

May 29, 2015

VIA ELECTRONIC FILING

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

Attn: Filing Center

**Re: Advice No. 15-009/Docket UM 1712
Compliance Filing for Deer Creek Mine Transaction**

In compliance with ORS 757.205 and OAR 860-022-0025, PacifiCorp d/b/a Pacific Power (Pacific Power or Company) submits for filing the following proposed tariff pages associated with Tariff P.U.C. OR No. 36, which sets forth all rates, tolls, charges, rules, and regulations applicable to electric service in Oregon. This filing is made in compliance with Order No. 15-161 and includes a June 1, 2015 effective date.¹

Seventeenth Revision of Sheet No. INDEX-3		Tariff Index
Thirteenth Revision of Sheet No. 90	Schedule 90	Summary of Effective Rate Adjustments
Original Sheet No. 196	Schedule 196	Adjustment to Remove Deer Creek Mine Investment from Rate Base
Original Sheet No. 197	Schedule 197	Deer Creek Mine Undepreciated Investment Adjustment

The Public Utility Commission of Oregon's order addressed Pacific Power's application for approval of the closure of the Deer Creek mine and related transactions. In this compliance filing, the Company submits two tariffs to "remove the remaining investment from rate base effective June 1, 2015" (Schedule 196) and to "establish a new regulatory asset to recover the undepreciated amounts, with interest at 3.31 percent, over a four-year period beginning June 1, 2015" (Schedule 197).²

Through Schedule 196, Pacific Power will credit to customers the return on the investment in the Deer Creek mine currently reflected in base rates beginning June 1, 2015, and continuing until base rates are reset in the Company's next general rate case. The amount credited through the tariff is \$2.75 million annually.³

¹ *In the Matter of PacifiCorp d/b/a Pacific Power Application for Approval of Deer Creek Mine Transaction*, Docket No. UM 1712, Order No. 15-161 at 8 (May 27, 2015).

² *Id.* at 8. *See also id.* at 12.

³ The \$2.75 million reflects \$2.6 million for the "return on" assets included in base rates in the Company's most recent general rate case (docket UE 263) at the Company's authorized weighted average cost of capital. *See*

Through Schedule 197, the Company will amortize the undepreciated Deer Creek mine investment of \$21.1 million (Oregon-allocated)⁴ over a four-year period with interest at 3.31 percent, resulting in an annual overall increase of \$5.6 million. The amortization schedule supporting this tariff is included as Attachment 1.

The proposed changes will affect approximately 588,000 customers and the net effect of the changes is an overall annual rate increase of approximately \$2.85 million or 0.2 percent. Residential customers using 900 kWh per month would see a monthly bill increase of \$0.21 per month as a result of these changes. The net annual rate impact is reflected in Attachment 2, which is calculated using the generation allocation factors from the Company's most recent general rate case, docket UE 263.

Consistent with the Commission's order, in a separate filing the Company will propose modifications to Schedule 96, the Company's existing property sales balancing account, to recover the loss on the sale of the mining assets.⁵

If you have any questions, please contact me at (503) 813-6389 or bryce.dalley@pacificorp.com.

Sincerely,

Handwritten signature of R. Bryce Dalley in cursive, with the date "1/16/15" written at the end.

R. Bryce Dalley
Vice President, Regulation

Enclosures

PAC/400, Dalley 12; Stipulation at 6; Pacific Power and CUB Joint Brief in Support of Stipulation at 15. *See also* ICNU/100, Mullins/2 (removing the “return on the mining assets already reflected in rates...reduces the Company’s request by \$2.6 million[.]”); ICNU/104, Mullins/1-3 (Pacific Power’s response to ICNU data request 3.64); Opening Brief of ICNU at 20; Staff/600, Crider/3-4; Staff/601. The “return of” the mining investments is updated annually as part of the Company’s Transition Adjustment Mechanism (TAM). In the 2015 TAM (docket UE 287), the “return of” the Deer Creek mining assets is roughly equivalent to the replacement fuel costs as presented in the Company’s application. *See* Application, Attachment B, line “Net Power Costs,” showing approximately \$165 million in fuel costs including “return of” the mining investment compared to approximately \$164 million in replacement fuel costs on a total-company basis. The \$2.6 million credit has been increased by \$0.15 million annually to reflect the Oregon-allocated portion of this variance. In the 2016 TAM filing (docket UE 296), the “return of” the Deer Creek mining assets is not included.

