



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

March 9, 2018

VIA ELECTRONIC FILING

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

Attn: Filing Center

RE: Docket UM 1764(2) – PacifiCorp’s Application for Reauthorization of Deferred Accounting Related to a Change in Annual Regulatory Fees Payable to the Public Utility Commission of Oregon

PacifiCorp d/b/a Pacific Power submits for filing its Application for Reauthorization of Deferred Accounting Related to a Change in Annual Regulatory Fees Payable to the Public Utility Commission of Oregon.

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 me at (503) 813-6583.

Sincerely,

Natasha Siores
Manager, Regulatory Affairs

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1764(2)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred Accounting Related to a Change in Annual Regulatory Fees Payable to the Public Utility Commission of Oregon.

**APPLICATION FOR
REAUTHORIZATION OF
DEFERRED ACCOUNTING**

I. INTRODUCTION

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rules (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power applies to the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferral of the increase in the annual regulatory fee due to the Commission-ordered increase in the annual fee rate to 0.30 percent. For administrative ease, PacifiCorp also requests to amortize the deferred amounts through its existing property sales balancing account.

PacifiCorp requests to defer costs associated with the increase in the annual fee rate until the increase in the annual fee rate is included in the company's base rates.¹

II. NOTICE

Communications regarding this application should be addressed to:

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

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

¹ In accordance with OAR 860-027-0300, PacifiCorp will file for reauthorization of the deferral, as necessary.

In addition, PacifiCorp requests that all data 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 Natasha Siores at 503-813-6583.

III. BACKGROUND

In accordance with OAR 860-021-0033, electric utilities are required to pay regulatory fees to the Commission each year by April 1. The fee payable by the electric utility is an annual fee rate multiplied by the utility's gross operating revenues derived within Oregon for the previous calendar year. The annual fee rate is set by Commission order entered on or around March 1 of each year.

PacifiCorp initially applied for deferral of the change in annual fee rate level from the previous 0.25 percent maximum rate on March 11, 2016, docketed as UM 1764. In that docket, PacifiCorp requested the use of deferred accounting for the costs related to the change in annual fee rate from the previous 0.25 percent maximum rate (this 0.25 percent fee level is also the annual fee rate currently reflected in the company's Oregon rates) and the annual fee rate established for 2016 of 0.275 percent in Order No. 16-067. The Commission authorized Staff's recommendation and approved the deferral for the twelve-month period beginning March 11, 2016, in Order No. 16-153. Staff's recommendation supported PacifiCorp's decision to amortize the deferred amounts through its existing property sales balancing account and also recommended that deferred amounts not be subject to an earnings test.

On February 22, 2017, the Commission issued Order No. 17-065, setting the annual fee rate at 0.30 percent of 2016 gross operating revenues for electric, natural gas, water, and wastewater utilities, an increase from prior annual fee rates that previously could not exceed 0.25 percent.² On March 10, 2017, PacifiCorp filed a request for reauthorization to defer the costs related to the increase in annual fee rate for the twelve-month period beginning March 11, 2017. Staff's recommendation supported PacifiCorp's proposal to amortize the deferred amounts through its existing property sales balancing account and also recommended that deferred amounts not be subject to an earnings test. The Commission approved the company's reauthorization and Staff's recommendation in Order No. 17-149, issued on April 18, 2017.

On February 27, 2018, the Commission issued Order No. 18-073, setting the annual fee rate at 0.30 percent of 2017 gross operating revenues, again an increase from prior annual fee rates that previously could not exceed 0.25 percent. PacifiCorp respectfully requests reauthorization to defer the costs related to the increase in annual fee rate for the twelve-month period beginning March 11, 2018.

IV. DEFERRAL OF COSTS

PacifiCorp respectfully requests reauthorization under ORS 757.259(2)(e) to defer the costs related to the increase in the annual fee rate and to amortize these costs through PacifiCorp's tariff Schedule 96, Property Sales Balancing Account.³ Further, because the

² Senate Bill (SB) 329, enacted in 2015, allows the Commission to set the annual fee to a percentage not to exceed 0.3 percent of utilities' gross operating revenue.

³ The company's property sales balancing account is evaluated and reported annually to the Commission. Any rate changes necessary to the property sales balancing account will be requested and determined in a subsequent filing.

collection and payment of the annual fee is a direct pass-through to the Commission, PacifiCorp proposes that this deferral not be subject to an earnings test.

As required by OAR 860-027-0300(3) and (4), PacifiCorp provides the following:

A. Description of Utility Expense

PacifiCorp is requesting to defer approximately \$663,500 in 2018 associated with the increase in the regulatory fee rate for 2017, calculated as shown in the following table. This amount reflects the calculated difference between PacifiCorp’s annual fee at the new rate of 0.30 percent and the annual fee at the rate currently in the company’s Oregon rates and reflecting the previous statutory maximum of 0.25 percent.

