

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1285(2)

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

**DISPOSITION: APPLICATION FOR REAUTHORIZATION  
APPROVED**

On April 10, 2007, PacifiCorp’s, dba Pacific Power (Pacific Power), request to defer costs associated with a Commission-selected Independent Evaluator (IE) retained to evaluate PacifiCorp’s 2012 Request for Proposals for base load resources was approved by the Public Utility Commission of Oregon (Commission) at its Public Meeting (see Order No. 07-145). Due to the involved parties’ efforts to ensure the best possible outcome in this process, both the duration and scope of the project were increased. These changes required the request to reauthorize annually the deferral of costs and appropriate interest that is associated with the IE until the project is complete.

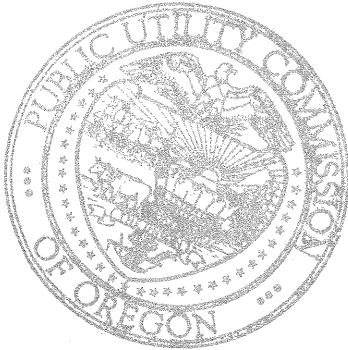
On January 14, 2008, Pacific Power’s application for reauthorization of deferred accounting for IE costs associated with this request for proposals was approved (See Order No. 08-011). On December 15, 2008, Pacific Power requested reauthorization for deferred accounting for IE costs associated with requests for proposals. 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 January 6, 2009, the Commission adopted Staff’s recommendation.

**ORDER**

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

Made, entered, and effective JAN 08 2009.



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.

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: January 6, 2009

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE  December 15, 2008

DATE: December 16, 2008

TO: Public Utility Commission

FROM: <sup>SH</sup> Lisa Gorsuch

THROUGH: <sup>NTK</sup> Lee Sparling, <sup>EB</sup> Ed Busch, and <sup>JD</sup> Judy Johnson

SUBJECT: PACIFIC POWER & LIGHT: (Docket No. UM 1285(2)) Reauthorizes deferred accounting for independent evaluator costs associated with Requests for Proposals.

**STAFF RECOMMENDATION:**

Staff recommends that Pacific Power & Light's (PPL or Company) application be approved.

**DISCUSSION:**

At its April 10, 2007, public meeting the Commission approved (See Order No. 07-145) PPL's request to establish a deferral for the costs and appropriate interest associated with a Commission-approved independent evaluator (IE) retained to evaluate PPL's 2012 Request for Proposals (RFP) for base load resources.

Due to the involved parties' efforts to ensure the best possible outcome in this process, both the duration and scope of the project were increased. These changes required the request to reauthorize annually the deferral of costs and appropriate interest that is associated with the IE until the project is complete. Last year the Commission approved (See Order No. 08-011) the Company's application to defer these costs.

Reason for Deferral -- Adoption of this deferred account is authorized by ORS 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.

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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 -- Since November 9, 2006, PPL incurred approximately \$790,000 in costs associated with the Oregon IE. On November 10, 2008, the Company filed Advice No. 08-017 to begin amortizing these costs on January 1, 2009. PPL anticipates that the additional cost of the Oregon IE will be approximately \$250,000.

**PROPOSED COMMISSION MOTION:**

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

PPL UM 1285(2) for RFP