



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

May 18, 2017

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

Attn: Filing Center

Re: UM 1483(7) Application of PacifiCorp for Reauthorization for Deferred Accounting

Enclosed for filing by PacifiCorp d/b/a Pacific Power is an Application for Reauthorization for Deferred Accounting to defer the costs associated with the photovoltaic feed-in-tariff program required by ORS 757.365. A copy of the enclosed Notice has been served on all parties in Docket UM 1483 as indicated on the attached Certificate of Service.

Informal inquiries regarding this filing may be directed to Natasha Siores, Manager, Regulatory Affairs, at (503) 813-6583.

Sincerely,

A handwritten signature in black ink that reads "R. Bryce Dalley".

R. Bryce Dalley
Vice President, Regulation

Enclosures

cc: Service List UM 1483

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's Notice of Application on the parties listed below via electronic mail and/or US mail in compliance with OAR 860-001-0180.

UM 1483

Michael T. Weirich
Department of Justice
Business Activities Section
1162 Court St. NE
Salem, OR 97301-4096
Michael.weirich@state.or.us

Robert Jenks
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 400
Portland, OR 97205
Bob@oregoncub.org

Renee M. France
Department of Justice
Natural Resources Section
1162 Court St. NE
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PacifiCorp
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Oregon Dockets
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oregondockets@pacificorp.com

Judy Johnson
Public Utility Commission of Oregon
PO Box 1088
Salem, OR 97308-1088
judy.johnson@state.or.us

Dated this 18th of May, 2017.



Katie Savarin
Coordinator, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1483(7)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization for Deferred
Accounting

**APPLICATION FOR
REAUTHORIZATION FOR DEFERRED
ACCOUNTING**

Pursuant to ORS 757.365(10), ORS 469A.120(1) and (3), or ORS 757.259 and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) applies to the Public Utility Commission of Oregon (Commission) for an order reauthorizing the Company to defer the costs and expenses associated with the photovoltaic feed-in tariff pilot program, known as the Oregon Solar Incentive Program, for the 12-month period beginning May 19, 2017. Reauthorization to defer the requested costs is necessary to allow the Company to recover costs associated with compliance with ORS 757.365, as required by ORS 757.365(10).

In support of this Application, the Company states:

I. NOTICE

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Phone: 503.813.6642
Email: oregondockets@pacificorp.com

Etta Lockey
PacifiCorp
825 NE Multnomah Street, Suite 1800
Portland, Oregon 97232
Phone: 503.813.5701
Email: etta.lockey@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, Oregon 97232

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

II. STATUTORY AND REGULATORY FRAMEWORK

A. Oregon Solar Incentive Program

In Docket No. AR 538, the Commission adopted rules to establish a solar photovoltaic feed-in tariff pilot program, as required by ORS 757.365.¹ In Docket No. UM 1452, the Commission established volumetric incentive rates for solar photovoltaic energy systems.² The Company is implementing the solar photovoltaic feed-in tariff program (for Pacific Power, the program is known as the Oregon Solar Incentive Program) through Schedules 136 and 137. Additionally, Schedule 204³ was adopted for later recovery of the costs authorized under the deferral approved in the docket.

B. Statutory Authority

The Company again files its Application in the alternative under ORS 757.365(10), ORS 469A.120(1) and (3), or ORS 757.259 because the Commission has not yet ruled on an application to defer costs associated with compliance with ORS 757.365, so the source of the Commission's legal authority to allow deferral of such costs has not yet been resolved.⁴ As discussed in the Company's initial Application for Deferred Accounting in this docket,

¹ See Order No. 10-200.

² See Order Nos. 10-198, 10-304 and 11-089.

³ Advice No. 11-019 approved in Commission Public Meeting on December 20, 2011, effective with service rendered on and after January 1, 2012.

⁴ Order No. 11-021, Order No. 11-251, Order No. 12-370, Order No.13-249, Order No. 14-208, and Order No. 15-360 did not provide resolution on this issue. Order No. 16-411 approved Staff's recommendation to approve reauthorization under all three statutes: ORS 757.259, 757.365(10), and 469A.120(1) and (3).

ORS 757.365(10) provides the Commission authority, independent of other statutes, to authorize deferral of costs associated with compliance with ORS 757.365(10). The Company, therefore, again requests that the Commission reauthorize deferral under that statute. Alternatively, if the Commission finds that ORS 757.365(10) does not provide independent legal authority, such costs are appropriately deferred under ORS 469A.120(1) and (3) as costs associated with compliance with the Oregon Renewable Portfolio Standards (RPS). Finally, if the Commission determines that neither ORS 757.365(10) nor ORS 469A.120(1) and (3) allow for deferral of such costs, the Commission should reauthorize deferral under ORS 757.259.⁵

B. Request for Reauthorization of Deferral

In this docket, pursuant to Order No. 11-021, the Commission originally authorized deferral of the costs associated with compliance of ORS 757.365 for the 12-month period beginning May 19, 2010.⁶ The Company seeks reauthorization of this deferral for a 12-month period beginning May 19, 2017.

III. DEFERRAL OF COSTS

A. Description of Utility Expense

The Company requests reauthorization to defer costs associated with the Oregon Solar Incentive Program. After PacifiCorp filed its initial application to defer the costs on

⁵ See, *Re PacifiCorp Application for Deferred Accounting Order* in Docket No. UM 1483 (May 19, 2010) for a discussion of the applicable legal standard.

