

May 17, 2012

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

Attn: Filing Center  
Oregon Public Utility Commission  
550 Capitol Street NE, Suite 215  
Salem, OR 97301-2551

**RE:           UM 1483(2) Application of PacifiCorp for Reauthorization for Deferred  
Accounting**

Enclosed for filing by PacifiCorp d.b.a. Pacific Power is an Application for Reauthorization for Deferred Accounting to defer the costs associated with the photovoltaic feed-in tariff program required by ORS 757.365. A copy of the enclosed Notice has been served on all parties in Docket UM 1483 as indicated on the attached Certificate of Service.

Informal inquiries may be directed to Bryce Dalley, Director of Regulatory Affairs and Revenue Requirement at (503) 813-6389.



William R. Griffith  
Vice President, Regulation

Enclosures  
cc: Service List UM 1483

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1483(2)**

In the Matter of PACIFICORP d.b.a.  
PACIFIC POWER for a Deferred  
Accounting Order

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

1 Pursuant to ORS 757.365(10), ORS 469A.120(1) and (3), or ORS 757.259 and  
2 OAR 860-027-0300, PacifiCorp, d.b.a. Pacific Power ("PacifiCorp" or "Company") applies  
3 to the Public Utility Commission of Oregon ("Commission") for an order reauthorizing the  
4 Company to defer the costs and expenses associated with the photovoltaic feed-in tariff pilot  
5 program, known as the Oregon Solar Incentive Program, for the 12-month period beginning  
6 May 19, 2012. Reauthorization to defer the requested costs is necessary to allow the  
7 Company to recover costs associated with compliance with ORS 757.365, as required by  
8 ORS 757.365(10). Previously, Commission Order No. 11-021 authorized deferral of these  
9 costs for the 12-month period beginning May 19, 2010. Additionally, Commission Order  
10 No. 11-251 reauthorized the deferral of these costs for the 12-month period beginning May  
11 19, 2011.

12 In support of this Application, the Company states:

13 **I. NOTICE**

Oregon Dockets  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232  
Phone: 503.813.5542  
Email: [oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Ryan Flynn  
PacifiCorp  
825 NE Multnomah, Suite 1800  
Portland, Oregon 97232  
Phone: 503.813.5854  
Email: [ryan.flynn@pacificorp.com](mailto:ryan.flynn@pacificorp.com)

14 In addition, PacifiCorp requests that all data requests regarding this Application be  
15 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, Suite 2000  
5 Portland, Oregon 97232

6 Informal questions may be directed to Bryce Dalley, Director of Regulatory Affairs &  
7 Revenue Requirement at 503-813-6389.

## 8 II. STATUTORY AND REGULATORY FRAMEWORK

### 9 A. Oregon Solar Incentive Program

10 In Docket AR 538, the Commission adopted rules to establish a solar photovoltaic  
11 feed-in tariff pilot program, as required by ORS 757.365.<sup>1</sup> In Docket UM 1452, the  
12 Commission established volumetric incentive rates for solar photovoltaic energy systems.<sup>2</sup>  
13 The Company is implementing the solar photovoltaic feed-in tariff program (for Pacific  
14 Power, the program is known as the Oregon Solar Incentive Program) through Schedules 136  
15 and 137. Additionally, Schedule 204<sup>3</sup> was adopted for later recovery of the costs authorized  
16 under the deferral approved in the docket.

### 17 B. Statutory Authority

18 The Company is filing its Application in the alternative under ORS 757.365(10),  
19 ORS 469A.120(1) and (3), or ORS 757.259 because the Commission has not yet ruled on an  
20 application to defer costs associated with compliance with ORS 757.365, so the source of the  
21 Commission's legal authority to allow deferral of such costs has not yet been resolved.<sup>4</sup> As  
22 discussed in the Company's initial Application for Deferred Accounting in this docket,

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<sup>1</sup> See Order No. 10-200.

<sup>2</sup> See Order Nos. 10-198, 10-304 and 11-089.

<sup>3</sup> Advice No. 11-019 approved in Commission Public Meeting on December 20, 2011 effective with service rendered on and after January 1, 2012.

<sup>4</sup> Order No. 11-021 and Order No. 11-251 did not provide resolution on this issue.

1 ORS 757.365(10) provides the Commission authority, independent of other statutes, to  
2 authorize deferral of costs associated with compliance with ORS 757.365(10). The  
3 Company, therefore, requests that the Commission reauthorize deferral under that statute.  
4 Alternatively, if the Commission finds that ORS 757.365(10) does not provide independent  
5 legal authority, such costs are appropriately deferred under ORS 469A.120(1) and (3) as  
6 costs associated with compliance with the Oregon Renewable Portfolio Standards (“RPS”).  
7 Finally, if the Commission determines that neither ORS 757.365(10) nor ORS 469A.120(1)  
8 and (3) allow for deferral of such costs, the Commission should reauthorize deferral under  
9 ORS 757.269.<sup>5</sup>

10 **B. Request for Reauthorization of Deferral**

11 In this docket, pursuant to Order 11-021 (January 12, 2011), the Commission  
12 originally authorized deferral of the costs associated with compliance of ORS 757.365 for the  
13 12-month period beginning May 19, 2010. In 2011, the Commission reauthorized, pursuant  
14 to Order 11-251 (July 07, 2011), the deferral of the costs with compliance of ORS 757.365  
15 for the 12-month period beginning May 19, 2011. The Company seeks reauthorization of  
16 this deferral for a 12-month period beginning May 19, 2012.

