



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

May 15, 2015

VIA ELECTRONIC FILING

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

Attn: Filing Center

**RE: Docket UM 1693(1)
PacifiCorp's Application for Reauthorization of Deferred Accounting of Net Power
Cost Variances**

PacifiCorp d/b/a Pacific Power submits for filing its Application for Reauthorization of Deferred Accounting of Net Power Cost Variances.

It is respectfully requested that all formal data requests to the Company regarding this filing be addressed to the following:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

Please direct any informal inquiries to Erin Apperson, Manager, Regulatory Affairs, at (503) 813-6642.

Sincerely,

R. Bryce Dalley
Vice President, Regulation

Enclosures
cc: Service List UE 263

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's Application for Reauthorization of Deferred Accounting of Net Power Cost Variances on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

UE 263

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Dated this 15th of May 2015.

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Amy Eissler
Coordinator, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1693(1)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred
Accounting of Net Power Cost Variances.

**APPLICATION FOR DEFERRED
ACCOUNTING**

I. INTRODUCTION

Under ORS 757.210, ORS 757.259, and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) requests an order reauthorizing PacifiCorp to defer for later ratemaking treatment annual net power cost variances under Schedule 206, as authorized by Order No. 12-493. Reauthorization of this deferral is necessary to facilitate rate changes under the Company's power cost adjustment mechanism (PCAM) if net power cost variances in 2015 exceed the deadbands and other limitations in Order No. 12-493. Previously, Order No. 14-207 authorized deferral of these net power cost variances for the 12-month period beginning May 16, 2014.

In support of this Application, the Company states:

II. NOTICE

Communications regarding this application should be addressed to:

Oregon Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Etta Lockey
Senior Counsel
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
etta.lockey@pacificorp.com

In addition, the Company requests that all data requests regarding this application be sent to the following:

1 By email (preferred): datarequest@pacificorp.com

2 By regular mail: Data Request Response Center
3 PacifiCorp
4 825 NE Multnomah Street, Suite 2000
5 Portland, OR 97232
6

7 Informal questions may be directed to Erin Apperson, Manager of Regulatory Affairs,
8 at 503-813-6642.

9 **III. OAR 860-027-0300(3) REQUIREMENTS**

10 **A. Description**

11 PacifiCorp seeks reauthorization from the Public Utility Commission of Oregon
12 (Commission) to defer, for future amortization, the difference between actual annual net
13 power costs and forecasted annual net power costs, in accordance with Order No. 12-493.
14 The annual variance will be determined under the terms of Order No. 12-493, which includes
15 a deadband, a sharing band, and an earnings test.

16 **B. Reasons for Deferral**

17 In Order No. 12-493, the Commission ordered the adoption of a PCAM for
18 PacifiCorp. The PCAM provides for recognition in rates of the difference, for a given year,
19 between the actual annual net power costs incurred by PacifiCorp and forecast annual net
20 power costs, subject to certain limitations. The Company's PCAM became effective in 2013
21 with the filing of Schedule 206. To date, PacifiCorp's net power cost variances have been
22 insufficient to trigger rate changes under the PCAM.

23 The Company is seeking authorization to defer net power cost variances in excess of
24 the deadbands and other PCAM limitations for possible later inclusion in rates. This deferral
25 is intended to capture the net annual power cost difference exceeding those limitations that
26 will then be amortized in rates through the PCAM.

1 This deferral is filed in accordance with Order No. 12-493 and ORS 757.259(2)(e).
2 This deferral will minimize the frequency of rate changes or the fluctuation of rate levels or
3 match appropriately the costs borne by and benefits received by customers.

4 **C. Proposed Accounting**

5 PacifiCorp records revenues and expenses that would be subject to the deferral order
6 in accordance with the Code of Federal Regulations (CFR) to FERC Account 501 (Fuel),
7 FERC Account 503 (Steam from Other Sources), FERC Account 547 (Fuel), FERC Account
8 447 (Sales for Resale), FERC 565 (Transmission by Others), and FERC 555 (Purchased
9 Power). Upon receiving reauthorization to record deferrals, PacifiCorp proposes to record
10 the deferred amount by debiting FERC Account 182.3 (Regulatory Assets) and crediting
11 FERC Account 555 (Purchased Power) if there is an amount to collect from customers. If
12 there is a refund to customers, PacifiCorp would record the deferred amount by crediting
13 FERC Account 254 (Regulatory Liabilities) and debiting FERC Account 555 (Purchased
14 Power).

15 **D. Estimate of Amounts**

16 PacifiCorp is unable to provide an estimate of the deferred amount because it is a
17 function of several unknown and unpredictable factors. PacifiCorp requests that, under
18 Order No. 08-263 as modified by Order No. 10-279, it be allowed to accrue interest on the
19 unamortized balance, consistent with the treatment of interest rates during accrual and
20 amortization described in those orders.

21 **E. Notice**

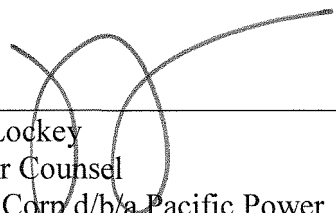
22 A copy of the Notice of Application for Deferred Accounting and a list of persons
23 served with the notice are included with this filing as Attachment A.

1 **IV. CONCLUSION**

2 Continued authorization of deferred accounting treatment is an appropriate, just, and
3 reasonable means of implementing Order No. 12-493. For the reasons stated above,
4 PacifiCorp requests reauthorization to defer annual net power cost variances in accordance
5 with Order No. 12-493.

Respectfully submitted this 15th day of May, 2015.

By:



Etta Lockey
Senior Counsel
PacifiCorp d/b/a Pacific Power

ATTACHMENT A

NOTICE

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1693(1)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting
of Net Power Cost Variances

**NOTICE OF
APPLICATION FOR DEFERRED
ACCOUNTING**

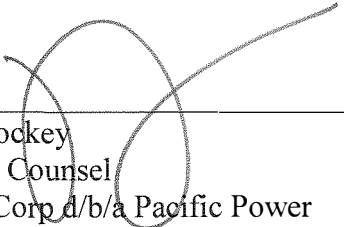
On May 15, 2015, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing the Company to defer for later ratemaking treatment annual net power cost (NPC) variances under Schedule 206, as authorized by Order No. 12-493. PacifiCorp seeks reauthorization of this deferral to facilitate rate changes under the Company's power cost adjustment mechanism if NPC variances in 2015 exceed the deadbands and other limitations in Order No. 12-493. To obtain a copy the application, contact the following:

Oregon Dockets
825 NE Multnomah, Suite 2000
Portland, OR 97232
Telephone: (503) 813-6642
E-mail: oregondockets@pacificcorp.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.

Respectfully submitted on May 15, 2015.

By:


Etta Lockey
Senior Counsel
PacifiCorp d/b/a Pacific Power