



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

October 25, 2016

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-1166

Attn: Filing Center

RE: UM ___ —PacifiCorp's Application for Waiver of OAR 860-038-0640, Compliance Filing Requirement for 2017

PacifiCorp d/b/a Pacific Power submits for filing its Application for Waiver of OAR 860-038-0640, which requires electric utilities to file an audit report in compliance with the Direct Access Code of Conduct.

PacifiCorp respectfully requests that all data 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, Oregon 97232

Please direct informal questions with respect to this filing to Natasha Siores at 503-813-6583.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bryce Dalley", with a long horizontal flourish extending to the right.

R. Bryce Dalley
Vice President, Regulation

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Waiver of
OAR 860-038-0640, Compliance Filing
Requirements for 2017

APPLICATION OF PACIFICORP

1 Under OAR 860-038-0001(4), PacifiCorp d/b/a Pacific Power (PacifiCorp or
2 Company) requests that the Public Utility Commission of Oregon (Commission) waive the
3 compliance requirement contained in OAR 860-038-0640 for June 1, 2017.
4 OAR 860-038-0640 requires electric companies to file an independent third-party report that
5 assesses the Company's compliance with the Direct Access Code of Conduct (Code of
6 Conduct) contained in OAR 860-038-0500 through OAR 860-038-0620. In support of this
7 Application, PacifiCorp states as follows:

8 1. The rules governing direct access are contained in OAR 860 Division 38.
9 OAR 860-038-0001(4) allows the Commission to provide relief from the direct access rules
10 for good cause shown. As further explained below, good cause exists to waive the
11 requirement that PacifiCorp engage an independent third party to review compliance with the
12 Code of Conduct for the calendar years 2015 and 2016 and submit a report detailing the
13 findings from the review.

14 2. Communications regarding this Application should be addressed to:

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Matthew McVee
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, Oregon 97232
matthew.mcvee@pacificorp.com

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

3 By email (preferred): datarequest@pacificorp.com

4 By regular mail: Data Request Response Center
5 PacifiCorp
6 825 NE Multnomah Street, Suite 2000
7 Portland, Oregon 97232

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

10 3. The Commission designed the Code of Conduct to protect against market
11 abuses and anti-competitive practices by electric companies in the Oregon retail electric
12 markets.¹ To meet these objectives, the Code of Conduct contains rules governing, among
13 other things, sharing customer information, cross-subsidization between competitive
14 operations and regulated operations, access to transmission and distribution facilities, and
15 joint marketing practices.² To ensure compliance with the Code of Conduct, electric
16 companies must engage an independent reviewer to prepare a report detailing such
17 compliance, and file the report by June 1 of each odd-numbered year.³

18 4. The Company sought similar waivers for the 2011, 2013 and 2015 compliance
19 years. The Commission granted the waivers in Order No. 11-134 (docket UM 1527), Order
20 No. 12-423 (docket UM 1624) and Order No. 14-354 (docket UM 1705). Circumstances
21 remain substantially similar to the previous requests for waiver of compliance with
22 OAR 860-038-0640.

23 5. Good cause exists to grant PacifiCorp a waiver of the requirement to obtain
24 third-party review of compliance with the Code of Conduct and the requirement to file a

¹ OAR 860-038-0500.

² See OAR 860-038-0520 through -0600.

³ OAR 860-038-0640.

1 report documenting such compliance for the 2017 compliance year. Before 2009, for each
2 odd-numbered year, PacifiCorp enlisted an independent third party to review compliance
3 with the Code of Conduct, and filed a report detailing such compliance with the Commission.
4 The third-party reviewer typically interviewed key personnel, reviewed documentation,
5 reviewed critical processes and then prepared a report based on these assessments. The
6 Company filed these reports by June 1 in 2003, 2005, 2007 and 2009. Each of these reports
7 found the Company to be in compliance with the Code of Conduct.

8 6. The Company has robust and thorough business practices to ensure
9 compliance with the Code of Conduct. Customer service representatives and regional
10 business managers receive targeted training on customer-related issues and the Code of
11 Conduct. Each October, prior to the enrollment period, a group of 25 call center
12 representatives are trained by the Direct Access program manager and are provided with
13 copies of the training for reference. Customers contacting the Company's call center about
14 Direct Access reach the specially trained Direct Access representatives by using voice menu
15 prompts. All other customer service representatives are provided communication advising
16 them of the open enrollment period, reminding them about the specific group of agents
17 trained to answer questions, and how to direct calls to those call center agents.

