



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

September 8, 2017

***VIA ELECTRONIC FILING***

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

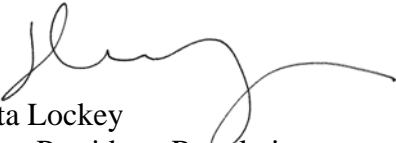
Attn: Filing Center

**RE: UM 1797(1)—Application for Reauthorization of Deferred Accounting for a  
Balancing Account Related to the Purchase of Renewable Energy Certificates**

PacifiCorp d/b/a Pacific Power encloses for filing in the above-referenced docket its Application for Reauthorization of Deferred Accounting.

If you have any questions, please contact Natasha Siores at (503) 813-6583.

Sincerely,



Etta Lockey  
Vice President, Regulation

Enclosures

## CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's **NOTICE OF APPLICATION FOR REAUTHORIZATION OF DEFERRED ACCOUNTING** on the parties listed below via electronic mail delivery in compliance with OAR 860-001-0180.

### Service List UM 1797

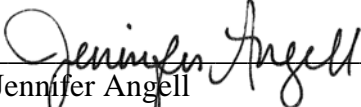
ABDOULAYE BARRY  
PUBLIC UTILITY COMMISSION OF OREGON  
PO BOX 1088  
SALEM, OR 97308-1088  
[abdoulaye.barry@state.or.us](mailto:abdoulaye.barry@state.or.us)

JOHANNA RIEMENSCHNEIDER  
PUC STAFF - DEPARTMENT OF JUSTICE  
BUSINESS ACTIVITIES SECTION  
1162 COURT ST NE  
SALEM, OR 97301-4796  
[johanna.riemenschneider@doj.state.or.us](mailto:johanna.riemenschneider@doj.state.or.us)

PACIFICORP, DBA PACIFIC POWER  
825 NE MULTNOMAH ST, STE 2000  
PORTLAND, OR 97232  
[oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

ETTA LOCKEY  
PACIFIC POWER  
825 NE MULTNOMAH ST., STE 2000  
PORTLAND, OR 97232  
[etta.lockey@pacificorp.com](mailto:etta.lockey@pacificorp.com)

Dated September 8, 2017.

  
\_\_\_\_\_  
Jennifer Angell  
Supervisor, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1797(1)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred  
Accounting for a Balancing Account Related to  
the Purchase of Renewable Energy Certificates.

**APPLICATION FOR  
REAUTHORIZATION OF  
DEFERRED ACCOUNTING**

**I. INTRODUCTION**

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rules (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp) applies to the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferred accounting for the balancing account used to record the costs related to contracts to purchase renewable energy certificates (RECs), the actual collections through PacifiCorp's Schedule 203, and associated interest. PacifiCorp respectfully requests to continue the use of deferred accounting for this balancing account for the 12 month period beginning September 9, 2017.

**II. NOTICE**

Communications regarding this application should be addressed to:

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

Matthew D. McVee  
Chief Regulatory Counsel  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [matthew.mcvee@pacificorp.com](mailto:matthew.mcvee@pacificorp.com)

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

By email (preferred): [datarequest@pacificorp.com](mailto: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 at 503-813-6583.

### **III. BACKGROUND**

On September 9, 2016, PacifiCorp filed tariff advice 16-011, docketed as UE 313, to request approval to recover the costs associated with the purchase of RECs through the Renewable Resource Deferral Supply Service Adjustment, Schedule 203. After review, Commission staff found PacifiCorp's purchase of RECs were prudently incurred.<sup>1</sup> The Commission approved PacifiCorp's filing to recover the costs associated with the REC purchases, which included the use of a balancing account to track over- and under-collections. Schedule 203 became effective on January 25, 2017.

On September 9, 2016, PacifiCorp also filed an application for deferred accounting for the balancing account related to the REC purchases. The Commission approved the deferral application on December 20, 2016, in Order No. 16-486, to defer costs related to the purchase of RECs for the 12 months beginning September 9, 2016.

PacifiCorp respectfully requests reauthorization of deferred accounting for the balancing account related to the company's REC purchases for the twelve-month period beginning September 9, 2017.

---

<sup>1</sup> *In the Matter of PacifiCorp d/b/a Pacific Power's Update to Schedule 203, Renewable Resource Deferral Supply Service Adjustment, Docket No. UE 313, Order No. 17-019 at 6 (Jan. 24, 2017).*

#### **IV. DEFERRAL OF COSTS**

PacifiCorp respectfully requests reauthorization under ORS 757.259(2)(e) to continue the use of a balancing account to record the costs and Schedule 203 collections related to the company's REC purchases, along with related interest consistent with the treatment of interest rates during accrual and amortization described in Order No. 08-263 as modified by Order No. 10-279.

As required by OAR 860-027-0300(3) and (4), PacifiCorp provides the following:

##### **A. Description of Utility Expense**

PacifiCorp proposes to continue to maintain a balancing account to record the costs related to the purchase of RECs, the amortization of collections through Schedule 203 and related interest. The continued use of a balancing account will ensure that Schedule 203 will not under- or over-collect amounts related to the purchase of RECs.

