

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1393

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

DISPOSITION: APPLICATION APPROVED

On October 3, 2008, PacifiCorp, dba Pacific Power (Pacific Power or Company), filed an application with the Public Utility Commission of Oregon (Commission) for an accounting order to defer the costs associated with a Commission-selected independent evaluator (IE) for the Company's renewable resources solicitation process (2008R-1 RFP). Under the bidding guidelines established in Docket No. UM 1182, Order No. 06-446, Pacific Power filed for approval of the 2008R-1 RFP which was docketed as UM 1368 and approved by Order No. 08-476. A further 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 October 21, 2008, the Commission adopted Staff's recommendation.

ORDER

IT IS ORDERED that Pacific Power's application to defer Independent Evaluator costs in accordance with its 2008R-1 RFP is approved.

Made, entered, and effective OCT 28 2008

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: October 21, 2008**

REGULAR _____ CONSENT X EFFECTIVE DATE October 3, 2008

DATE: October 7, 2008

TO: Public Utility Commission

FROM: Deborah Garcia *DG*

THROUGH: *AS* Lee Sparling, *EB* Ed Busch, and *JD* Judy Johnson

SUBJECT: PACIFIC POWER & LIGHT: (Docket No. UM 1393) Defers costs related to an independent evaluator for the solicitation process in Docket No. UM 1368.

STAFF RECOMMENDATION:

I recommend the Commission approve Pacific Power & Light's application, effective October 3, 2008.

DISCUSSION:

Pacific Power & Light (PPL or company) filed this application pursuant to ORS 757.259 and OAR 860-027-0300. The company requests an accounting order to defer the costs associated with a Commission-selected independent evaluator (IE) for the company's renewable resources solicitation process (2008R-1 RFP).

Under the bidding guidelines established in Docket No. UM 1182, Order No. 06-446 (RFP Order), PPL filed for approval of the 2008R-1 RFP which was docketed as UM 1368 and approved by Order No. 08-476.

Guideline No. 5 of the RFP Order requires an IE in all RFPs and allows a utility to request deferred accounting to track the associated costs for later inclusion into rates.

The 2008R-1 RFP requires successful bidders to submit a fee to be used to cover the costs of the Oregon IE. Because PPL expects costs to be covered by the successful bidders' fees, the company does not expect this deferral to be necessary absent unexpected circumstances such as a lack of sufficient successful bidders to cover the

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full cost. Therefore, this application seeks deferred accounting only for costs that are not otherwise recovered from successful bidders.

During the deferral period, PPL proposes to record the deferred costs in Account 182.3, Other Regulatory Assets. The company estimates the cost of the IE at \$500,000.

PPL has met the requirements of OAR 860-027-0300 for this filing.

PROPOSED COMMISSION MOTION:

PPL's application to defer IE costs in accordance with its 2008R-1 RFP be approved.

PPL UM 1393 2008R-1 RFP IE