⁴ *See* Order No. 15-161 at 3.

⁵ *Id.* at 12.

Schedule No.

SUPPLY SERVICE		
200	Base Supply Service	
201	Net Power Costs – Cost-Based Supply Service	
210	Portfolio Time-of-Use Supply Service	
211	Portfolio Renewable Usage Supply Service	
212	Portfolio Fixed Renewable Energy– Supply Service	
213	Portfolio Habitat Supply Service	
215	Irrigation Time-of-Use Pilot Supply Service	
220	Standard Offer Supply Service	
230	Emergency Supply Service	
247	Partial Requirements Supply Service	
276R	Large General Service/Partial Requirements Service – Economic Replacement Power Rider Supply Service	
ADJUSTMENTS		
80	Generation Investment Adjustment	
90	Summary of Effective Rate Adjustments	
91	Low Income Bill Payment Assistance Fund	
93	Independent Evaluator Cost Adjustment	
96	Property Sales Balancing Account Adjustment	
97	Intervenor Funding Adjustment	
98	Adjustment Associated with the Pacific Northwest Electric Power Planning and Conservation Act	
101	Municipal Exaction Adjustment	
103	Multnomah County Business Income Tax Recovery	
196	Adjustment to Remove Deer Creek Mine Investment From Rate Base	(N)
197	Deer Creek Mine Undepreciated Investment Adjustment	(N)
199	Klamath Dam Removal Surcharges	
202	Renewable Adjustment Clause – Supply Service Adjustment	
203	Renewable Resource Deferral – Supply Service Adjustment	
204	Oregon Solar Incentive Program Deferral – Supply Service Adjustment	
205	TAM Adjustment for Other Revenues	
206	Power Cost Adjustment Mechanism – Adjustment	
270	Renewable Energy Rider – Optional	
271	Energy Profiler Online – Optional	
272	Renewable Energy Rider – Optional Bulk Purchase Option	
290	Public Purpose Charge (3%)	
294	Transition Adjustment	
295	Transition Adjustment – Three-Year Cost of Service Opt-Out	
296	Transition Adjustment – Five-Year Cost of Service Opt-Out	
297	Energy Conservation Charge	
299	Rate Mitigation Adjustment	

SUMMARY OF EFFECTIVE RATE ADJUSTMENTS

The following summarizes the applicability of the Company's adjustment schedules

SUMMARY OF EFFECTIVE RATE ADJUSTMENTS

Schedule	91	93	94	96	97	98*	196	197	199	202	203	204	205	206	290	294*	295*	296*	297*	299	(N)	
4	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					X	X	
5	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					X	X	
15	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X			X	X	
23	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X			X	X	
28	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X			X	X	
30	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X			X	X	
41	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X			X	X	
47	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	
48	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	
50	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X			X	X	
51	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X			X	X	
52	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X			X	X	
53	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X			X	X	
54	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X			X	X	
723	X	X	X	X		X	X	X	X			X	X	X	X	X	X			X	X	
728	X	X	X	X		X	X	X	X			X	X	X	X	X	X			X	X	
730	X	X	X	X		X	X	X	X			X	X	X	X	X	X	X		X	X	
741	X	X	X	X		X	X	X	X			X	X	X	X	X	X			X	X	
747	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X		X	X	
748	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X		X	X	
751	X	X	X	X			X	X	X			X	X	X	X	X	X			X	X	
752	X	X	X	X			X	X	X			X	X	X	X	X	X			X	X	
753	X	X	X	X			X	X	X			X	X	X	X	X	X			X	X	
754	X	X	X	X			X	X	X			X	X	X	X	X	X			X	X	(N)

*Not applicable to all consumers. See Schedule for details.

