



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

May 18, 2011

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

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

Attn: Filing Center

RE: UM-1483(1) 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 Joelle Steward at (503) 813-5542.

Very truly yours,

Andrea L. Kelly
Vice President, Regulation

Enclosures

cc: Service List UM 1483

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1483(1)

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, 2011. 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.

10 In support of this Application, the Company states:

I. NOTICE

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

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

12 In addition, PacifiCorp requests that all data requests regarding this Application be
13 sent to the following:

14 By email (preferred): datarequest@pacificorp.com

15 By regular mail: Data Request Response Center
16 PacifiCorp

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

II. STATUTORY AND REGULATORY FRAMEWORK

A. Oregon Solar Incentive Program

In Docket AR 538, the Commission adopted rules to establish a solar photovoltaic feed-in tariff pilot program, as required by ORS 757.365.¹ In Docket UM 1452, the Commission established volumetric incentive rates for solar photovoltaic energy systems.² The Company is implementing the solar photovoltaic feed-in tariff program (for Pacific Power, the program is known as the Oregon Solar Incentive Program) through Schedules 136 and 137. Additionally, Schedule 204 was adopted for later recovery of the costs authorized under the deferral approved in the docket.

B. Statutory Authority

The Company is filing its Application in the alternative under ORS 757.365(10), ORS 469A.120(1) and (3), or ORS 757.259 because the Commission has not yet ruled on an application to defer costs associated with compliance with ORS 757.365, so the source of the Commission's legal authority to allow deferral of such costs has not yet been resolved.³ As discussed in the Company's initial Application for Deferred Accounting in this docket, ORS 757.365(10) provides the Commission authority, independent of other statutes, to authorize deferral of costs associated with compliance with ORS 757.365(10). The Company, therefore, requests that the Commission reauthorize deferral under that statute.

¹ See Order No. 10-200.

² See Order Nos. 10-198, 10-304 and 11-089.

³ Order No. 11-021 did not provide resolution on this issue.

1 Alternatively, if the Commission finds that ORS 757.365(10) does not provide independent
2 legal authority, such costs are appropriately deferred under ORS 469A.120(1) and (3) as
3 costs associated with compliance with the Oregon Renewable Portfolio Standards (“RPS”).
4 Finally, if the Commission determines that neither ORS 757.365(10) nor ORS 469A.120(1)
5 and (3) allow for deferral of such costs, the Commission should reauthorize deferral under
6 ORS 757.269.⁴

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

8 In this docket, pursuant to Order 11-021 (January 12, 2011), the Commission
9 originally authorized deferral of the costs associated with compliance of ORS 757.365 for the
10 12-month period beginning May 19, 2010. The Company seeks reauthorization of this
11 deferral for a 12-month period beginning May 19, 2011.

12 **III. DEFERRAL OF COSTS**

13 **A. Description of Utility Expense.**

14 The Company requests reauthorization to defer costs associated with the Oregon
15 Solar Incentive Program. After Pacific Power filed its initial application to defer the costs on
16 May 19, 2010, in Docket UM 1483, Commission Staff convened two workshops with
17 interested parties on August 18, 2010 and September 21, 2010, to discuss Pacific Power’s
18 deferral application, along with Portland General Electric’s similar deferral application.
19 Through these workshops, the utilities, Commission Staff and the interested stakeholders
20 reached agreement on a number of issues related to the deferrals for solar incentive
21 programs, including the timing of filings, formats and types of costs to be recovered through
22 the deferral. The costs to be deferred would include any administrative, marketing, metering,

⁴ See, *Re PacifiCorp Application for Deferred Accounting Order* in Docket UM 1483 (May 19, 2010) for a discussion of the applicable legal standard.

1 incentive payments and any other costs incurred by PacifiCorp for purposes of implementing
2 the pilot program, consistent with this agreement. Through April 2011, the Company has
3 deferred approximately \$400,000 of costs associated with the program. Attachment 2 to
4 Pacific Power's Advice Filing 10-022 (December 1, 2010) contains a description of the types
5 of incremental costs, by cost category, to be included in the deferral.