⁶ In 2011, the Commission reauthorized, pursuant to Order No. 11-251, the deferral of the costs with compliance of ORS 757.365 for the 12-month period beginning May 19, 2011. In 2012, the Commission reauthorized, pursuant to Order No. 12-370, the deferral of the costs with compliance with ORS 757.365 for the 12-month period beginning May 19, 2012. In 2013, the Commission reauthorized, pursuant to Order No. 13-249, the deferral of the costs with compliance of ORS 757.365 for the 12-month period beginning May 19, 2013. In 2014, the Commission reauthorized, pursuant to Order No. 14-208 the deferral of the costs with compliance of ORS 757.365 for the 12-month period beginning May 19, 2014, Order No. 15-360 reauthorized the deferral of these costs for the 12-month period beginning May 19, 2015, and Order No. 16-411 reauthorized the deferral of these costs for the 12-month period beginning May 19, 2016.

May 19, 2010, in Docket No. UM 1483, Commission Staff convened two workshops with interested parties on August 18, 2010, and September 21, 2010, to discuss PacifiCorp's deferral application, along with Portland General Electric Company's similar deferral application. Through these workshops, the utilities, Commission Staff, and the interested stakeholders reached agreement on a number of issues related to the deferrals for solar incentive programs, including the timing of filings, formats and types of costs to be recovered through the deferral. The costs to be deferred would include any administrative, marketing, metering, incentive payments, and any other costs incurred by PacifiCorp for purposes of implementing the pilot program, consistent with this agreement. For this program year through April 2017, the Company has deferred approximately \$1.8 million of costs associated with the program.

B. Reasons for Deferral

As described above, ORS 757.365 requires the implementation and administration of the Oregon Solar Incentive Program. The statute also provides that prudently incurred costs associated with compliance with the statute are recoverable in rates. Moreover, the renewable energy credits associated with generation sold to the utility under ORS 757.365 may be used to comply with the Oregon RPS, which also requires cost recovery of prudently incurred costs associated with compliance.⁷ Costs associated with compliance with ORS 757.365 are not currently included in rates. Accordingly, reauthorization of the deferral application is necessary to allow for recovery of the costs as contemplated by ORS 757.365(10) and ORS 469A.120(1). Reauthorization of deferred accounting will allow

⁷ ORS 469A.120(1).

the Company to continue to match the benefits that customers will be receiving with the costs to the Company of providing those benefits.

C. Proposed Accounting

During the period of deferral, PacifiCorp proposes to account for the deferred costs of the Oregon Solar Incentive Program by recording the deferral in Account 182.3, Other Regulatory Assets. In the absence of the Commission's approval of this Application, the Company would not incur the cost for the program. Were such costs incurred, however, they would be recorded in Account 908, Customer Assistance Expenses.

D. Estimate of Amounts

Costs and expenses of the Oregon Solar Incentive Program include the payment of volumetric incentive rates and program administration costs to implement and administer the program. Attachment 2 to the Company Advice No. 10-022⁸ contains a description of the types of incremental costs, by cost category, to be included in the deferral. The Company estimates that the costs may range from \$4.5 million to \$4.9 million during this deferral period. Changes in the incentive rate established by the Commission, as well as differences between actual and projected generation due to the timing of project interconnection, may impact this estimate.

E. Notice


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

⁸ Advice No. 10-022 approved in Commission Public Meeting on December 28, 2010, effective with service rendered on and after January 1, 2011.

IV. CONCLUSION

Continued deferral of the costs described in this Application is necessary to allow recovery of prudently incurred costs associated with compliance with ORS 757.365 and the Oregon RPS. Therefore, PacifiCorp respectfully requests that, in accordance with ORS 757.365(10), the Commission reauthorize the Company to defer costs associated with compliance with ORS 757.365 as required by statute. In the alternative, the Company requests that if the Commission determines that ORS 757.365(10) does not authorize deferral, the Commission reauthorize deferral under ORS 469A.120(1) and (3). Finally, if the Commission finds that deferral is not appropriate under ORS 757.365(10) or ORS 469A.120(1) and (3), the Company requests that the Commission reauthorize the deferral under ORS 757.259.

DATED: May 18, 2017.



Etta Lockey
Senior Counsel, Pacific Power

EXHIBIT A

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1483(7)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization for Deferred
Accounting

NOTICE OF APPLICATION

On May 18, 2017, Applicant PacifiCorp d/b/a Pacific Power (Company) applied to the Public Utility Commission of Oregon (Commission) for reauthorization to use deferred accounting for expenses associated with a photovoltaic pilot program required by ORS 757.365.

The Company proposes to continue to defer the costs and expenses associated with the implementation of a solar feed-in tariff. Though difficult to estimate at this time, the Company has estimated that the annual deferral amounts may range from \$4.5 million to \$4.9 million during this deferral period. The Company requests that the deferral continue no longer than twelve months from the date of this filing.

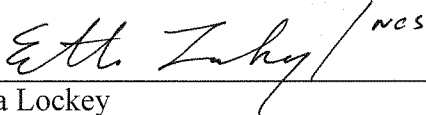
The granting of the Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Interested persons may obtain a copy of the Application by contacting:

Oregon Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Phone: (503) 813-6583
E-mail: oregondockets@pacificorp.com

Any person may submit to the Commission written comment on the Application, in accordance with the procedures prescribed by the Commission. The deadline for comments on the application is 25 days from the date of this application.

DATED: May 18, 2017



Etta Lockey
Senior Counsel, Pacific Power