**ADJUSTMENT TO REMOVE DEER CREEK MINE INVESTMENT
FROM RATE BASE**

Page 1

Purpose

This schedule implements adjustments to remove the undepreciated investment in the Deer Creek mine from rate base, as authorized by Order No. 15-161 in Docket UM 1712.

Monthly Billing

All bills calculated in accordance with Schedules contained in presently effective Tariff Or. No.36 will have applied an amount equal to the product of all kWh multiplied by the following applicable rate as listed by Delivery Service schedule.

Delivery Service Schedule

Schedule 4, per kWh	-0.022¢
Schedule 5, per kWh	-0.022¢
Schedule 15, per kWh	-0.015¢
Schedule 23, 723, per kWh	-0.021¢
Schedule 28, 728, per kWh	-0.022¢
Schedule 30, 730, per kWh	-0.021¢
Schedule 41, 741, per kWh	-0.021¢
Schedule 47, 747, per kWh	-0.019¢
Schedule 48, 748, per kWh	-0.019¢
Schedule 50, per kWh	-0.015¢
Schedule 51, 751, per kWh	-0.015¢
Schedule 52, 752, per kWh	-0.015¢
Schedule 53, 753, per kWh	-0.015¢
Schedule 54, 754, per kWh	-0.015¢

This schedule will be terminated when base rates are reset in the Company's next general rate case.

DEER CREEK MINE UNDEPRECIATED INVESTMENT ADJUSTMENT

Purpose

This schedule recovers undepreciated investment in the Deer Creek mine as authorized by Order No. 15-161 in Docket UM 1712.

Monthly Billing

All bills calculated in accordance with Schedules contained in presently effective Tariff Or. No.36 will have applied an amount equal to the product of all kWh multiplied by the following applicable rate as listed by Delivery Service schedule.

Delivery Service Schedule

Schedule 4, per kWh	0.045¢
Schedule 5, per kWh	0.045¢
Schedule 15, per kWh	0.030¢
Schedule 23, 723, per kWh	0.043¢
Schedule 28, 728, per kWh	0.044¢
Schedule 30, 730, per kWh	0.042¢
Schedule 41, 741, per kWh	0.043¢
Schedule 47, 747, per kWh	0.038¢
Schedule 48, 748, per kWh	0.038¢
Schedule 50, per kWh	0.030¢
Schedule 51, 751, per kWh	0.030¢
Schedule 52, 752, per kWh	0.030¢
Schedule 53, 753, per kWh	0.030¢
Schedule 54, 754, per kWh	0.030¢

This schedule will terminate when ordered amounts have been fully amortized.

ATTACHMENT 1

PacifiCorp
Docket UM 1712 Deer Creek Mine Transaction
Compliance filing - Schedule 197 Deer Creek Mine Undepreciated Investment Adjustment

Deer Creek Mine Undepreciated Investment Amortization

Interest Rate 3.31% Per Order 15-161, page 12.

(\$ millions)