6 **B. Reasons for Deferral.**

7 As described above, ORS 757.365 requires the implementation and administration of
8 the Oregon Solar Incentive Program. The statute also provides that prudently incurred costs
9 associated with compliance with the statute are recoverable in rates. Moreover, the
10 renewable energy credits associated with generation sold to the utility under ORS 757.365
11 may be used to comply with the Oregon RPS, which also requires cost recovery of prudently
12 incurred costs associated with compliance.⁵ Costs associated with compliance with
13 ORS 757.365 are not currently included in rates. Accordingly, reauthorization of the deferral
14 application is necessary to allow for recovery of the costs as contemplated by
15 ORS 757.365(10) and ORS 469A.120(1). Reauthorization of deferred accounting will allow
16 the Company to continue to match the benefits that customers will be receiving with the costs
17 to the Company of providing those benefits.

18 **C. Proposed Accounting.**

19 During the period of deferral, PacifiCorp proposes to account for the deferred costs of
20 the Oregon Solar Incentive Program by recording the deferral in Account 182.3, Other
21 Regulatory Assets.

⁵ ORS 469A.120(1).

1 **D. Estimate of Amounts.**

2 Costs and expenses of the Oregon Solar Incentive Program include the payment of
3 volumetric incentive rates and program administration costs to implement and administer the
4 program. Attachment 2 to the Company Advice Filing 10-022 contains a description of the
5 types of incremental costs, by cost category, to be included in the deferral. The Company
6 estimates that the costs may range from \$3.3 million to \$3.5 million during this deferral
7 period. Changes in the incentive rate established by the Commission, as well as differences
8 between actual and projected generation, may impact this estimate.

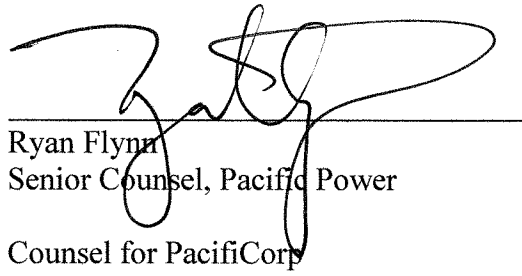
9 **E. Notice.**

10 A copy of the Notice of Application and a list of persons served with the Notice are
11 attached to this Application as Exhibit A.

12 **IV. CONCLUSION**

13 Continued deferral of the costs described in this Application is necessary to allow
14 recovery of prudently incurred costs associated with compliance with ORS 757.365 and the
15 Oregon RPS. Therefore, PacifiCorp respectfully requests that, in accordance with
16 ORS 757.365(10), the Commission reauthorize the Company to defer costs associated with
17 compliance with ORS 757.365 as required by statute. In the alternative, the Company
18 requests that if the Commission determines that ORS 757.365(10) does not authorize
19 deferral, the Commission reauthorize deferral under ORS 469A.120(1) and (3). Finally, if
20 the Commission finds that deferral is not appropriate under ORS 757.365(10) or
21 ORS 469A.120(1) and (3), the Company requests that the Commission reauthorize the
22 deferral under ORS 757.259.

DATED: May 18, 2011.



Ryan Flynn
Senior Counsel, Pacific Power
Counsel for PacifiCorp

EXHIBIT A

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1483(1)

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

NOTICE OF APPLICATION

On May 18, 2011, 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 \$3.3 million to \$3.5 million during this deferral period. The Company requests that the deferral continue no longer than twelve months from the date of this filing.

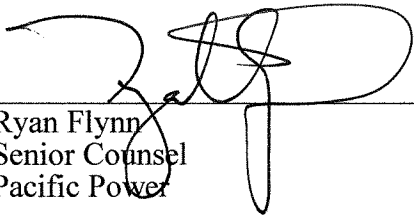
The granting of the Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

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

Joelle Steward
PacifiCorp
825 NE Multnomah Street, Ste 2000
Portland, OR 97232
Phone: (503) 813-5542

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 18, 2011



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.

Service List UM-1483

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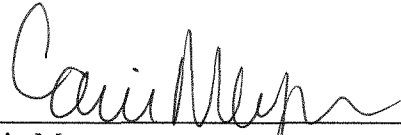
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DATED: May 18, 2011

A handwritten signature in black ink, appearing to read "Carrie Meyer", written over a horizontal line.

Carrie Meyer
Coordinator, Regulatory Administration