

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1363(2)

In the Matter of

PACIFICORP, dba PACIFIC POWER

Application for Reauthorization of
Deferred Accounting.

ORDER

DISPOSITION: APPLICATION APPROVED

On April 21, 2010, PacifiCorp, dba Pacific Power (Pacific Power), filed a request with the Public Utility Commission of Oregon (Commission), under ORS 757.259 and OAR 860-027-0300, for reauthorization to defer costs associated with independent evaluators for the ongoing solicitation process. 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 August 10, 2010, the Commission adopted Staff's recommendation.

ORDER

IT IS ORDERED that:

1. PacifiCorp, dba Pacific Power's request to defer costs associated with independent Evaluators is approved.
2. Approval is for accounting purposes only, and the deferral must be recorded in Account 182.3, Other Regulatory Assets, consistent with Pacific Power's current deferral.

Made, entered, and effective AUG 17 2010.



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. CA6

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 10, 2010

REGULAR _____ CONSENT X EFFECTIVE DATE April 21, 2010

DATE: July 27, 2010

TO: Public Utility Commission

FROM: Deborah Garcia *DG*

THROUGH: *LS* Lee Sparling, *MG* Maury Galbraith, and *MG JJ* Judy Johnson

SUBJECT: PACIFIC POWER & LIGHT: (Docket No. UM 1363(2)) Reauthorization of deferred accounting related to the costs for 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 be approved.

DISCUSSION:

In this filing Pacific Power & Light (PPL or Company) requests reauthorization to defer the costs related to Commission-selected independent evaluators (IE)¹ as previously granted in Docket UM 1363 by Commission Order Nos. 08-119 and 09-071.² This deferral was established in accordance with the competitive bidding guidelines associated with the acquisition of resources established in Docket No.UM 1182 by Order No. 06-446. PPL's filing meets the requirements of ORS 757.259 and OAR 860-027-0300(3).

Reasons for Deferral

The IE continue to perform services under their respective IE contracts and will continue to do so until the conclusion of the process established in UM 1360. ORS 757.259(2)(e) allows utility expenses or revenues to be deferred where necessary to appropriately match the costs borne by and benefits received by customers and to minimize the frequency of rate changes or fluctuation of rate levels. Because a deferral period may

¹ See Order No. 08-019 in Docket No. Um 1360.

² See the Staff memos attached to Order Nos. 08-119 and 09-071 for additional background related to this deferral.

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not exceed twelve months beginning on or after the date of application, the Company seeks an order reauthorizing deferral of these costs from the date of its application through April 20, 2011.

Proposed Accounting

PPL proposes the deferrals be recorded in Account 182.3, Other Regulatory Assets, consistent with the Company's current deferral accounting practices under the previously approved IE deferred accounting orders.

Estimated Deferral in Authorization Period

As of the date of this filing, PPL has paid the IE approximately \$380,000 for services. The Company estimates that the total cost of the IE services will be \$700,000.

PROPOSED COMMISSION MOTION:

PPL's application be approved for accounting purposes only.

PPL UM 1363(2) Independent Evaluators