

January 3, 2022

***VIA ELECTRONIC FILING***

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

**RE: UM\_\_\_—Application for Approval of Deferred Accounting for Operating Costs and Capital Investments Made to Implement PacifiCorp’s Distribution System Plan**

PacifiCorp d/b/a Pacific Power submits for filing its Application for Approval of Deferred Accounting for Operating Costs and Capital Investments Made to Implement PacifiCorp’s Distribution System Plan.

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)

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, Suite 2000  
Portland, OR 97232

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

Sincerely,



Shelley McCoy  
Director, 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 Operating Costs and Capital  
Investments Made to Implement PacifiCorp's  
Distribution System Plan

**APPLICATION FOR DEFERRED  
ACCOUNTING**

**I. INTRODUCTION**

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rule (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits this application to the Public Utility Commission of Oregon (Commission) for an order authorizing deferred accounting to permit tracking of the operating costs incurred and prudent capital investments made to implement and operate the Company's Distribution System Plan (DSP). Part 1 of the DSP was filed on October 15, 2021 in accordance with Order No. 20-485 (October 2021 filing).<sup>1</sup> Part 2 of the DSP will be filed in August 2022.

**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)

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

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<sup>1</sup> See *PacifiCorp's Oregon Distribution System Plan Report*, Docket No. UM 2198.

In addition, the Company 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 AND SUMMARY OF REQUEST**

As noted in the Company’s October 2021 filing, in 2019, the Commission opened Docket UM 2005 to conduct an investigation of investor-owned utility’s DSP practices.<sup>2</sup> This investigation developed initial guidelines that accelerate Oregon’s clean energy investments and transform how investor-owned utilities plan for the distribution system. These guidelines were approved in Commission Order 20-485 and set forth a “transparent, robust and holistic” distribution system planning process.<sup>3</sup>

At this time PacifiCorp is filing for deferral of the operating costs and capital investments made to implement and operate the DSP for the 12-month period beginning on January 3, 2022.

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<sup>2</sup> OPUC Distribution System Planning Initiative, <https://www.oregon.gov/puc/utilities/Pages/Distribution-System-Planning.asp>

<sup>3</sup> *In the Matter of Public Utility Commission of Oregon, Consideration for Adoption Staff Proposed Guidelines for Distribution System Planning*, Docket No. UM 2005, Order No. 20-485 (Dec. 23, 2020) (available at <https://apps.puc.state.or.us/orders/2020ords/20-485.pdf>)

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

##### A. Description of Utility Expense

In its 2021 DSP Part 1 filing the Company estimated activities required and the costs associated with elements required to support its DSP Part 2 process. The activities are outlined below.

**TABLE 1  
NEAR TERM DSP ACTIVITIES**

Tasks	Start	Finish
File DSP Part 1		10/15/21
Stakeholder Outreach	4/2021	8/2022
Engage customers and stakeholders for feedback to DSP	4/2021	8/2022
Initiate DSP community engagement survey	1/2022	2/2022
Evaluate feedback from survey and revise communication plan as needed	3/2022	3/2022
Develop content to train internal audiences on DSP	10/2021	1/2022
Evaluate options for multi-language production of content	12/2021	1/2022
Establish method for multi-language and language-impaired DSP communications	1/2022	3/2022
Modify long term relevant to progress and feedback received	4/2021	8/2022
Evaluate Energy Equity Metrics for Stakeholders, Engineers and Regulators	11/2021	9/2022
Value & Calibrate Energy Equity Metrics	11/2021	3/2022
Review energy equity metric displays	3/2022	5/2022
Develop a dashboard of energy equity metrics	5/2022	8/2022
Capacity Planning Transition Process	10/2021	8/2022
Refine planning transition schedule	10/2021	3/2022
Review planning schedule with stakeholders	1/2022	3/2022
Modify planning schedule as necessary	1/2022	8/2022
Resource Planning Transition Process	1/2022	8/2022
Receive DSM and DG forecasts for 2023 IRP	1/2022	3/2022
Integrate DSM and DG forecasts into legacy planning areas	3/2022	3/2022
Integrate DSM and DG forecasts into transitional planning areas	3/2022	8/2022
Aggregate forecasts into load forecast load bubbles	3/2022	6/1/22
Refine implementation plan for transitional planning process	6/2022	8/2022
Pilot Projects	11/2021	8/2022
Evaluate existing area plans for GNAs for pilot	11/2021	3/2022
Evaluate transitional area plans for GNAs for pilot	1/2022	3/2022
Identify range of pilot options (Non-wires Alternatives)	4/2021	7/2022
Identify pilot locations & project types	4/2022	7/2022
Determine Pilot selection metrics	4/2022	7/2022
Conduct Public Participation to assess Pilot alternatives	4/2022	7/2022
Pilot selections	3/2022	8/2022
File DSP Part 2 Plan		8/15/22

At this time, PacifiCorp seeks to defer its DSP operating costs and capital investments incurred for later inclusion in rates. The deferral would commence on January 3, 2022.

**B. Reasons for Deferral**

As discussed above, PacifiCorp requests authorization to defer the operating costs and capital investments made to implement and operate its DSP. 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 benefits received by customers.

**C. Proposed Accounting**

If this application is approved, PacifiCorp proposes to record deferred amounts to Federal Energy Regulatory Commission account 182.3, Other Regulatory Assets. This account will accrue interest at the Commission-authorized rate for deferred accounts.

**D. Estimate of Amounts**

In its 2021 DSP Part 1 filing, the Company also provided three cost alternatives associated with three different implementation methods for providing hosting capacity analysis, which were required by Order 20-485. The cost estimates are shown below, ranging from a lower cost of approximately \$20 million one-time with annual cost of \$7.6 million to a higher cost of just under \$84 million one-time with an annual cost of \$12.5 million. The one-time cost is expected to be incurred over the first five years of implementation of DSP and the annual costs also ramp up over the five-year implementation period.

