



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

January 22, 2009

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
Salem, OR 97310-2551

Attn: Filing Center

**RE: UM 1363 – Pacific Power’s Application for Reauthorization of
Deferred Accounting**

PacifiCorp, d.b.a. Pacific Power, hereby submits for filing an Application for Reauthorization of Deferred Accounting in the above-referenced matter.

Informal inquiries on this matter may be directed to Joelle Steward at (503) 813-5542.

Very truly yours,


Andrea L. Kelly
Vice President, Regulation

Enclosures

cc: UM 1363 Service List

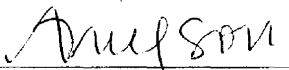
CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in Docket No. UM 1363 on the following named person(s) below by e-mail and first-class mail addressed to said person(s) at his or her last-known address(es) indicated below:

Natalie Hocken
Vice President & General Counsel
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
Natalie.hocken@pacificorp.com

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

Dated: January 22, 2009



Ariel Son
Coordinator, Administrative Services

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1363(1)

In the Matter of
PACIFICORP, dba PACIFIC POWER
Application for Deferred Accounting

**PACIFIC POWER'S APPLICATION
FOR REAUTHORIZATION OF
DEFERRED ACCOUNTING**

1 **I. INTRODUCTION**

2 On January 22, 2008, pursuant to ORS 757.259 and OAR 860-027-0300, PacifiCorp,
3 d.b.a. Pacific Power ("Pacific Power" or "Company") applied to the Public Utility
4 Commission of Oregon ("Commission") for an order authorizing the Company to defer the
5 costs associated with the independent evaluators ("IEs") selected and approved by the
6 Commission for the Company's 2008 All Source Request for Proposal ("2008 RFP"). In
7 Order No. 08-119, the Commission approved the Company's application for deferred
8 accounting. The 2008 RFP process is on-going, therefore the Company is submitting this
9 application ("Application") for an order reauthorizing the Company to defer costs associated
10 with the IE.

11 In support of this Application, the Company states as follows:

12 **II. NOTICE**

13 Communications regarding this Application should be addressed to:

Oregon Dockets
Pacific Power
825 NE Multnomah, Suite 2000
Portland, OR 97232
Phone: 503.813.5542
Email: oregondockets@pacificcorp.com

Jordan White
Senior Counsel
PacifiCorp
825 NE Multnomah, Suite 1800
Portland, Oregon 97232
Phone: 503.813.5613
Email: jordan.white@pacificcorp.com

1 In addition, Pacific Power requests that all data requests regarding this Application be
2 sent to the following:

3 By email (preferred): datarequest@pacificcorp.com

4 By regular mail: Data Request Response Center
5 PacifiCorp
6 825 NE Multnomah, Suite 2000
7 Portland, Oregon 97232

8 Informal questions may be directed to Joelle Steward, Oregon Regulatory Affairs
9 Manager at 503-813-5542.

10 III. DEFERRED ACCOUNTING RULE REQUIREMENTS

11 The following is provided pursuant to the requirements set forth in OAR 860-027-
12 0300(3).

13 A. Description of Utility Expense.

14 On August 10, 2006, the Commission issued competitive bidding requirements for
15 new supply-side resource acquisitions applicable to Oregon's investor-owned utilities. *See*
16 Order No. 06-446 ("RFP Order"). Guideline 5 of the RFP Order requires an IE's
17 participation in all RFPs. Guideline 5 also provides that a utility may request deferred
18 accounting to track the costs of an IE for later inclusion in rates.

19 On January 16, 2008, the Commission entered Order No. 08-019, which opened
20 Docket UM 1360 to address Pacific Power's 2008 RFP. Order No. 08-019 also directed
21 Pacific Power to negotiate a contract with Boston Pacific Company, Inc. and Accion Group
22 for independent evaluator services regarding the 2008 RFP. Pursuant to that directive,
23 Pacific Power entered into professional service contracts with the IEs on February 27, 2008
24 ("IE Contracts").

1 On February 15, 2008, the Commission granted Pacific Power’s request to defer costs
2 associated with the IEs’ services in Order No. 08-119 (“First 2008 RFP IE Deferred
3 Accounting Order”). The IEs continue to perform services under the IE Contracts and will
4 continue to do so until the conclusion of the 2008 RFP. Because a deferral period may not
5 exceed twelve months beginning on or after the date of application, Pacific Power seeks an
6 order reauthorizing the Company to continue to defer costs from the date of this Application
7 forward. *See* ORS 757.259(4)

8 **B. Reasons for Deferral.**

9 ORS 757.259(2)(e) allows the deferral of utility expenses or revenues where
10 necessary to match appropriately the costs borne by and benefits received by customers.
11 This request seeks to align the costs of the IEs and the services they will perform on behalf of
12 Pacific Power’s customers. In its RFP Order, the Commission specifically approved the use
13 of deferred accounting to match the customer costs and benefits of an IE in this manner.

14 **C. Proposed Accounting.**

15 During the period of deferral, Pacific Power proposes to account for the deferred
16 costs of the Oregon IE by recording the deferral in Account 182.3, Other Regulatory Assets.
17 This proposal is consistent with Pacific Power’s current deferral accounting practices under
18 the First 2008 RFP IE Deferred Accounting Order.

19 **D. Estimate of Amounts.**

20 As of the date of this application, Pacific Power has paid the IEs approximately
21 \$150,000 for the IEs’ services. The Company anticipates that the total cost of the IEs will be
22 approximately \$550,000.

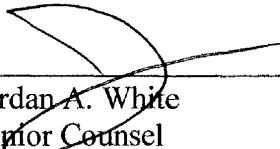
1 **E. Notice.**

2 A copy of the Notice of Application and a list of the persons served with the Notice
3 were attached to the original Application as Exhibit A.

4 **IV. CONCLUSION**

5 Pacific Power respectfully requests that, in accordance with ORS 757.259, the
6 Commission reauthorize the Company to defer the costs described in this Application.

DATED: January 22, 2009.



Jordan A. White
Senior Counsel
Pacific Power