

McDowell & Associates PC



KATHERINE A. MCDOWELL
Direct (503) 595-3924
katherine@mcd-law.com

December 15, 2006

VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: Docket No. UM _____

Enclosed for filing is PacifiCorp's Application for Deferred Accounting. A copy of the Notice of Application has been served on all parties to docket UE 179 as indicated on the attached certificate of service.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Katherine A. McDowell', written over a horizontal line. The signature is fluid and cursive, extending to the right of the line.

Katherine A. McDowell

Enclosures

cc: UE 179 Service List

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of the Application of
PACIFICORP for a Deferred Accounting
Order For Network Damage From
December 2006 Windstorm

**PACIFICORP'S APPLICATION FOR
DEFERRED ACCOUNTING**

I. INTRODUCTION

Under ORS 757.259 and OAR 860-027-0300, PacifiCorp (or the Company) applies to the Commission for an order authorizing the Company to defer from the date of this Application forward costs associated with network damage from a powerful windstorm that hit Oregon on December 14-15, 2006.

II. NOTICE

Communications regarding this application should be addressed to:

| | |
|-----------------------------------|--------------------------------------|
| Laura Beane | Natalie Hocken |
| Oregon State Manager | Assistant General Counsel |
| PacifiCorp | PacifiCorp |
| 825 NE Multnomah, Suite 2000 | 825 NE Multnomah, Suite 1900 |
| Portland, OR 97232 | Portland, OR 97232 |
| Telephone: (503) 813-5542 | Telephone: (503) 813-7205 |
| email: laura.beane@pacificorp.com | email: natalie.hocken@pacificorp.com |

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

| | |
|----------------------|---|
| By email (preferred) | datarequest@pacificorp.com |
| By regular mail | Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 300 Portland, OR 97232 |
| By facsimile | (503) 813-6060 |

1

III. DEFERRED ACCOUNTING RULE REQUIREMENTS

2

The following information is provided pursuant to the requirements set forth in OAR

3

860-027-0300(3).

4 **A.**

Description of Utility Expense.

5

On December 14-15, 2006, Oregon experienced a dramatic windstorm, with winds

6

topping 90 mph in the coast range. The storm downed trees and power lines throughout the

7

state. An estimated 350,000 customers lost power throughout the State, including many

8

PacifiCorp customers.

9

The storm caused significant damage to PacifiCorp's power distribution network

10

throughout the State. PacifiCorp's first priority has been customer safety and power

11

restoration, so a complete assessment of the damage is not yet available. Based upon the

12

nature of the damage observed, however, PacifiCorp believes that its network has suffered

13

extensive damage. Without a clearer understanding of the nature and scope of the damage,

14

PacifiCorp is unable to determine which losses, if any, are covered by insurance.

15 **B.**

Reasons for Deferral.

16

PacifiCorp's request for deferral results from damage caused by a devastating storm.

17

In establishing generic guidelines for deferred accounting in UM 1147, the Commission

18

made clear that deferred accounting was designed to cover costs associated with this kind

19

of unpredictable and undeniably serious triggering event. *See In re Investigation Related to*

20

Deferred Accounting, Order No. 05-1070, UM 1147 (2005).

21

This Application for deferred accounting permits the Commission to support

22

PacifiCorp's efforts to responsibly respond to the December 2006 windstorm by immediately

23

addressing all safety and service concerns, and conducting a subsequent assessment of

24

damage and repair costs and options. In UM 1147, the Commission made clear that it had

25

discretion and flexibility to allow deferred accounting to encourage utility behavior consistent

26

with good regulatory policy. Order 05-1070 at 2.

Exhibit A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of Application of PACIFICORP
for a Deferred Accounting Order For
Network Damage From December 2006
Windstorm.

NOTICE OF APPLICATION

On December 15, 2006 Applicant PacifiCorp applied to the Public Utility Commission of Oregon (the "Commission") for authorization to use deferred accounting. Pursuant to ORS 757.259, PacifiCorp proposes to defer for later recovery costs associated with network damage from a powerful windstorm that hit Oregon on December 14-15, 2006.

