

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 27, 2014

REGULAR _____ CONSENT X EFFECTIVE DATE June 1, 2014

DATE: May 19, 2014

TO: Public Utility Commission

FROM: Deborah Garcia *DG*

THROUGH: Jason Eisdorfer, Maury Galbraith, and Marc Hellman *ME*

SUBJECT: PACIFIC POWER: (Docket No. UE 263/Advice No. 14-008) Modifies Schedule 80 to implement the Lake Side 2 tariff rider, pursuant to Order No. 13-474.

STAFF RECOMMENDATION:

Staff recommends that Pacific Power's (Pacific or Company) filing be suspended unless by noon on May 30, 2014, the Company files a corporate officer's attestation that the Lake Side 2 plant is operational pursuant to ORS 757.355. If such attestation is timely filed, then Staff recommends the Commission approve Pacific's filing and the associated tariffs be allowed to go into effect on June 1, 2014.

DISCUSSION:

Pacific Power makes this filing pursuant to ORS 757.205, OAR 860-022-0025 and OAR 860-022-0030 in compliance with the all-party stipulation (Stipulation) that was adopted in the most recent rate case Docket No. UE 263, Order No 14-474.

The purpose of this filing is to implement the separate tariff rider for recovery of the Oregon-allocated costs of the Company's investment in the Lake Side 2 natural gas-fired generating plant and associated interconnection.

In the Stipulation, the parties agreed that Pacific could recover the revenue requirement of the prudently incurred costs of Lake Side 2 through a separate tariff rider subject to the following conditions: 1) The project becomes operational by June 30, 2014; 2) The Company provides an attestation by a corporate officer that the project has been placed in service and is operational; and 3) The Company facilitates the parties' review and audit of the final project costs.

Staff Analysis

Staff conducted a thorough review of Pacific's filing by reviewing the data submitted by Pacific and by issuing data requests and reviewing highly confidential invoices brought to the Commission by the Company. Staff also reviewed the associated accounting for accuracy and Staff reviewed the proposed rates. Staff's findings are that the costs associated with Lake Side are prudent, the accounting of those costs is accurate, and the rates are correct.

For these reasons, Staff is proposing that the Commission conditionally suspend this filing, which gives Pacific the opportunity to move forward with implementation of the proposed tariff rates, as long as the in-service and attestation requirements are timely met.

PROPOSED COMMISSION MOTION:

Suspend Pacific Power's separate tariff rider unless an attestation from a corporate officer is received by noon on May 30, 2014, certifying that the Lake Side 2 generating plant has been placed in service on or before that date.