarding this matter be addressed to:

By E-mail (preferred): 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 Natasha Siores, Manager, Regulatory Affairs, at (503) 813-6583.

Sincerely,



Etta Lockey
Vice President, Regulation

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting
for a Balancing Account Related to Multnomah
County Business Income Tax Expense.

**APPLICATION FOR DEFERRED
ACCOUNTING**

I. INTRODUCTION

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rules (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power submits this application to the Public Utility Commission of Oregon (Commission) for an order authorizing the company to establish and maintain a balancing account to record the deferral of costs and revenues related to PacifiCorp's Multnomah County Business Income Tax (MCBIT) expense. PacifiCorp proposes to record in the balancing account expenses for MCBIT and the revenue collected from Schedule 103 Multnomah County Business Income Tax Recovery tariff rider.

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

Matthew McVee
Chief Regulatory Counsel
PacifiCorp
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Email: 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

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

Informal questions may be directed to Natasha Siores, Manager, Regulatory Affairs, at (503) 813-6583.

III. BACKGROUND

On February 12, 2018, PacifiCorp filed Tariff Advice 18-001 to update Schedule 103 for 2018. During the pendency of the review of Advice 18-001, Commission Staff unveiled its new policy direction with regard to the inclusion of residual amounts in the MCBIT balancing account in new rates absent a separate deferral authorization for the balancing account. Staff found that PacifiCorp's proposed Schedule 103 rate constituted retroactive ratemaking because it included the residual balance of the MCBIT balancing account absent a deferral. Advice 18-001 was eventually resolved when PacifiCorp agreed to remove the residual balance from the Schedule 103 rate, including only the estimated 2018 MCBIT expense.

When PacifiCorp files its next tariff advice to update Schedule 103 for expected 2019 MCBIT expense the tariff advice filing will request that the rate schedule operate as a cost-of-service automatic adjustment clause, to allow for adjustments to rates based on actual over- or under- collected amounts. The company files this deferral application to obtain approval for the deferred accounting necessary for the existing MCBIT balancing account to enable the use of a cost-of-service automatic adjustment clause.

IV. DEFERRAL OF COSTS

PacifiCorp respectfully requests authorization under ORS 757.259(2)(e) to establish

and maintain a balancing account to record costs and revenues related to the payment and collection of MCBIT.

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

A. Description of Utility Expense

PacifiCorp proposes to use a MCBIT balancing account to record MCBIT expenses and the collections from Schedule 103.

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. 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 both MCBIT expenses and Schedule 103 MCBIT recovery in FERC Account 182.3, Other Regulatory Assets. If this application is denied, MCBIT expenses will be recorded in FERC account 409.1 Income Taxes, Utility Operating Income and the revenues from Schedule 103 will be recorded in FERC account 456, Other Electric Revenues.

D. Estimate of Amounts

When PacifiCorp files its next tariff advice to update Schedule 103 for expected 2019 MCBIT expense the tariff advice filing will request that the rate schedule operate as a cost-of-service automatic adjustment clause, to allow for adjustments to rates based on actual over- or under- collected amounts. The proposed rates will be designed to collect estimated 2019 MCBIT expense and any residual balance from the 2018 MCBIT over a 12 month period. At this time, the 2019 MCBIT expense is forecasted to be approximately \$450,000.

The residual balance from the 2018 MCBIT is forecasted to be a credit of approximately \$47,000. Generally, it is expected that the balancing account will zero out over time.

E. Notice

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

V. CONCLUSION

PacifiCorp respectfully requests that, in accordance with ORS 757.259(2)(e), the Commission authorize the company to maintain a balancing account related to PacifiCorp's MCBIT expense and collection of MCBIT through Schedule 103.

Respectfully submitted this 27th day of November, 2018.


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

Exhibit A
Notice

EXHIBIT A

NOTICE

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting
for a Balancing Account Related to Multnomah
County Business Income Tax Expense.

**NOTICE OF
APPLICATION FOR DEFERRED
ACCOUNTING**

On November 27, 2018, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing the company to establish and maintain a balancing account to record the deferral of costs and recovery related to PacifiCorp's Multnomah County Business Income Tax. 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
E-mail: 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 27, 2018.

By:



Matthew D. McVee
Chief Regulatory Counsel

CERTIFICATE OF SERVICE

I certify that I electronically served a true and correct copy of PacifiCorp's **Application for Approval of Deferred Accounting for a Balancing Account Related to Multnomah County Business Income Tax Expense** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

Service List UE 263

<p>OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 dockets@oregoncub.org</p>	<p>GREGORY M. ADAMS RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE, ID 83702 greg@richardsonadams.com</p>
<p>GREG BASS NOBLE AMERICAS ENERGY SOLUTIONS, LLC 401 WEST A ST., STE. 500 SAN DIEGO, CA 92101 gbass@noblesolutions.com</p>	<p>KURT J BOEHM BOEHM KURTZ & LOWRY 36 E SEVENTH ST - STE 1510 CINCINNATI, OH 45202 kboehm@bkllawfirm.com</p>
<p>STEVE W CHRISS (C) WAL-MART STORES, INC. 2001 SE 10TH ST BENTONVILLE, AR 72716-0550 stephen.chriss@wal-mart.com</p>	<p>MARIANNE GARDNER (C) PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM, OR 97308-1088 marianne.gardner@state.or.us</p>
<p>KEVIN HIGGINS ENERGY STRATEGIES LLC 215 STATE ST - STE 200 SALT LAKE CITY, UT 84111-2322 khiggins@energystrat.com</p>	<p>ROBERT JENKS (C) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 bob@oregoncub.org</p>
<p>SARAH E LINK (C) PACIFIC POWER 825 NE MULTNOMAH ST STE 1800 PORTLAND, OR 97232 sarah.link@pacificorp.com</p>	<p>JODY KYLER COHN BOEHM, KURTZ & LOWRY 36 E SEVENTH ST STE 1510 CINCINNATI, OH 45202 jkylar@bkllawfirm.com</p>
<p>KATHERINE A MCDOWELL (C) MCDOWELL RACKNER & GIBSON PC 419 SW 11TH AVE., SUITE 400 PORTLAND, OR 97205 katherine@mrg-law.com</p>	<p>SAMUEL L ROBERTS (C) HUTCHINSON COX COONS ORR & SHERLOCK 777 HIGH ST STE 200 PO BOX 10886 EUGENE, OR 97440 sroberts@eugenelaw.com</p>

<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 November 27, 2018.



Katie Savarin
Coordinator, Regulatory Operations