



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

May 15, 2018

VIA ELECTRONIC FILING

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

Attn: Filing Center

RE: UM 1693(4)—PacifiCorp's Application for Reauthorization of Deferred Accounting of Net Power Cost Variances

Enclosed for filing by PacifiCorp d/b/a Pacific Power is an Application for Reauthorization of Deferred Accounting of Net Power Cost Variances.


It is respectfully requested that all formal information requests 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 Natasha Siores, Manager, Regulatory Affairs, at (503) 813-6583.

Sincerely,



Etta Lockey
Vice President, Regulation

Enclosures

cc: Service List UM 1693
Service List UE 263

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1693(4)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred
Accounting of Net Power Cost Variances.

**APPLICATION FOR
REAUTHORIZATION OF DEFERRED
ACCOUNTING**

I. INTRODUCTION

Under ORS 757.210, ORS 757.259, and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power requests an order reauthorizing PacifiCorp to defer for later ratemaking treatment annual net power cost variances under Schedule 206, as authorized by Order No. 12-493. Reauthorization of this deferral is necessary to facilitate rate changes under PacifiCorp's power cost adjustment mechanism (PCAM) if variances in cost elements of the company's transition adjustment mechanism in 2018 exceed the deadbands and other limitations in Order No. 12-493.¹ Previously, Order No. 17-282 authorized deferral of these net power cost variances for the 12-month period beginning May 16, 2017.²

In support of this Application, PacifiCorp states:

II. NOTICE

Communications regarding this application should be addressed to:

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

Matthew McVee
Chief Regulatory Counsel
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
matthew.mcvee@pacificorp.com

¹ *In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Case*, Docket No. UE 246, Order No. 12-493 (Dec. 20, 2012). (Order No. 12-493)

² *In the Matter of PacifiCorp, dba Pacific Power, Application for Reauthorization to Defer Costs Associated with Net Power Cost Variances*, Docket No. UM 1693(3), Order No. 17-282 (Jul. 25, 2017).

In addition, PacifiCorp requests that all information 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, Manager of Regulatory Affairs, at (503) 813-6583.

III. OAR 860-027-0300(3) REQUIREMENTS

A. Description

PacifiCorp seeks reauthorization from the Public Utility Commission of Oregon (Commission) to defer, for future amortization, the difference between actual annual net power costs and forecasted annual net power costs, in accordance with Order No. 12-493. The annual variance will be determined under the terms of Order No. 12-493, which includes a deadband, a sharing band, and an earnings test.

B. Reasons for Deferral

In Order No. 12-493, the Commission ordered the adoption of a PCAM for PacifiCorp. The PCAM provides for recognition in rates of the difference, for a given year, between the actual annual net power costs incurred by PacifiCorp and forecast annual net power costs, subject to certain limitations. PacifiCorp's PCAM became effective in 2013 with the filing of Schedule 206. To date, PacifiCorp's net power cost variances have been insufficient to trigger rate changes under the PCAM.

PacifiCorp is seeking authorization to defer net power cost variances in excess of the deadbands and other PCAM limitations for possible later inclusion in rates. This deferral is

intended to capture the net annual power cost difference exceeding those limitations that will then be amortized in rates through the PCAM.

This deferral is filed in accordance with Order No. 12-493 and ORS 757.259(2)(e). This deferral will minimize the frequency of rate changes or the fluctuation of rate levels or match appropriately the costs borne by and benefits received by customers.

C. Proposed Accounting

PacifiCorp records revenues and expenses that would be subject to the deferral order in accordance with the Code of Federal Regulations (CFR) to FERC Account 501 (Fuel), FERC Account 503 (Steam from Other Sources), FERC Account 547 (Fuel), FERC Account 447 (Sales for Resale), FERC 456 (Other Electric Revenues), FERC 565 (Transmission by Others), FERC 409.1 (Income Taxes, Utility Operating Income), and FERC 555 (Purchased Power). Upon receiving reauthorization to record deferrals, PacifiCorp proposes to record the deferred amount by debiting FERC Account 182.3 (Regulatory Assets) and crediting FERC Account 555 (Purchased Power) if there is an amount to collect from customers. If there is a refund to customers, PacifiCorp would record the deferred amount by crediting FERC Account 254 (Regulatory Liabilities) and debiting FERC Account 555 (Purchased Power).

D. Estimate of Amounts

PacifiCorp is unable to provide an estimate of the deferred amount because it is a function of several unknown and unpredictable factors. PacifiCorp requests that, under Order No. 08-263 as modified by Order No. 10-279,³ it be allowed to accrue interest on the

³ *In the Matter of Public Utility Commission of Oregon Staff Request to Open an Investigation Related to Deferred Accounting*, Docket No. UM 1147, Order No. 08-263 (May 22, 2008); modified by *In the Matter of Public Utility Commission of Oregon Staff Request to Open an Investigation Related to Deferred Accounting*, Docket No. UM 1147, Order No. 10-279 (Jul. 23, 2010).

unamortized balance, consistent with the treatment of interest rates during accrual and amortization described in those orders.

E. Notice

A copy of the Notice of Application for Deferred Accounting and a list of persons served with the notice are included with this filing as Attachment A.

IV. CONCLUSION

Continued authorization of deferred accounting treatment is an appropriate, just, and reasonable means of implementing Order No. 12-493. For the reasons stated above, PacifiCorp requests reauthorization to defer annual net power cost variances in accordance with Order No. 12-493 for the 12-month period beginning May 16, 2018.

Respectfully submitted this 15th day of May, 2018.