**TABLE 2**  
**DSP COST ESTIMATES, INCLUDING HCA OPTIONS**

Long Term Plan	One Time Cost	Annual Cost
<b>Total Option 1 HCA</b>	<b>\$20,118,263</b>	<b>\$7,615,440</b>
<b>Total Option 2 HCA</b>	<b>\$29,723,123</b>	<b>\$17,220,300</b>
<b>Total Option 3 HCA</b>	<b>\$83,634,763</b>	<b>\$12,546,840</b>

Long Term Plan Components		
SCADA build out (over five years of deployment) - 2026	\$2,754,000	\$350,000
Extensible base communication system to substations - 2026		\$275,000
Leases	\$250,000	
Fiber	\$8,700,000	
Multiple Address System (MAS)	\$775,000	
LoadSEER software license - 2022	\$3,276,000	
Implement LoadSEER (if implemented system wide could result in cost reduction) - 2024	\$775,000	
Implement & expand use of CYME DERie (based on HCA Option chosen) - 2027		
Expand pilots for DA/FLISR - 2031		\$1,500,000
CYME plug ins (to be further assessed through Plan 2)		
AMI integration with Dynamic Data Pull		
EPRI Adapt (Advanced Distribution Assessment Planning Tools)		
Integration Capacity Analysis/DERie/EPRI Drive		
LoadSEER Implementation - 2024	\$1,000,000	
Plug in implementation - 2026	\$750,000	
Evaluate and Implement Greenlink Analytics (GEM) or Equivalent - 2022	\$10,863	
Create alternatives assessment repository in AMPS database - 2023	\$50,000	
Integrate PowerClerk with LoadSEER and CYME - 2024	\$450,000	
Integration with other enterprise technology projects - 2027		
Communications Plan Implementation	\$600,000	\$650,000
Standup DSP communications collateral creation	\$150,000	
Community Surveys (at least annual cadence, potentially twice)	\$80,000	
DSP Education Materials		
DSP Education Events		
Core DSP Activities		\$4,343,040
<i>Conduct local planning meetings</i>		
<i>Share alternatives advocated by communities and stakeholders</i>		
<i>Perform legacy studies during transition period</i>		
<i>Perform integrative planning functions</i>		
<i>Communicate options and costs</i>		
<i>Maintain data repositories that are critical for DSP</i>		
<i>Advance technology in support of DSP stakeholders and participants</i>		
<i>Produce content for regular meetings, specific local area topics and regulatory obligations</i>		
	<b>\$19,620,863</b>	<b>\$7,118,040</b>

Hosting Capacity Options		
Option 1	\$497,400	\$497,400
Option 2	\$10,102,260	\$10,102,260
Option 3	\$64,013,900	\$5,428,800

PacifiCorp anticipates incurring the following costs related to the DSP in 2022:

- 1) **Capital costs** consisting of implementation of LoadSEER and additional CYME plug-ins (i.e CYME, Distributed Energy Resources Impact Evaluation (DERie),

and Advance Metering Infrastructure dynamic data-pull) to support granular load forecasting consistent with DSP guidelines;

- 2) **Internal administration costs** which include internal program management, training and support for internal Company representatives, and customer outreach costs;
- 3) **External administration costs** which include external program support toward DSP collateral and working with Community Based Organizations; and
- 4) **Evaluation of analytical tools** such as Greenlink Analytics or equivalent.

**Estimated Incremental DSP Costs in 2022**  
**\$(000's)**

	<b>FY 2022</b>
<b>Capital Costs</b>	\$5,026
<b>Internal Administration Costs</b>	\$200
<b>External Administration Costs<sup>4</sup></b>	\$230
<b>Evaluation of Analytical Tools</b>	\$11

**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**

For the reasons set forth above, in accordance with ORS 757.259(2)(e), PacifiCorp respectfully requests authorization for a deferred account for the 12-month period beginning on January 3, 2022, to track DSP operating costs and capital investments.

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<sup>4</sup> External Administration Costs include community engagement costs that are expected to be incurred in the program. This work may be done in conjunction with other initiatives that include community engagement.

Respectfully submitted this 3<sup>rd</sup> day of January, 2022.

By: 

Carla Scarsella  
Deputy General Counsel

Attorney for PacifiCorp d/b/a Pacific Power



## **Exhibit A**

### Notice of Application

**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 Operating Costs and Capital  
Investments Made to Implement PacifiCorp's  
Distribution System Plan

**NOTICE OF  
APPLICATION FOR  
AUTHORIZATION OF DEFERRED  
ACCOUNTING**

On January 3, 2022, PacifiCorp d/b/a Pacific Power (PacifiCorp) filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing deferred accounting to permit tracking of the operating costs incurred and prudent capital investments made to implement and operate the Company's Distribution System Plan (DSP). Part 1 of the DSP was filed on October 15, 2021, in accordance with Order No. 20-485.<sup>1</sup> Part 2 of the DSP will be filed in August 2022. PacifiCorp respectfully requests authorization for 12 months beginning January 3, 2022. 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.

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<sup>1</sup> See *PacifiCorp's Oregon Distribution System Plan Report*, Docket No. UM 2198.

Respectfully submitted on January 3, 2022.

By: 

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Carla Scarsella  
Deputy General Counsel

## CERTIFICATE OF SERVICE

I certify that I delivered a true and correct copy of PacifiCorp's **NOTICE OF APPLICATION FOR AUTHORIZATION OF DEFERRED ACCOUNTING** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

### Service List UE 374

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Dated this 3<sup>rd</sup> day of January, 2022.



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Mary Penfield  
Adviser, Regulatory Operations