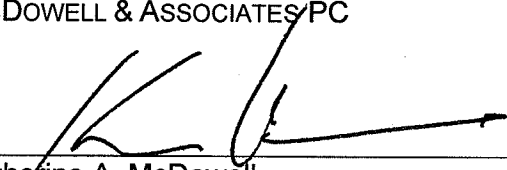
The granting of the Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Interested persons can obtain a copy of the Application by contacting:

Katherine A. McDowell
McDowell & Associates PC
520 SW Sixth Avenue, Suite 830
Portland, OR 97204
Telephone: (503) 595-3922

Any person may submit to the Commission written comment on the Application, in accordance with procedures prescribed by the Commission. The deadline for comments on the Application is January 16, 2007.

DATED: December 15, 2006.

MCDOWELL & ASSOCIATES PC


Katherine A. McDowell
Attorneys for PacifiCorp

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that I served a true and correct copy of the foregoing Notice of
3 Application on the following named person(s) on the date indicated below by email and first-
4 class mail addressed to said person(s) at his or her last-known address(es) indicated below.

5 Rates & Regulatory Affairs
6 Portland General Electric
7 121 SW Salmon Street, 1WTC0702
8 Portland, OR 97204
9 pge.opuc.filings@pgn.com

10 Jim Abrahamson
11 Community Action Directors
12 of Oregon
13 4035 12th Street Cutoff SE, Suite 110
14 Salem, OR 97302
15 jim@cado-oregon.org

16 Kurt Boehm
17 Boehm Kurtz & Lowry
18 36 E. Seventh Street, Suite 1510
19 Cincinnati, OH 45202
20 kboehm@bkllawfirm.com

21 Melinda J. Davison
22 Davison Van Cleve, PC
23 333 SW Taylor, Suite 400
24 Portland, OR 97204
25 mail@dvclaw.com

26 Jim Deason
27 Attorney at Law
28 521 SW Clay Street, Suite 107
29 Portland, OR 97201-5407
30 jimdeason@comcast.net

31 Edward Finklea
32 Cable Huston Benedict Haagensen
33 & Lloyd LLP
34 1001 SW Fifth Avenue, Suite 2000
35 Portland, OR 97204
36 efinklea@chbh.com

37 Andrea Fogue
38 League of Oregon Cities
39 PO Box 928
40 1201 Court Street NE, Suite 200
41 Salem, OR 97308
42 afogue@orcities.org

43 Richard Gray
44 richard.gray@pdxtrans.org

45 Jason W. Jones
46 Department of Justice
47 1162 Court Street NE
48 Salem, OR 97301-4096
49 jason.w.jones@state.or.us

50 Michael Kurtz
51 Boehm, Kurtz & Lowry
52 36 E. Seventh Street, Suite 1510
53 Cincinnati, OH 45202-4454
54 mkurtz@bkllawfirm.com

55 Richard Lorenz
56 Cable Huston Benedict Haagensen
57 & Lloyd LLP
58 1001 SW Fifth Avenue, Suite 2000
59 Portland, OR 97204
60 rlorenz@chbh.com

61 OPUC Dockets
62 Citizens' Utility Board of Oregon
63 610 SW Broadway, Suite 308
64 Portland, OR 97205
65 dockets@oregoncub.org

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Lon L. Peters
lpeters@pacifier.com

James T. Selecky
Brubaker & Associates, Inc.
1215 Fern Ridge Pkwy, Suite 208
St. Louis, MO 63141
jtselcky@consultbai.com

Douglas Tingey
Portland General Electric
121 SW Salmon, 1WTC13
Portland, OR 97204
doug.tingey@pgn.com

Benjamin Walters
bwalters@ci.portland.or.us

Irion A. Sanger
Davison Van Cleve
333 SW Taylor, Suite 400
Portland, OR 97204
ias@dvclaw.com

Karl Hans Tanner
Oregon Energy Coordinators Assoc.
2448 W. Harvard Blvd.
Roseburg, OR 97470
karl.tanner@ucanecap.org

David Tooze
dtooze@ci.portland.or.us

Michael T. Weirich
Department of Justice
Regulated Utility & Business Section
1162 Court Street, NE
Salem, OR 97301-4096
michael.weirich@doj.state.or.us

DATED: December 15, 2006.



Katherine A. McDowell
Of Attorneys for PacifiCorp