	Beginning Balance	Amortization	Interest	Ending Balance
June-15	21.1	(0.47)	0.06	20.6
July-15	20.6	(0.47)	0.06	20.2
August-15	20.2	(0.47)	0.06	19.8
September-15	19.8	(0.47)	0.05	19.4
October-15	19.4	(0.47)	0.05	19.0
November-15	19.0	(0.47)	0.05	18.6
December-15	18.6	(0.47)	0.05	18.2
January-16	18.2	(0.47)	0.05	17.7
February-16	17.7	(0.47)	0.05	17.3
March-16	17.3	(0.47)	0.05	16.9
April-16	16.9	(0.47)	0.05	16.5
May-16	16.5	(0.47)	0.04	16.1
June-16	16.1	(0.47)	0.04	15.6
July-16	15.6	(0.47)	0.04	15.2
August-16	15.2	(0.47)	0.04	14.8
September-16	14.8	(0.47)	0.04	14.3
October-16	14.3	(0.47)	0.04	13.9
November-16	13.9	(0.47)	0.04	13.5
December-16	13.5	(0.47)	0.04	13.1
January-17	13.1	(0.47)	0.04	12.6
February-17	12.6	(0.47)	0.03	12.2
March-17	12.2	(0.47)	0.03	11.8
April-17	11.8	(0.47)	0.03	11.3
May-17	11.3	(0.47)	0.03	10.9
June-17	10.9	(0.47)	0.03	10.4
July-17	10.4	(0.47)	0.03	10.0
August-17	10.0	(0.47)	0.03	9.6
September-17	9.6	(0.47)	0.03	9.1
October-17	9.1	(0.47)	0.02	8.7
November-17	8.7	(0.47)	0.02	8.2
December-17	8.2	(0.47)	0.02	7.8
January-18	7.8	(0.47)	0.02	7.3
February-18	7.3	(0.47)	0.02	6.9
March-18	6.9	(0.47)	0.02	6.4
April-18	6.4	(0.47)	0.02	6.0
May-18	6.0	(0.47)	0.02	5.5
June-18	5.5	(0.47)	0.01	5.1
July-18	5.1	(0.47)	0.01	4.6
August-18	4.6	(0.47)	0.01	4.2
September-18	4.2	(0.47)	0.01	3.7
October-18	3.7	(0.47)	0.01	3.2
November-18	3.2	(0.47)	0.01	2.8
December-18	2.8	(0.47)	0.01	2.3
January-19	2.3	(0.47)	0.01	1.9
February-19	1.9	(0.47)	0.00	1.4
March-19	1.4	(0.47)	0.00	0.9
April-19	0.9	(0.47)	0.00	0.5
May-19	0.5	(0.47)	0.00	(0.0)
		(22.5)	1.4	

Annual Amortization	(5.6)
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ATTACHMENT 2

Deer Creek Mine

PACIFIC POWER
ESTIMATED EFFECT OF PROPOSED PRICE CHANGE
ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS
DISTRIBUTED BY RATE SCHEDULES IN OREGON
FORECAST 12 MONTHS ENDING DECEMBER 31, 2015

