



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

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 Costs Related to the Oregon Community Solar Program**

PacifiCorp d/b/a Pacific Power submits for filing its Application for Approval of Deferred Accounting for Costs Related to the Oregon Community Solar Program.

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)

Matthew McVee  
Chief Regulatory Counsel  
825 NE Multnomah Street, Suite 1800  
Portland, OR 97232  
[Matthew.mcvee@pacificorp.com](mailto: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](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 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 Costs Related to the Oregon Community Solar  
Program.

**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 start-up costs related to the Oregon Community Solar Program (Community Solar). PacifiCorp proposes to record in the balancing account costs associated Community Solar start-up costs as described in OAR 860-088-0160.

**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)

Matthew McVee  
Chief Regulatory Counsel  
PacifiCorp  
825 NE Multnomah Street, Suite 1800  
Portland, OR 97232  
Email: [matthew.mcvee@pacificorp.com](mailto: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](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 Natasha Siores, Manager, Regulatory Affairs, at (503) 813-6583.

### **III. BACKGROUND**

In Order No. 17-232, the Commission established rules providing the framework for Community Solar in accordance with Section 22 of 2016 Senate Bill 1547.<sup>1</sup> The Community Solar rules were codified under OAR Chapter 860, Division 088. OAR 860-088-0160 provides for the funding of Community Solar start-up costs by providing that electric utilities' prudently incurred costs are recoverable in electric company rates. Ongoing costs of Community Solar are described in OAR 860-088-0160(2) and will be collected from Community Solar Participants. The start-up phase for Community Solar will include program development, which will transition to an ongoing phase once Community Solar is fully operational.<sup>2</sup> PacifiCorp files this deferral application to include start-up costs for Community Solar. PacifiCorp will address cost recovery for ongoing costs at a future date, when more is known about the transition from the start-up phase to the ongoing phase of Community Solar.

PacifiCorp will propose cost recovery of Community Solar start-up costs through a new tariff rider, along with the use of a balancing account to track actual costs. The tariff advice filing will note that the rate schedule will operate as a cost-of-service automatic adjustment clause, to allow for adjustments to rates based on actual over- or under- collected

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<sup>1</sup> Codified in Oregon Laws 2016, Chapter 28, Section 22.

<sup>2</sup> The delineation between start-up and on-going Community Solar costs will be determined by the Program Administrator and included in the Program Implementation Manual.

amounts. The company files this deferral application to obtain approval for the deferred accounting necessary to establish a 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 related to Community Solar, along with related interest at the Modified Blended Treasury Rate, consistent with the treatment of interest rates described in Order No. 08-263 as modified by Order No. 10-279.

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

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

PacifiCorp proposes to establish and maintain a balancing account to record the costs related to the start-up costs of Community Solar and the collection of cost recovery through the new tariff rider. The use of a cost-of-service automatic adjustment clause and balancing account will ensure recovery of PacifiCorp's Community Solar start-up costs under the new tariff rider will not under- or over-collect amounts.

OAR 860-088-0160(1) defines start-up costs as:

- 1) Costs associated with the Program Administrator<sup>3</sup> and Low-Income Facilitator;<sup>4</sup>  
and
- 2) Each electric utility's prudently incurred start-up costs associated with implementing the Community Solar Program. These costs include, but are not limited to, costs associated with customer account information transfer and on-bill

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<sup>3</sup> According to OAR 860-088-0010, Program Administrator means a third-party directed by the Commission to administer the Community Solar Program

<sup>4</sup> Low-Income Facilitator's responsibilities are provided in OAR 860-088-0030.

crediting and payment, but exclude any costs associated with the electric utility developing a Community Solar Program solar project.

PacifiCorp anticipates the start-up costs consisting of internal administration costs, which include internal program management, billing system operating costs, and training and support for customer support representatives. PacifiCorp will also incur capital investments to upgrade its billing system to accommodate the billing credits of Community Solar as required by OAR 860-088-0120; however, those capital costs are not included in this deferral application, in compliance with Order No. 18-423. Finally, start-up costs will include funding of the Program Administrator and Low Income Facilitator.