17 **III. DEFERRAL OF COSTS**

18 **A. Description of Utility Expense.**

19 The Company requests reauthorization to defer costs associated with the Oregon  
20 Solar Incentive Program. After Pacific Power filed its initial application to defer the costs on  
21 May 19, 2010, in Docket UM 1483, Commission Staff convened two workshops with  
22 interested parties on August 18, 2010 and September 21, 2010, to discuss Pacific Power’s

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<sup>5</sup> See, *Re PacifiCorp Application for Deferred Accounting Order* in Docket UM 1483 (May 19, 2010) for a discussion of the applicable legal standard.

1 deferral application, along with Portland General Electric's similar deferral application.  
2 Through these workshops, the utilities, Commission Staff and the interested stakeholders  
3 reached agreement on a number of issues related to the deferrals for solar incentive  
4 programs, including the timing of filings, formats and types of costs to be recovered through  
5 the deferral. The costs to be deferred would include any administrative, marketing, metering,  
6 incentive payments and any other costs incurred by PacifiCorp for purposes of implementing  
7 the pilot program, consistent with this agreement. In October 2011, the Company requested  
8 recovery of \$936,615 for costs associated with the pilot program in 2010 and 2011. For this  
9 program year through April 2012, the Company has deferred approximately \$780,000 of  
10 costs associated with the program.

11 **B. Reasons for Deferral**

12  
13 As described above, ORS 757.365 requires the implementation and administration of  
14 the Oregon Solar Incentive Program. The statute also provides that prudently incurred costs  
15 associated with compliance with the statute are recoverable in rates. Moreover, the  
16 renewable energy credits associated with generation sold to the utility under ORS 757.365  
17 may be used to comply with the Oregon RPS, which also requires cost recovery of prudently  
18 incurred costs associated with compliance.<sup>6</sup> Costs associated with compliance with  
19 ORS 757.365 are not currently included in rates. Accordingly, reauthorization of the deferral  
20 application is necessary to allow for recovery of the costs as contemplated by  
21 ORS 757.365(10) and ORS 469A.120(1). Reauthorization of deferred accounting will allow  
22 the Company to continue to match the benefits that customers will be receiving with the costs  
23 to the Company of providing those benefits.

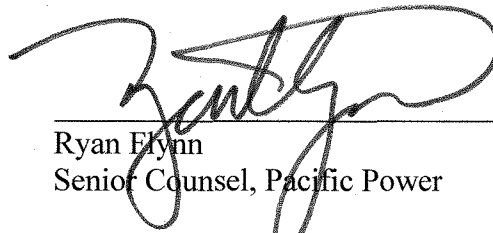
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<sup>6</sup> ORS 469A.120(1).



1 ORS 757.365(10), the Commission reauthorize the Company to defer costs associated with  
2 compliance with ORS 757.365 as required by statute. In the alternative, the Company  
3 requests that if the Commission determines that ORS 757.365(10) does not authorize  
4 deferral, the Commission reauthorize deferral under ORS 469A.120(1) and (3). Finally, if  
5 the Commission finds that deferral is not appropriate under ORS 757.365(10) or  
6 ORS 469A.120(1) and (3), the Company requests that the Commission reauthorize the  
7 deferral under ORS 757.259.

DATED: May 17, 2012.



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Ryan Flynn  
Senior Counsel, Pacific Power  
Counsel for Pacific Corp

**EXHIBIT A**



**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1483(2)**

In the Matter of the Application of  
PACIFICORP for a Deferred Accounting  
Order

**NOTICE OF APPLICATION**

On May 17, 2012, Applicant PacifiCorp, d.b.a. Pacific Power (“Company”) applied to the Public Utility Commission of Oregon (“Commission”) for reauthorization to use deferred accounting for expenses associated with a photovoltaic pilot program required by ORS 757.365.

The Company proposes to continue to defer the costs and expenses associated with the implementation of a solar feed-in tariff. Though difficult to estimate at this time, the Company has estimated that the annual deferral amounts may range from \$2.6 million to \$2.9 million during this deferral period. The Company requests that the deferral continue no longer than twelve months from the date of this filing.

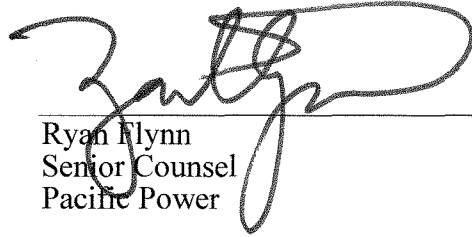
The granting of the Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

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

Bryce Dalley  
PacifiCorp  
825 NE Multnomah Street, Ste 2000  
Portland, OR 97232  
Phone: (503) 813-6389

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.

DATED: May 17, 2012



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Ryan Flynn  
Senior Counsel  
Pacific Power

## CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document, in Docket UM-1483, on the date indicated below by email and/or US Mail (if paper service was not waived), addressed to said parties at his or her last-known address(es) indicated below.

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DATED: May 17, 2012

  
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Carrie Meyer  
Coordinator, Regulatory Administration