

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1285

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER & LIGHT COMPANY)	ORDER
)	
Application for a Deferred Accounting Order)	
Regarding the Costs Associated with an)	
Independent Evaluator of the Company's Draft)	
2012 Request for Proposals)	

DISPOSITION: APPLICATION APPROVED

On November 9, 2006, PacifiCorp, dba Pacific Power & Light Company (PacifiCorp) filed a request with the Public Utility Commission of Oregon (Commission), pursuant to ORS 757.259 and OAR 860-027-0300, to defer costs associated with a Commission-selected Independent Evaluator retained to evaluate PacifiCorp's 2012 Request for Proposals for base load resources. A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

At its Public Meeting on April 10, 2007, the Commission adopted Staff's recommendation.

ORDER

IT IS ORDERED that PacifiCorp's application for deferred accounting for Independent Evaluator costs associated with its Draft 2012 RFP and interest accrual, is approved, effective with the date of the application.

Made, entered, and effective APR 13 2007.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. CA4

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 10, 2007**

REGULAR _____ CONSENT X EFFECTIVE DATE November 9, 2006

DATE: March 27, 2007

TO: Public Utility Commission

FROM: Deborah Garcia *DB*

THROUGH: *li* Lee Sparling, *EB* Ed Busch and *JJ* Judy Johnson

SUBJECT: PACIFIC POWER & LIGHT: (Docket No. UM 1285) Application for a Deferred Accounting Order for costs associated with an Independent Evaluator of its Draft 2012 Request For Proposals.

STAFF RECOMMENDATION:

I recommend the Commission approve Pacific Power & Light's application.

DISCUSSION:

On November 9, 2006, Pacific Power & Light (PPL or Company) filed this application under OAR 860-027-0300 requesting authorization to defer the costs associated with a Commission-selected Independent Evaluator (IE) retained to evaluate PPL's 2012 Request for Proposals (RFP) for base load resources. In accordance with ORS 757.259(4), PPL requests it be allowed to accrue interest on the unamortized balance at a rate equal to its weighted average cost of capital most recently approved by the Commission.

Previously, the Commission revised competitive bidding guidelines by Order No. 06-446. Guideline No. 5 of the Order addresses the selection and contracting processes for an IE and provides that a utility may request deferred accounting to track the costs of an IE for later inclusion in customer rates. In Order No. 06-550, the Commission selected Boston Pacific and Accion Group as the Oregon IE for PPL's RFP. Order No. 06-676 clarified that PPL should retain the IE even if the Commission did not approve the company's request for RFP approval, and that the company may recover appropriately incurred Oregon IE fees through deferred accounting.

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Reason for Deferral

Adoption of this deferred account is authorized by 757.259(2)(e) in order to minimize the frequency of rate changes or fluctuation of rate levels. PPL has met the requirements of OAR 860-027-0300 in its filing.

Proposed Accounting

The proposed deferrals would be recorded in Account 182.3, Other Regulatory Assets. Amortization of the balance would be considered in a subsequent proceeding coincident with inclusion in rates.

Estimated Deferrals in Authorization Period

PPL anticipates that the IE costs will be approximately \$670,000.

PROPOSED COMMISSION MOTION:

PPL's deferred accounting application for IE costs associated with its Draft 2012 RFP and interest accrual be approved effective with the date of the application.

PPL UM 1208 IE Deferral