Line No.	Description	Sch No.	No. of Cust	MWh	Present Revenues (\$000)			Proposed Revenues (\$000)			Change						Line No.
					Base Rates	Adders ¹	Net Rates	Base Rates	Adders ¹	Net Rates	Base Rates		Adders		Net Rates		
											(\$000)	% ²	(\$000)	% ²	(\$000)	% ²	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
							(5) + (6)			(8) + (9)	(8) - (5)	(11)/(5)	(9) - (6)	(13)/(7)	(10) - (7)	(15)/(7)	
Residential																	
1	Residential	4	484,343	5,253,064	\$596,641	\$5,735	\$602,376	\$595,481	\$8,097	\$603,578	(\$1,160)	-0.2%	\$2,361	0.4%	\$1,202	0.2%	1
2	Total Residential		484,343	5,253,064	\$596,641	\$5,735	\$602,376	\$595,481	\$8,097	\$603,578	(\$1,160)	-0.2%	\$2,361	0.4%	\$1,202	0.2%	2
Commercial & Industrial																	
3	Gen. Svc. < 31 kW	23	76,950	1,121,146	\$122,085	\$5,208	\$127,293	\$121,850	\$5,687	\$127,537	(\$235)	-0.2%	\$479	0.4%	\$244	0.2%	3
4	Gen. Svc. 31 - 200 kW	28	10,093	2,014,017	\$181,669	\$3,141	\$184,810	\$181,233	\$4,029	\$185,262	(\$436)	-0.2%	\$888	0.5%	\$452	0.2%	4
5	Gen. Svc. 201 - 999 kW	30	857	1,343,078	\$107,746	\$1,055	\$108,801	\$107,469	\$1,620	\$109,088	(\$277)	-0.3%	\$565	0.5%	\$288	0.3%	5
6	Large General Service >= 1,000 kW	48	203	3,046,739	\$212,223	(\$9,425)	\$202,798	\$211,647	(\$8,253)	\$203,395	(\$576)	-0.3%	\$1,172	0.6%	\$597	0.3%	6
7	Partial Req. Svc. >= 1,000 kW	47	7	61,069	\$6,441	(\$199)	\$6,242	\$6,430	(\$176)	\$6,254	(\$11)	-0.3%	\$22	0.6%	\$11	0.3%	7
8	Agricultural Pumping Service	41	7,942	228,528	\$26,253	(\$1,240)	\$25,013	\$26,204	(\$1,140)	\$25,064	(\$49)	-0.2%	\$99	0.4%	\$51	0.2%	8
9	Total Commercial & Industrial		96,052	7,814,577	\$656,417	(\$1,459)	\$654,958	\$654,833	\$1,767	\$656,600	(\$1,584)	-0.2%	\$3,226	0.5%	\$1,642	0.3%	9
Lighting																	
10	Outdoor Area Lighting Service	15	6,579	9,214	\$1,177	\$221	\$1,398	\$1,176	\$224	\$1,399	(\$1)	-0.1%	\$3	0.2%	\$1	0.1%	10
11	Street Lighting Service	50	246	8,768	\$970	\$195	\$1,165	\$969	\$198	\$1,166	(\$1)	-0.1%	\$3	0.2%	\$1	0.1%	11
12	Street Lighting Service HPS	51	736	19,319	\$3,374	\$712	\$4,086	\$3,371	\$718	\$4,089	(\$3)	-0.1%	\$6	0.1%	\$3	0.1%	12
13	Street Lighting Service	52	26	565	\$73	\$13	\$86	\$73	\$13	\$86	(\$0)	-0.1%	\$0	0.2%	\$0	0.1%	13
14	Street Lighting Service	53	249	9,518	\$597	\$120	\$717	\$596	\$123	\$719	(\$1)	-0.2%	\$3	0.4%	\$1	0.2%	14
15	Recreational Field Lighting	54	105	1,246	\$104	\$20	\$124	\$104	\$20	\$124	(\$0)	-0.2%	\$0	0.3%	\$0	0.2%	15
16	Total Public Street Lighting		7,941	48,630	\$6,295	\$1,281	\$7,576	\$6,288	\$1,296	\$7,584	(\$7)	-0.1%	\$15	0.2%	\$8	0.1%	16
17	Total Sales before Emp. Disc. & AGA		588,336	13,116,271	\$1,259,353	\$5,557	\$1,264,910	\$1,256,602	\$11,159	\$1,267,761	(\$2,751)	-0.2%	\$5,602	0.4%	\$2,851	0.2%	17
18	Employee Discount				(\$463)	(\$3)	(\$466)	(\$462)	(\$5)	(\$467)	\$1		(\$2)		(\$1)		18
19	Total Sales with Emp. Disc		588,336	13,116,271	\$1,258,890	\$5,554	\$1,264,444	\$1,256,140	\$11,154	\$1,267,294	(\$2,750)	-0.2%	\$5,600	0.4%	\$2,850	0.2%	19
20	AGA Revenue				\$2,439		\$2,439	\$2,439		\$2,439	\$0		\$0		\$0		20
21	Total Sales		588,336	13,116,271	\$1,261,329	\$5,554	\$1,266,883	\$1,258,579	\$11,154	\$1,269,733	(\$2,750)	-0.2%	\$5,600	0.4%	\$2,850	0.2%	21

¹ Excludes effects of the Low Income Bill Payment Assistance Charge (Sch. 91), BPA Credit (Sch. 98), Klamath Dam Removal Surcharges (Sch. 199), Public Purpose Charge (Sch. 290) and Energy Conservation Charge (Sch. 297).

² Percentages shown for Schedules 48 and 47 reflect the combined rate change for both schedules