**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 deferred Community Solar start-up costs by crediting FERC account 906, Customer Service and Informational Expenses, and other relevant FERC expense accounts, and debiting the Community Solar Start-Up Costs balancing account, in FERC Account 182.3, Other Regulatory Assets. Once PacifiCorp's new tariff rider for Community Solar start-up costs is filed and approved, the deferral balance will be reduced monthly by the amount collected under the tariff schedule. A carrying charge calculated at the current Modified Blended Treasury rate will be recorded each month on the deferral balance. If this application is denied, Community Solar start-up costs will remain in FERC account 906 and other relevant FERC expense accounts.

**D. Estimate of Amounts**

PacifiCorp will file an advice letter for approval to recover the start-up costs associated with Community Solar through a new tariff rider. The tariff advice filing will note that the rate schedule will operate as a cost-of-service automatic adjustment clause, to allow for adjustments to rates based on actual over- or under- collected amounts. Generally, it is expected that the balancing account will zero out over time.

At this time, PacifiCorp estimates that its administration costs for Community Solar start-up will be \$175,000 for 2018–2019. However, the company notes that Community Solar is still in the development process and key milestones such as engagement by the Program Administrator, completion of the Program Implementation Manual and selection of the Low-Income Facilitator have not yet occurred. PacifiCorp’s estimate of start-up costs are subject to change based on the outcomes of those milestones.

**Expected Community Solar Start-Up Costs**  
**(\$000s)**

	<b>2018–2019</b>	<b>2020</b>
PacifiCorp Administration Costs	\$175	\$140
Program Administrator	TBD	TBD
Low Income Facilitator	TBD	TBD

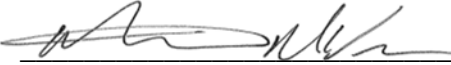
**E. Notice**

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 establish and maintain a balancing account related to Community Solar start-up costs, related amortization and interest.

Respectfully submitted this 27<sup>th</sup> 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 Costs Related to the Oregon Community Solar  
Program.

**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 start-up costs related to the Oregon Community Solar Program. 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](mailto: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 Costs Related to the Oregon Community Solar Program** 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 <a href="mailto:dockets@oregoncub.org">dockets@oregoncub.org</a></p>	<p>GREGORY M. ADAMS RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE, ID 83702 <a href="mailto:greg@richardsonadams.com">greg@richardsonadams.com</a></p>
<p>GREG BASS NOBLE AMERICAS ENERGY SOLUTIONS, LLC 401 WEST A ST., STE. 500 SAN DIEGO, CA 92101 <a href="mailto:gbass@noblesolutions.com">gbass@noblesolutions.com</a></p>	<p>KURT J BOEHM BOEHM KURTZ &amp; LOWRY 36 E SEVENTH ST - STE 1510 CINCINNATI, OH 45202 <a href="mailto:kboehm@bkllawfirm.com">kboehm@bkllawfirm.com</a></p>
<p>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></p>	<p>MARIANNE GARDNER (C) PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM, OR 97308-1088 <a href="mailto:marianne.gardner@state.or.us">marianne.gardner@state.or.us</a></p>
<p>KEVIN HIGGINS ENERGY STRATEGIES LLC 215 STATE ST - STE 200 SALT LAKE CITY, UT 84111-2322 <a href="mailto:khiggins@energystat.com">khiggins@energystat.com</a></p>	<p>ROBERT JENKS (C) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 <a href="mailto:bob@oregoncub.org">bob@oregoncub.org</a></p>
<p>SARAH E LINK (C) PACIFIC POWER 825 NE MULTNOMAH ST STE 1800 PORTLAND, OR 97232 <a href="mailto:sarah.link@pacificorp.com">sarah.link@pacificorp.com</a></p>	<p>JODY KYLER COHN BOEHM, KURTZ &amp; LOWRY 36 E SEVENTH ST STE 1510 CINCINNATI, OH 45202 <a href="mailto:jkylar@bkllawfirm.com">jkylar@bkllawfirm.com</a></p>
<p>KATHERINE A MCDOWELL (C) MCDOWELL RACKNER &amp; GIBSON PC 419 SW 11TH AVE., SUITE 400 PORTLAND, OR 97205 <a href="mailto:katherine@mrg-law.com">katherine@mrg-law.com</a></p>	<p>SAMUEL L ROBERTS (C) HUTCHINSON COX COONS ORR &amp; SHERLOCK 777 HIGH ST STE 200 PO BOX 10886 EUGENE, OR 97440 <a href="mailto:sroberts@eugenelaw.com">sroberts@eugenelaw.com</a></p>

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

Dated November 27, 2018.



Katie Savarin  
Coordinator, Regulatory Operations