18 7. The regional business managers and regulation employees receive additional
19 training specifically designed to answer customer's questions without providing advice or
20 inadvertently influencing the customer's choice. Training materials are reviewed and
21 updated each year to include any new company offerings, discuss specific timing and
22 scheduling for enrollment, and provide employees with a refresher on Direct Access related
23 information. The regional business managers also work with the Company's Direct Access

1 subject matter experts when addressing specific Direct Access issues with their customers.
2 Subject matter experts include representatives from the Company’s regulation, legal, and
3 customer service departments, and they are available to assist with Direct Access and Code
4 of Conduct issues. The following table lists the Company’s subject matter experts:

Subject Matter Expert	Topic(s) of Expertise	Department
Siu Kee Wong (Direct Access program manager)	Direct Access and Direct Access Code of Conduct	Customer Service
Bryce Dalley	Direct Access and Direct Access Code of Conduct	Regulation
Natasha Siores	Direct Access and Direct Access Code of Conduct	Regulation
Joelle Steward	Direct Access and Direct Access Code of Conduct	Regulation
Etta Lockey	Direct Access and Direct Access Code of Conduct	Legal
Jason Hoffman	Direct Access and Direct Access Code of Conduct	Regulation- Customer Advocacy

5 8. Additionally, all newly hired PacifiCorp employees receive training on non-
6 discriminatory access to transmission and wholesale distribution facilities as required by the
7 Federal Energy Regulatory Commission (FERC) Standards of Conduct within 30 days of
8 commencing employment. FERC Standards of Conduct training is an ongoing yearly
9 requirement for all existing employees.

10 9. Further, PacifiCorp did not have any Oregon Affiliates⁴ during the time period
11 that would be covered by the report to be filed June 1, 2017, lowering the risk that PacifiCorp
12 would be found inconsistent with the Code of Conduct. In docket UM 1527, the
13 Commission Staff report dated April 5, 2011, recommending approval of the 2011
14 compliance audit waiver agreed “... that the risk of non-compliance with the rules is
15 significantly mitigated...” with the lack of Oregon affiliates. The Commission Staff made a
16 similar finding in its report to the Commission in docket UM 1705.

⁴ An Oregon Affiliate is an affiliate engaged in the sale or marketing of electricity services or directly related products in an Oregon retail market. OAR 860-038-0005(44).

1 10. In the Company’s 2013 general rate case, docket UE 263, Staff members
2 performed a thorough review and analysis of all elements in PacifiCorp’s filing, including
3 affiliate transactions, noting no issues with affiliate relationships or cost allocations. Further,
4 in the Staff Audit Report of PacifiCorp (Audit Number: 2016-01) dated August 16, 2016,
5 Staff conducted an extensive operational audit over the third and fourth quarter of 2015,
6 including the submission of 173 data requests and a PacifiCorp presentation by finance and
7 operations teams during a Staff site visit. Among the items reviewed during the audit were
8 affiliate transactions and cost allocations with reliance on PacifiCorp’s Annual Affiliate
9 Interest report. There were no issues noted regarding affiliate relationships or cost
10 allocations.

11 11. The Commission maintains the opportunity to review the Company’s
12 relationships and transactions with affiliates through various mechanisms. PacifiCorp
13 annually files an affiliated interest report, which provides details of transactions with all
14 affiliates. New affiliated interest transactions are filed timely throughout the year. Thus,
15 granting a waiver of the Code of Conduct third-party review and report requirement will not
16 impede the Commission’s ability to request information or investigate potential issues.

17 WHEREFORE, PacifiCorp respectfully requests that the Commission grant a waiver
18 from the requirements in OAR 860-038-0640 for the report due June 1, 2017. Previous
19 reports filed under this provision demonstrate PacifiCorp’s consistent compliance with the
20 Code of Conduct. Such a waiver will not harm customers or potential competitors because
21 the Commission will continue to be able to monitor and investigate the Company’s
22 compliance with the Code of Conduct.

DATED: October 25, 2016



Matthew McVee
Assistant General Counsel
Pacific Power

Counsel for PacifiCorp