



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

May 14, 2021

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

RE: UM 1693(7)—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 information requests regarding this filing be addressed to the following:

By email (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 Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

Shelley McCoy
Director, Regulation

Enclosures

Cc: Service List UM 1693
Service List UE 374

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1693(7)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

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

**APPLICATION FOR
REAUTHORIZATION OF DEFERRED
ACCOUNTING**

I. INTRODUCTION

Under ORS 757.210, ORS 757.259, and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or the 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 PacifiCorp’s power cost adjustment mechanism (PCAM) if variances in cost elements of the Company’s transition adjustment mechanism in 2021 exceed the deadbands and other limitations in Order No. 12-493.¹ Previously, Order No. 20-197 authorized deferral of these net power cost variances for the 12-month period beginning May 16, 2020.² In this application, PacifiCorp respectfully requests reauthorization for 12 months beginning May 16, 2021.

In support of this Application, PacifiCorp states:

II. NOTICE

Communications regarding this application should be addressed to:

¹ *In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Case*, Docket No. UE 246, Order No. 12-493 (Dec. 20, 2012). (Order No. 12-493)

² *In the Matter of PacifiCorp, dba Pacific Power, Application for Reauthorization to Defer Costs Associated with Net Power Cost Variances*, Docket No. UM 1693(6), Order No. 20-197 (June 18, 2020).

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

Matthew McVee
Chief Regulatory Counsel
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
matthew.mcvee@pacificorp.com

In addition, PacifiCorp requests that all information requests regarding this application be sent to the following:

By email (preferred): datarequest@pacificorp.com

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

Informal questions may be directed to Cathie Allen, Manager of Regulatory Affairs, at (503) 813-5934.

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

A. Description

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

B. Reasons for Deferral

In Order No. 12-493, the Commission ordered the adoption of a PCAM for PacifiCorp. The PCAM provides for recognition in rates of the difference, for a given year, between the actual annual net power costs incurred by PacifiCorp and forecast annual net power costs, subject to certain limitations. PacifiCorp's PCAM became effective in 2013

with the filing of Schedule 206. To date, PacifiCorp's net power cost variances have been insufficient to trigger rate changes under the PCAM.

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

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

C. Proposed Accounting

PacifiCorp records revenues and expenses that would be subject to the deferral order in accordance with the Code of Federal Regulations (CFR) to Federal Energy Regulatory Commission (FERC) Account 501 (Fuel), FERC Account 503 (Steam from Other Sources), FERC Account 547 (Fuel), FERC Account 447 (Sales for Resale), FERC 456 (Other Electric Revenues), FERC 565 (Transmission by Others), FERC 409.1 (Income Taxes, Utility Operating Income), and FERC 555 (Purchased Power). Upon receiving reauthorization to record deferrals, PacifiCorp proposes to record the deferred amount by debiting FERC Account 182.3 (Regulatory Assets) and crediting FERC Account 555 (Purchased Power) if there is an amount to collect from customers. If there is a refund to customers, PacifiCorp would record the deferred amount by crediting FERC Account 254 (Regulatory Liabilities) and debiting FERC Account 555 (Purchased Power).

D. Estimate of Amounts

PacifiCorp is unable to provide an estimate of the deferred amount because it is a function of several unknown and unpredictable factors. PacifiCorp requests that, under Order No. 08-263 as modified by Order No. 10-279,³ it be allowed to accrue interest on the unamortized balance, consistent with the treatment of interest rates during accrual and amortization described in those orders.

E. Notice

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

IV. CONCLUSION

Continued authorization of deferred accounting treatment is an appropriate, just, and reasonable means of implementing Order No. 12-493. For the reasons stated above, PacifiCorp requests reauthorization to defer annual net power cost variances in accordance with Order No. 12-493 for the 12-month period beginning May 16, 2021.

Respectfully submitted this 14th day of May, 2021.

By:



Matthew McVee, OSB #020735
Chief Regulatory Counsel
PacifiCorp d/b/a Pacific Power

³ *In the Matter of Public Utility Commission of Oregon Staff Request to Open an Investigation Related to Deferred Accounting*, Docket No. UM 1147, Order No. 08-263 (May 22, 2008); *modified by In the Matter of Public Utility Commission of Oregon Staff Request to Open an Investigation Related to Deferred Accounting*, Docket No. UM 1147, Order No. 10-279 (Jul. 23, 2010).

EXHIBIT A

EXHIBIT A

NOTICE

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1693(7)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred
Accounting of Net Power Cost Variances

**NOTICE OF
APPLICATION FOR
REAUTHORIZATION OF
DEFERRED ACCOUNTING**

On May 14, 2021, PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) filed an application with the Public Utility Commission of Oregon (Commission) for 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. PacifiCorp seeks reauthorization of this deferral to facilitate rate changes under its power cost adjustment mechanism if variances in cost elements of the Company's transition adjustment mechanism in 2021 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
Email: oregondockets@pacificorp.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 14, 2021.

By:

A handwritten signature in black ink, appearing to read 'Matthew McVee', written over a horizontal line.

Matthew McVee
Chief Regulatory 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 for Deferred Accounting on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

UM 1693

Matthew McVee
Pacific Power
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Portland, OR 97232
matthew.mcvee@pacificorp.com

Mitch Moore
Public Utility Commission of Oregon
PO Box 1088
Salem, OR 97308-1088
mitch.moore@state.or.us

PacifiCorp, dba Pacific Power
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Sommer Moser
PUC Staff - Department Of Justice
1162 Court St NE
Salem OR 97301
sommer.moser@doj.state.or.us

Dated May 14, 2021.



Mary Penfield
Adviser, Regulatory Operations

CERTIFICATE OF SERVICE

I certify that I delivered a true and correct copy of PacifiCorp's **Notice of Application for Deferred Accounting** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

Service List UE 374

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<p>ELIZABETH B UZELAC (C) PUC STAFF - DEPARTMENT OF JUSTICE BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 elizabeth.b.uzelac@state.or.us</p>	

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Dated this 14th day of May, 2021.



Mary Penfield
Adviser, Regulatory Operations