

July 22, 2014

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

Public Utility Commission of Oregon
 3930 Fairview Industrial Dr. SE
 Salem, Oregon 97302-1166

Attn: Filing Center

**RE: Advice No. 14-008/Docket UE 263
Lake Side 2 Tariff Rider**

On April 11, 2014, PacifiCorp d/b/a/ Pacific Power (Pacific Power or Company) filed Advice No. 14-008, which was a 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 interconnection. In Order No. 14-180, the Public Utility Commission of Oregon (Commission) approved the tariff effective June 1, 2014.

In Order No. 14-180, the Commission approved and adopted the recommendation in Staff's public meeting memorandum, which, in addition to recommending approval of the tariff filing,¹ memorialized an agreement regarding the true-up of forecasted costs included in the filing. The Company agreed that if the actual costs through the in-service date were less than the forecast costs included in the company's tariff filing, then the Company would defer the reduction in the Oregon-allocated revenue requirement for future inclusion in customer rates. The Company agreed not to seek deferred accounting treatment if actual costs during that period exceeded the forecast costs.

The following table provides a comparison of the actual and forecast total-company costs of the Lake Side 2 natural-gas-fired generating plant and interconnection. Actual costs as of May 31, 2014, exceeded the forecast amounts reflected in the Company's tariff rider filing. Accordingly, no deferral of the revenue requirement variance is necessary.

Table 1—Lake Side Forecasted Costs Compared to Actual Costs at May 31, 2014

	Forecasted Amount in Filing	Actual Amount	Variance: Actual less Forecasted
Lake Side 2 Project	\$657,273,464	\$657,412,388	\$138,924
Lake Side 2 Interconnect	\$13,311,918	\$13,314,716	\$2,798
Total	\$670,585,382	\$670,727,104	\$141,722

¹ Staff recommended approval of the tariff advice filing pending the timely filing of a corporate officer's attestation that the Lake Side 2 plant is operational. Pacific Power made its timely filing on May 30, 2014.

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If you have questions about this filing, please contact Natasha Siores, Director, Regulatory Affairs & Revenue Requirement, at (503) 813-6583.

Sincerely,

A handwritten signature in black ink that reads "R. Bryce Dalley" followed by a stylized flourish or initials.

R. Bryce Dalley
Vice President, Regulation

cc: UE 263 Service List

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's Lake Side 2 Tariff Rider Notice on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

UE 263

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Dated this 22nd of June, 2014

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Amy Eissler
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