

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1363

In the Matter of )  
PACIFICORP, dba PACIFIC POWER ) ORDER  
Application for Deferred Accounting. )

**DISPOSITION: APPLICATION APPROVED**

On January 22, 2008, PacifiCorp, dba Pacific Power (Pacific Power) filed a request with the Public Utility Commission of Oregon (Commission), pursuant to ORS 757.259, to defer costs associated with Independent Evaluators for the solicitation process established in docket UM 1360 for flexible resources beginning 2012 through 2017. 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 February 12, 2008, the Commission adopted Staff's recommendation.

**ORDER**

IT IS ORDERED that:

1. Pacific Power's request to defer costs associated with an Independent Evaluator is approved.
2. Ratemaking treatment for such costs will be reserved for a ratemaking proceeding.

Made, entered, and effective FEB 15 2008



BY THE COMMISSION:

*Becky L. Beier*  
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**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. CA9

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 12, 2008

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE  January 22, 2008

DATE: January 25, 2008

TO: Public Utility Commission

FROM: Deborah Garcia *DG*

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

SUBJECT: PACIFIC POWER & LIGHT: (Docket No. UM 1363) Defers costs associated with the independent evaluators for the solicitation process established in Docket UM 1360 for flexible resources beginning 2012 through 2017.

**STAFF RECOMMENDATION:**

I recommend that Pacific Power & Light's application in this filing be approved.

**DISCUSSION:**

In accordance with the competitive bidding guidelines associated with the acquisition of resources that were established by Order No. 06-446 (RFP Order) in Docket No. UM 1182, Pacific Power & Light (PPL or company) filed a request<sup>1</sup> for Commission approval to establish a solicitation process for 2008 and to select Oregon Independent Evaluators (IE). At its January 8, 2008, Public Meeting, the Commission approved PPL's request and selected Boston Pacific Company, Inc. and Accion Group as the 2008 IE. PPL has provided draft contracts to the 2008 IE and Commission Staff for review and intends to execute the contract with the Oregon IE as soon as practicable. PPL's current request to establish a deferral account to track the expense associated with the 2008 IE for later inclusion in rates is consistent with guideline 5 of the RFP Order.

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.

<sup>1</sup> Docket No. UM 1360

PPL Docket UM 1363  
January 25, 2008  
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Proposed Accounting -- The proposed deferrals would be recorded in Account 182.3, Other Regulatory Assets. PPL also requests that 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.

Estimated Deferrals in Authorization Period – PPL estimates the cost of the IE to be \$700,000 but notes that the estimated amount is based on costs associated with the 2012 RFP and will be updated as better information becomes available.

**PROPOSED COMMISSION MOTION:**

PPL's filing, docketed as UM 1363, be approved for accounting purposes only with amortization of the balance to be considered in a subsequent proceeding coincident with inclusion in rates.

PPL Docket UM 1363 2008 IE