



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

May 13, 2016

***VIA ELECTRONIC FILING***

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

Attn: Filing Center

**RE: Docket UM 1693(2)  
PacifiCorp's Application for Reauthorization of Deferred Accounting of Net Power  
Cost Variances**

Enclosed for filing by PacifiCorp d/b/a Pacific Power is an 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](mailto: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 UM 1693  
Service List UE 263

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1693(2)**

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**

1

**I. INTRODUCTION**

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Under ORS 757.210, ORS 757.259, and OAR 860-027-0300, PacifiCorp d/b/a Pacific

3

Power (PacifiCorp or Company) requests an order reauthorizing PacifiCorp to defer for later

4

ratemaking treatment annual net power cost variances under Schedule 206, as authorized by

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Order No. 12-493. Reauthorization of this deferral is necessary to facilitate rate changes

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under the Company's power cost adjustment mechanism (PCAM) if variances in cost

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elements of the Company's transition adjustment mechanism in 2016 exceed the deadbands

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and other limitations in Order No. 12-493. Previously, Order No. 15-359 authorized deferral

9

of these net power cost variances for the 12-month period beginning May 16, 2015.

10

In support of this Application, the Company states:

11

**II. NOTICE**

12

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

13

In addition, the Company requests that all data requests regarding this application be

14

sent to the following:

1 By email (preferred): [datarequest@pacificorp.com](mailto: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 456 (Other Electric Revenues), FERC 565 (Transmission by  
9 Others), FERC 409.1 (Income Taxes, Utility Operating Income), and FERC 555 (Purchased  
10 Power). Upon receiving reauthorization to record deferrals, PacifiCorp proposes to record  
11 the deferred amount by debiting FERC Account 182.3 (Regulatory Assets) and crediting  
12 FERC Account 555 (Purchased Power) if there is an amount to collect from customers. If  
13 there is a refund to customers, PacifiCorp would record the deferred amount by crediting  
14 FERC Account 254 (Regulatory Liabilities) and debiting FERC Account 555 (Purchased  
15 Power).

16 **D. Estimate of Amounts**

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

1 **E. Notice**

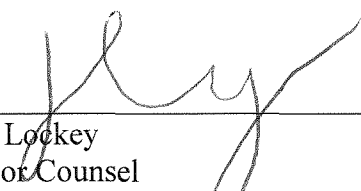
2 A copy of the Notice of Application for Deferred Accounting and a list of persons  
3 served with the notice are included with this filing as Attachment A.

4 **IV. CONCLUSION**

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

Respectfully submitted this 13th day of May, 2016.

By:

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

ATTACHMENT A

NOTICE

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM 1693(2)

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  
REAUTHORIZATION OF  
DEFERRED ACCOUNTING**

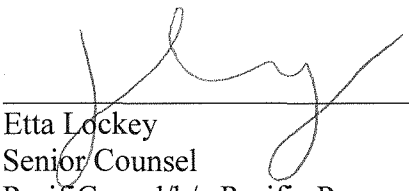
On May 13, 2016, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing the Company to defer for later ratemaking treatment annual net power cost (NPC) variances under Schedule 206, as authorized by Order No. 12-493. PacifiCorp seeks reauthorization of this deferral to facilitate rate changes under the Company's power cost adjustment mechanism if variances in cost elements of the Company's transition adjustment mechanism in 2016 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](mailto: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 13, 2016.

By:



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

## 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.

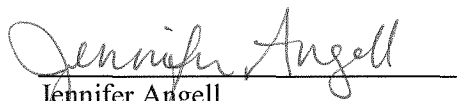
UM 1693

Etta Lockey (W)  
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Dated this 13<sup>th</sup> of May, 2016.

  
Jennifer Angell  
Supervisor, Regulatory Operations



## 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 in compliance with OAR 860-001-0180.

UE 263

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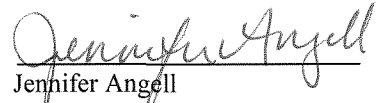
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Dated this 13<sup>th</sup> of May, 2016.

  
Jennifer Angell  
Supervisor, Regulatory Operations