By:



Matthew McVee, OSB #020735
Chief Regulatory Counsel
PacifiCorp
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
PHONE: (503) 813-5585
EMAIL: matthew.mcvee@pacificorp.com
Attorney for PacifiCorp

ATTACHMENT A

Notice of Application for Reauthorization of Deferred Accounting

ATTACHMENT A

NOTICE

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1693(4)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred
Accounting of Net Power Cost Variances

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

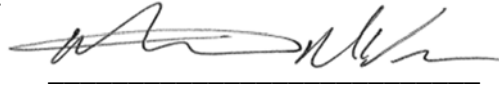
On May 15, 2018, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing PacifiCorp to defer for later ratemaking treatment annual net power cost (NPC) variances under Schedule 206, as authorized by Order No. 12-493. PacifiCorp seeks reauthorization of this deferral to facilitate rate changes under its power cost adjustment mechanism if variances in cost elements of the company's transition adjustment mechanism in 2018 exceed the deadbands and other limitations in Order No. 12-493. To obtain a copy the application, contact the following:

Oregon Dockets
825 NE Multnomah, Suite 2000
Portland, OR 97232
Telephone: (503) 813-6583
E-mail: oregondockets@pacificorp.com

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.

Respectfully submitted on May 15, 2018.

By:



Matthew 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 Deferred Accounting on the parties listed below via electronic mail and/or US mail in compliance with OAR 860-001-0180.

UM 1693

Matthew McVee
Pacific Power
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
matthew.mcvee@pacificorp.com

Mitch Moore
Public Utility Commission of Oregon
PO Box 1088
Salem, OR 97308-1088
mitch.moore@state.or.us

PacifiCorp, dba Pacific Power
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Sommer Moser
PUC Staff - Department Of Justice
1162 Court St NE
Salem OR 97301
sommer.moser@doj.state.or.us

Dated May 15, 2018.



Katie Savarin
Coordinator, Regulatory Operations

CERTIFICATE OF SERVICE

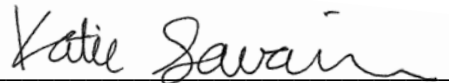
I certify that I served a true and correct copy of PacifiCorp's **Notice of Application for Deferred Accounting** on the parties listed below via electronic mail and/or overnight delivery in compliance with OAR 860-001-0180.

Service List UE 263

| | |
|---|---|
| OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 dockets@oregoncub.org | GREGORY M. ADAMS RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE, ID 83702 greg@richardsonadams.com |
| GREG BASS NOBLE AMERICAS ENERGY SOLUTIONS, LLC 401 WEST A ST., STE. 500 SAN DIEGO, CA 92101 gbass@noblesolutions.com | KURT J BOEHM BOEHM KURTZ & LOWRY 36 E SEVENTH ST - STE 1510 CINCINNATI, OH 45202 kboehm@bkllawfirm.com |
| STEVE W CHRISS (C) WAL-MART STORES, INC. 2001 SE 10TH ST BENTONVILLE, AR 72716-0550 stephen.chriss@wal-mart.com | MARIANNE GARDNER (C) PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM, OR 97308-1088 marianne.gardner@state.or.us |
| KEVIN HIGGINS ENERGY STRATEGIES LLC 215 STATE ST - STE 200 SALT LAKE CITY, UT 84111-2322 khiggins@energystrat.com | ROBERT JENKS (C) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 bob@oregoncub.org |
| SARAH E LINK (C) PACIFIC POWER 825 NE MULTNOMAH ST STE 1800 PORTLAND, OR 97232 sarah.link@pacificcorp.com | JODY KYLER COHN BOEHM, KURTZ & LOWRY 36 E SEVENTH ST STE 1510 CINCINNATI, OH 45202 jkylar@bkllawfirm.com |
| KATHERINE A MCDOWELL (C) MCDOWELL RACKNER & GIBSON PC 419 SW 11TH AVE., SUITE 400 PORTLAND, OR 97205 katherine@mcd-law.com | SAMUEL L ROBERTS (C) HUTCHINSON COX COONS ORR & SHERLOCK 777 HIGH ST STE 200 PO BOX 10886 EUGENE, OR 97440 sroberts@eugenelaw.com |

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|---|--|
| <p>TRACY RUTTEN LEAGUE OF OREGON CITIES 1201 COURT STREET NE SUITE 200 SALEM, OR 97301 trutten@orcities.org</p> | <p>IRION A SANGER (C) SANGER LAW PC 1117 SE 53RD AVE PORTLAND, OR 97215 irion@sanger-law.com</p> |
| <p>DONALD W SCHOENBECK (C) REGULATORY & COGENERATION SERVICES INC 900 WASHINGTON ST STE 780 VANCOUVER, WA 98660-3455 dws@r-c-s-inc.com</p> | <p>NONA SOLTERO FRED MEYER STORES/KROGER 3800 SE 22ND AVE PORTLAND, OR 97202 nona.soltero@fredmeyer.com</p> |
| <p>DOUGLAS C TINGEY PORTLAND GENERAL ELECTRIC 121 SW SALMON 1WTC1301 PORTLAND, OR 97204 doug.tingey@pgn.com</p> | <p>JAY TINKER PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC-0306 PORTLAND, OR 97204 pge.opuc.filings@pgn.com</p> |
| <p>MICHAEL T WEIRICH (C) PUC STAFF--DEPARTMENT OF JUSTICE BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@state.or.us</p> | <p>PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com</p> |

Dated May 15, 2018.



Katie Savarin
Coordinator, Regulatory Operations