



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

August 15, 2014

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
3930 Fairview Industrial Dr. S.E.
Salem, OR 97302-1166

Attn: Filing Center

RE: UM ___—PacifiCorp's Application for Waiver of OAR 860-038-0640, Compliance Filing Requirement for 2015

PacifiCorp d/b/a Pacific Power submits for filing an original and five copies of 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, Director, Regulatory Affairs & Revenue Requirement, at 503-813-6583.

Sincerely,


R. Bryce Dalley
Vice President, Regulation

Enclosures

cc: Brian Bahr / Commission Staff

**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 2015

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, 2015. OAR 860-038-
4 0640 requires electric companies to file an independent third-party report that assesses the
5 Company’s compliance with the Direct Access Code of Conduct (Code of Conduct)
6 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 2013 and 2014 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

Michelle Mishoe
PacifiCorp
825 NE Multnomah Street, Suite 1800
Portland, Oregon 97232
michelle.mishoe@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, Director, Regulatory Affairs &
9 Revenue Requirement 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 and 2013 compliance
19 years. The Commission granted the waivers in Order No. 11-134 in docket UM 1527 and
20 Order No. 12-423 in docket UM 1624. Circumstances remain substantially similar to the
21 previous requests for waiver of compliance with OAR 860-038-0640.

22 5. Good cause exists to grant PacifiCorp a waiver of the requirement to obtain
23 third-party review of compliance with the Code of Conduct and the requirement to file a
24 report documenting such compliance for the 2015 compliance year. Before 2009, for each

¹ OAR 860-038-0500.
² See OAR 860-038-0520 through -0620.
³ OAR 860-038-0640.

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

7 6. Additionally, the Company employs key business practices to ensure that
8 compliance with the Code of Conduct is maintained. Customer service representatives and
9 corporate account managers receive targeted training that pertains to customer-related issues
10 and the Code of Conduct. Approximately 40 customer service representatives have been
11 identified to receive the training. Customers calling the Company's business center
12 regarding Direct Access reach these representatives by using voice menu prompts. Each
13 year, prior to the enrollment period, a business center supervisor distributes the training
14 materials to the select group of representatives. Copies are also sent to the employees'
15 supervisors. The supervisor forwards the email memo to the business center Direct Access
16 subject matter expert as confirmation that the training materials have been distributed.

17 The customer service representatives and corporate account managers also receive training
18 related to non-discriminatory access to transmission and distribution facilities and marketing
19 materials (i.e., Federal Energy Regulatory Commission (FERC) Standards of Conduct). The
20 corporate account managers work with the Company's Direct Access subject matter experts
21 when addressing specific direct access issues with their customers. Other key personnel
22 receive training regarding non-discriminatory access to transmission and distribution
23 facilities, and marketing materials through FERC Standards of Conduct training, which is

1 conducted within 30 days of commencing employment. All employees must also take the
 2 FERC Standards of Conduct training each year. Subject matter experts are available to assist
 3 with direct access and Code of Conduct issues. Subject matter experts include
 4 representatives from the Company’s regulation, legal, and customer service departments.
 5 The following table lists the Company’s subject matter experts:

| Subject Matter Expert | Topic(s) of Expertise | Department |
|------------------------------|---|-------------------------------|
| Siu Kee Wong | 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 |
| Michelle Mishoe | Direct Access and Direct Access Code of Conduct | Legal |
| Jason Hoffman | Direct Access | Customer & Regulatory Liaison |

6 7. Further, PacifiCorp did not have any Oregon Affiliates⁴ during the time period
 7 that would be covered by the report to be filed June 1, 2015, lowering the risk that PacifiCorp
 8 would be found inconsistent with the Code of Conduct. In docket UM 1527, the
 9 Commission Staff report dated April 5, 2011, recommending approval of the 2011
 10 compliance audit waiver agreed “... that the risk of non-compliance with the rules is
 11 significantly mitigated...” with the lack of Oregon affiliates. The Commission Staff made a
 12 similar finding in its report to the Commission in docket UM 1624.

13 8. In the Staff Audit Report of PacifiCorp (Audit Number: 2011-02) dated
 14 December 31, 2011, Staff conducted an extensive operational audit over the third and fourth
 15 quarter of 2011, including the submission of 175 data requests. Among the items reviewed


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 were affiliate transactions and cost allocations with reliance on PacifiCorp's Annual Affiliate
2 Interest report. There were no issues noted regarding affiliate relationships or cost
3 allocations. In addition, the report highlighted that there were no customer complaints filed
4 with the Commission regarding direct access from 2008 to 2010. Further, in the Company's
5 2013 general rate case, docket UE 263, Staff members performed a thorough review and
6 analysis of all elements in PacifiCorp's filing, including affiliate transactions, noting no
7 issues with affiliate relationships or cost allocations.

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

14 WHEREFORE, PacifiCorp respectfully requests that the Commission grant a waiver
15 from the requirements in OAR 860-038-0640 for the report due June 1, 2015. Previous
16 reports filed under this provision demonstrate PacifiCorp's consistent compliance with the
17 Code of Conduct. Such a waiver will not harm customers or potential competitors because
18 the Commission will continue to be able to monitor and investigate the Company's
19 compliance with the Code of Conduct.

DATED: August 15, 2014


Michelle R. Mishoe, # 07242
Senior Counsel
Pacific Power

Counsel for PacifiCorp