	Current Rate per Order No. 18-073	Previous Statutory Maximum Rate	Estimated for deferral
2017 Revenues*	\$1,327,000,000	\$1,327,000,000	
Annual Fee Rate	0.30%	0.25%	
Annual Regulatory Fee*	\$3,981,000	\$3,317,500	\$663,500

* 2017 revenues are preliminary estimates; PacifiCorp has not yet released its final 2017 results.

B. Reasons for Deferral

As discussed above, PacifiCorp requests reauthorization to defer the costs associated with the increase in the annual regulatory fee rate that is higher than the previous statutory-maximum rate. ORS 757.259(2)(e) allows the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne and received by customers. In this application PacifiCorp seeks to match the costs borne and benefits received by customers. The concurrent proposal to amortize deferred amounts through the existing property sales balancing account also provides for administrative efficiency by minimizing the rate changes required to address the change in annual fees.

C. Proposed Accounting

If this application is approved, PacifiCorp will record deferred amounts by crediting Commission fees recorded in FERC Account 928—Regulatory Commission Expenses and debiting the property sales balancing account, in FERC Account 254—Other Regulatory Liabilities. If this application is denied, the increase in regulatory fees will remain in Regulatory Commission Expenses, FERC Account 928.

D. Estimate of Amounts

The Company estimates that the Oregon cost related to the increase in the annual fee rate is \$663,500 for the 2017 annual fee that will be paid on or before April 1, 2018.

E. Notice

A copy of the Notice of Application is included as Exhibit A. This notice will be served to the service list in docket UM 1764.

F. Description and Explanation of Entries in the Deferred Account to Date

Exhibit B provides the current history of PacifiCorp's Oregon property sales balancing account that includes the deferral recorded for the 2016 annual fee.

G. Reasons for Continuation of Deferred Accounting

Reauthorization of deferred accounting will allow PacifiCorp to continue to match the costs borne and benefits received by customers. The concurrent proposal to amortize deferred amounts through the existing property sales balancing account also provides for administrative efficiency by minimizing the rate changes required to address the change in annual fees.

V. CONCLUSION

PacifiCorp respectfully requests that, in accordance with ORS 757.259(2)(e), the Commission approve the company's request for reauthorization to defer the costs described

in this application, and to amortize these costs through tariff Schedule 96, Property Sales
Balancing Account.

Respectfully submitted this 9th day of March, 2018.

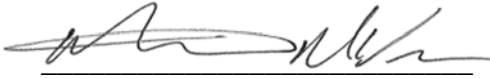
By: 
Matthew D. McVee
Chief Regulatory Counsel
PacifiCorp d/b/a Pacific Power

EXHIBIT A

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NOTICE

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1764(2)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred
Accounting Related to a Change in Annual
Regulatory Fees Payable to the Public Utility
Commission of Oregon.

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

On March 9th, 2018, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing the use of deferred accounting for the costs associated with regulatory fees resulting from the change in the statutory maximum of the regulatory fee percentage. The reauthorization will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding. To obtain a copy of the application, contact the following:

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
E-mail: oregondockets@pacificorp.com

Any person may submit written comments to the Commission regarding the application with 25 days of the filing of the application.

Respectfully submitted on March 9th, 2018.

By:



Matthew D. 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 Reauthorization of Deferred Accounting** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

UM 1764

MITCH MOORE
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SOMMER MOSER
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Dated March 9, 2018.



Katie Savarin
Coordinator, Regulatory Operations

EXHIBIT B

Account #288114					
Oregon Gain on Sale of Property					
Monthly Report					
Amortization Starts rate goes to 2.38% Modified Blended Treasury Rate for 2017					
Amortization Starts rate goes to 2.92% Modified Blended Treasury Rate for 2018					
	Begin	New	(Give-Back)		Ending
Date	Balance	Sales	Amortization	Interest	Balance
Jan-17	312,276.18	(13,329.51)	3,277.92	609.38	302,833.97
Feb-17	302,833.97	(13,867.80)	3,277.92	590.12	292,834.22
Mar-17	292,834.22	(16,536.04)	3,277.92	567.64	280,143.74
Apr-17	280,143.74	0.00	3,277.92	558.87	283,980.52
May-17	283,980.52	(1,569.89)	3,277.91	564.92	286,253.47
Jun-17	286,253.47		3,277.91	570.99	290,102.36
Jul-17	290,102.36		3,277.91	578.62	293,958.89
Aug-17	293,958.89	4,923.66	3,277.91	591.15	302,751.62
Sep-17	302,751.62		3,277.91	603.71	306,633.23
Oct-17	306,633.23	(26,060.51)	3,277.91	585.56	284,436.20
Nov-17	284,436.20		3,277.91	567.38	288,281.49
Dec-17	288,281.49	30,804.98	3,277.91	605.56	322,969.94
Jan-18	322,969.94	680,000.00	3,277.88	1,617.21	1,007,865.03
Feb-18	1,007,865.03	(7,983.14)	3,277.88	2,446.75	1,005,606.52
Note: Recoverable Oregon Commission Fees noted in Order 17 149 on April 18, 2017 recorded in this account in January 2018 (\$680k).					