##### **B. Reasons for Deferral**

ORS 757.259(2)(e) allows the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne and received by customers. In this application PacifiCorp seeks reauthorization to use a balancing account to match the costs borne and benefits received by customers.

##### **C. Proposed Accounting**

If this application is approved, PacifiCorp will record deferred REC purchase cost amounts by crediting REC purchases in FERC Account 555, Purchased power, and debiting the REC balancing account, in FERC Account 182.3, Other regulatory assets. The deferral balance will be reduced monthly by the amount collected under Schedule 203, Renewable Resource Deferral Supply Service Adjustment. A carrying charge calculated at the current

Modified Blended Treasury (MBT) rate will be recorded each month on the deferral balance. If this application is denied, the cost of REC purchases will remain in Purchased power, FERC Account 555.

**D. Estimate of Amounts**

In Order No. 17-019, the Commission approved PacifiCorp's Advice 16-011 to recover the costs associated with REC purchases through Schedule 203, Renewable Resource Deferral Supply Service Adjustment. The rates currently reflected in Schedule 203 were designed to collect \$662,000, and became effective on January 25, 2017. As mentioned above, deferred REC purchase cost amounts are recorded in the balancing account and are offset monthly by the amount collected under Schedule 203. Thus, the difference between REC purchase costs and Schedule 203 collections will be reflected in the balancing account along with interest calculated at the MBT. Generally, it is expected that the balancing account will zero out over time.

**E. Notice**

A copy of the Notice of Application is included as Exhibit A. This notice will be served to the service list in docket UM 1797.

**F. Description and Explanation of Entries in the Deferred Account to Date**

Exhibit B provides the current history of the PacifiCorp's REC balancing account that includes actual activity through August 2017.

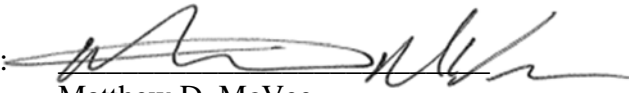
**G. Reasons for Continuation of Deferred Accounting**

Reauthorization of deferred accounting for the REC balancing account will allow PacifiCorp to continue to match the costs borne and benefits received by customers.

## V. CONCLUSION

PacifiCorp respectfully requests that, in accordance with ORS 757.259(2)(e), the Commission approve the PacifiCorp's request for reauthorization of deferred accounting for the REC balancing account.

Respectfully submitted this 8<sup>th</sup> day of September, 2017.

By:   
Matthew D. McVee  
Chief Regulatory Counsel  
PacifiCorp d/b/a Pacific Power

**EXHIBIT A**  
**NOTICE**



**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1797(1)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred  
Accounting for a Balancing Account Related to  
the Purchase of Renewable Energy Certificates.

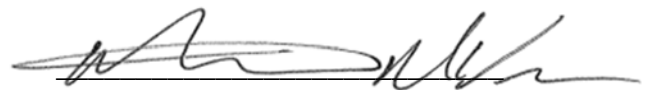
**NOTICE OF APPLICATION FOR  
REAUTHORIZATION OF  
DEFERRED ACCOUNTING**

On September 8, 2017, PacifiCorp d/b/a Pacific Power (PacifiCorp) filed an Application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferred accounting relating to PacifiCorp's renewable energy certificate balancing account. Approval of PacifiCorp's 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. Persons who wish to obtain a copy of PacifiCorp's filing should contact the following:

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

Any person who wishes to submit written comments to the Commission must do so within 25 days of the date of PacifiCorp's application.

DATED: September 8, 2017.



Matthew McVee  
Chief Regulatory Counsel

**EXHIBIT B**

**ENTRIES IN DEFERRED BALNCING ACCOUNT TO DATE**

**OR RPS Compliance  
Account # 187886**

**Interest = 2.38% effective January 24, 2017 - forward**

Acctg Pd	Begin Bal	Additions	Actual		End Bal.
			Amortization	Interest	
Beg Balance					(20,570.63)
Mar-17	(20,570.63)	0.00	(40,556.39)	(81.02)	(61,208.03)
Apr-17	(61,208.03)	0.00	(54,481.56)	(175.42)	(115,865.02)
May-17	(115,865.02)	0.00	(52,668.63)	(282.03)	(168,815.67)
Jun-17	(168,815.67)	0.00	(49,276.47)	(383.68)	(218,475.83)
Jul-17	(218,475.83)	0.00	(51,045.59)	(483.93)	(270,005.35)
Aug-17	(270,005.35)	0.00	(56,207.13)	(591.25)	(326,803.73)

**Note:**

**Amortization is recorded with a one month lag.**

**PacifiCorp is in the process of calculating the allocation of actual REC purchases from the 2016 RFP. Oregon's allocation of actual REC purchases will be booked to this balancing account in 4th quarter of 2017.**

**Through July 2017, Oregon's allocation of actual REC purchases is roughly estimated to be about \$590,000.**