

November 26, 2019

VIA ELECTRONIC FILING

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

Attn: Filing Center

**RE: UM 1981(1)— Application for Reauthorization of Deferred Accounting for Costs
Related to the Oregon Community Solar Program**

PacifiCorp d/b/a Pacific Power submits for filing its Application for Reauthorization of Deferred Accounting for Costs Related to the Oregon Community Solar Program.

PacifiCorp respectfully requests that all communications related to this filing be addressed to:

Oregon Dockets
PacifiCorp
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


Additionally, PacifiCorp requests that all formal information requests regarding this matter be addressed to:

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

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,


Etta Lockey
Vice President, Regulation

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1981(1)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting
for Costs Related to the Oregon Community Solar
Program.

**APPLICATION FOR
REAUTHORIZATION FOR
DEFERRED ACCOUNTING**

I. INTRODUCTION

In accordance with ORS 757.259(2)(e) and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power applies to the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferral of start-up costs related to the Oregon Community Solar Program (Community Solar). PacifiCorp respectfully requests reauthorization for 12 months beginning November 28, 2019.

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

Matthew McVee
Chief Regulatory Counsel
PacifiCorp
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Email: 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

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

Informal questions may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

III. BACKGROUND

On November 27, 2018, PacifiCorp filed an application for approval to defer accounting costs related to Community Solar, OPUC docket UM 1981. The Commission approved the application in Order No. 18-478.¹ ORS 757.386 and OAR 860-088-0160 permit utilities to recover all start-up costs prudently incurred during the development or modification of Community Solar in electric company rates. The start-up phase for Community Solar will include program development, which will transition to an ongoing phase once Community Solar is fully operational.²

IV. DEFERRAL OF COSTS

PacifiCorp respectfully requests authorization under ORS 757.259(2)(e) to establish and maintain a balancing account to record costs related to Community Solar, along with related interest at the Modified Blended Treasury Rate, consistent with the treatment of interest rates described in Order No. 08-263 as modified by Order No. 10-279.

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

A. Description of Utility Expense

PacifiCorp seeks reauthorization to defer, for future amortization, the start-up costs of Community Solar.

OAR 860-088-0160(1) defines start-up costs as:

¹ *In the Matter of PACIFICORP, dba PACIFIC POWER, Application for Approval to Defer Accounting Costs Related to the Oregon Community Solar Program*, Order No. 18-478 (December 19, 2018).

² The delineation between start-up and on-going Community Solar costs will be determined by the Program Administrator and included in the Program Implementation Manual.

- 1) Costs associated with the Program Administrator³ and Low-Income Facilitator;⁴
and
- 2) Each electric utility's prudently incurred start-up costs associated with implementing the Community Solar Program. These costs include, but are not limited to, costs associated with customer account information transfer and on-bill crediting and payment, but exclude any costs associated with the electric utility developing a Community Solar Program solar project.

PacifiCorp anticipates the start-up costs consisting of internal administration costs, which include internal program management, billing system operating costs, and training and support for customer support representatives. PacifiCorp will also incur capital investments to upgrade its billing system to accommodate the billing credits of Community Solar as required by OAR 860-088-0120; however, those capital costs are not included in this deferral application, in compliance with Order No. 18-423. Finally, start-up costs will include funding of the Program Administrator and Low Income Facilitator.

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 the use of a balancing account to match the costs borne and benefits received by customers.

³ According to OAR 860-088-0010, Program Administrator means a third-party directed by the Commission to administer the Community Solar Program.

⁴ Low-Income Facilitator's responsibilities are provided in OAR 860-088-0030.

C. Proposed Accounting

If this application is approved, PacifiCorp will record deferred Community Solar start-up costs by crediting FERC account 906, Customer Service and Informational Expenses, and other relevant FERC expense accounts, and debiting the Community Solar Start-Up Costs balancing account, in FERC Account 182.3, Other Regulatory Assets. The deferral balance will be reduced monthly by the amount collected under Schedule 207, Community Solar Star-Up Cost Recovery Adjustment. A carrying charge calculated at the current Modified Blended Treasury rate will be recorded each month on the deferral balance. If this application is denied, Community Solar start-up costs will remain in FERC account 906 and other relevant FERC expense accounts.

D. Estimate of Amounts

At this time, PacifiCorp has a debit balance in its deferral account for fiscal year 2019 of approximately \$412,000 and estimates that its administration costs for Community Solar start-up will be \$215,000 for 2020. PacifiCorp estimates Program Administration team costs to be \$887,869 in 2020, and \$924,773 in 2021, based on its share (39.5%) of the State of Oregon’s contract with Energy Solutions, the Program Administrator.⁵ Some portion of these costs will be paid by Community Solar Participants and Project Managers, but that contribution is uncertain at this time.

**Expected Community Solar Start-Up Costs
(\$000s)**

	FY 2019	2019 - 2020	2021
Deferral Account Balance	\$412		
PacifiCorp Administration Costs		\$215	\$150
Program Administration Team		\$888	\$925

⁵ *Community Solar Start-Up Cost Recovery and Remittance of Funds to the Program Administrator*, Order No. 19-122, Appendix A at 4 (April 11, 2019).

E. Notice

A Notice of PacifiCorp's Application for Approval of Deferred Accounting for Costs Related to the Oregon Community Solar Program is included as Exhibit A. This notice will be served to the service list in docket UM 1981.

V. CONCLUSION

PacifiCorp respectfully requests that the Commission authorize the company to continue deferring the Community Solar start-up costs, related amortization and interest beginning November 28, 2019.

Respectfully submitted this 26th day of November, 2019.


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

Exhibit A
Notice

EXHIBIT A

NOTICE

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1981(1)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred
Accounting for Costs Related to the Oregon
Community Solar Program.

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

On November 26, 2019, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing the company to maintain a balancing account to record the deferral of start-up costs related to the Oregon Community Solar Program. The granting of this 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. To obtain a copy of the application, contact the following:

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
E-mail: 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.

Respectfully submitted on November 26, 2019.

By:



Matthew D. McVee
Chief Regulatory Counsel

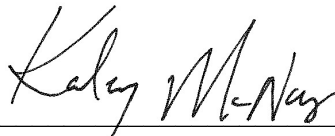
CERTIFICATE OF SERVICE

I certify that I electronically served a true and correct copy of PacifiCorp’s **Application for Reauthorization of Deferred Accounting for Costs Related to the Oregon Community Solar Program** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

**Service List
UM 1981**

OREGON DOCKETS PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com	MATTHEW MCVEE PACIFICORP 825 NE MULTNOMAH ST, STE 2000 PORTLAND OR 97232 matthew.mcvee@pacificorp.com
STEPHANIE ANDRUS PUC STAFF--DEPARTMENT OF JUSTICE BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 stephanie.andrus@state.or.us	CAROLINE MOORE PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM, OR 97308-1088 caroline.moore@state.or.us

Dated November 26, 2019.



Kaley McNay
Coordinator, Regulatory Operations