

September 15, 2011

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
Salem, OR 97310-2551


Attn: Filing Center

**RE: Application for a Deferred Accounting Order for the Costs Associated with
the Independent Evaluator for the 2011 All Source Request for Proposals**

Enclosed for filing by PacifiCorp d.b.a. Pacific Power is an original and five copies of an Application for a Deferred Accounting Order related to the independent evaluator selected for the 2011 All Source Request for Proposal. A copy of the enclosed Notice has been served on all parties in Docket UE 217 and UM 1540 as indicated on the attached Certificate of Service.

Informal inquiries may be directed to Joelle Steward at (503) 813-5542.

Very truly yours,


Andrea L. Kelly
Vice President, Regulation

Enclosures
cc: Service List UE 217 and UM 1540

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document to the service lists in Dockets UE 217 and UM 1540, on the date indicated below by email and/or US Mail, addressed to said parties at his or her last-known address(es) indicated below.

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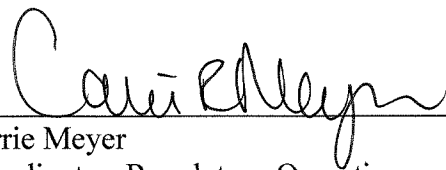
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DATED: September 15, 2011



Carrie Meyer
Coordinator, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM ____

In the Matter of
PACIFICORP, dba PACIFIC POWER

**PACIFICORP'S APPLICATION FOR
DEFERRED ACCOUNTING**

Application of Deferred Accounting for
Costs Associated with the Independent
Evaluator for the 2011 Request for
Proposals.

1 **I. INTRODUCTION**

2 Pursuant to ORS 757.259 and OAR 860-027-0300, PacifiCorp, d.b.a. Pacific
3 Power (PacifiCorp or Company) applies to the Public Utility Commission of Oregon
4 (Commission) for an order authorizing the Company to defer, from the date of this
5 Application forward, the costs associated with the independent evaluator (Oregon IE)
6 selected and approved by the Commission for the Company's 2011 All Source Request
7 for Proposal (2011 All Source RFP).

8 **II. NOTICE**

9 Communications regarding this Application should be addressed to:

Oregon Dockets PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232 Phone: 503.813.5542 Email: oregondockets@pacificorp.com	Mary Wiencke Legal Counsel PacifiCorp 825 NE Multnomah, Suite 1800 Portland, Oregon 97232 Phone: 503.813.5058 Email: mary.wiencke@pacificorp.com
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10 In addition, PacifiCorp requests that all data requests regarding this Application
11 be sent to the following:

1 By email (preferred): datarequest@pacificorp.com
2 By regular mail: Data Request Response Center
3 PacifiCorp
4 825 NE Multnomah, Suite 2000
5 Portland, Oregon 97232

6 Informal questions may be directed to Joelle Steward, Oregon Regulatory
7 Manager at 503-813-5542.

8 **III. DEFERRED ACCOUNTING RULE REQUIREMENTS**

9 The following is provided pursuant to the requirements set forth in OAR 860-027-
10 0300(3).

11 **A. Description of Utility Expense.**

12 On August 10, 2006, the Commission issued competitive bidding requirements
13 for new supply-side resource acquisitions applicable to Oregon's investor-owned utilities.
14 See Order No. 06-446 ("RFP Order"). Guideline 5 of the RFP Order requires an IE's
15 participation in all RFPs. Guideline 5 also provides that a utility may request deferred
16 accounting to track the costs of an IE for later inclusion in rates.

17 On April 29, 2011, PacifiCorp filed an application requesting the Commission to
18 (1) open a docket for the approval of the 2011 All Source RFP; and (2) appoint an
19 independent evaluator for the 2011 All Source RFP. The filing was assigned Docket UM
20 1540. On June 21, 2011, Commission Staff recommended that the Commission select
21 Boston Pacific to serve as Oregon's IE for PacifiCorp's 2011 All Source RFP.
22 Accordingly, this application seeks deferred accounting for the costs under the Oregon IE
23 contract.

1 **B. Reasons for Deferral.**

2 ORS 757.259(2)(e) allows the deferral of utility expenses or revenues where
3 necessary to match appropriately the costs borne by and benefits received by customers.
4 This request seeks to align the costs of the Oregon IE and the services they will perform
5 on behalf of PacifiCorp's customers. In its RFP Order, the Commission specifically
6 approved of the use of deferred accounting to match the customer costs and benefits of an
7 IE in this manner.

8 **C. Proposed Accounting.**

9 During the period of deferral, PacifiCorp proposes to account for the deferred
10 costs of the IE by recording the deferral in Account 182.3, Other Regulatory Assets.
11 PacifiCorp requests that in accordance with ORS 757.259(4), it be allowed to accrue
12 interest on the unamortized balance at a rate equal to its weighted average cost of capital
13 most recently approved by the Commission. Amortization of the balance would be
14 considered in a subsequent proceeding coincident with inclusion in rates.

15 In the absence of approval of deferred accounting the costs would be recorded in
16 Account 557, Other Power Supply Expenses.

17 **D. Estimate of Amounts.**

18 The Company anticipates that the cost of the Oregon IE will be approximately
19 \$300,000.

20 **E. Notice.**

21 A copy of the Notice of Application and a list of the persons served with the
22 Notice are attached to this Application as Exhibit A.

1

IV. CONCLUSION

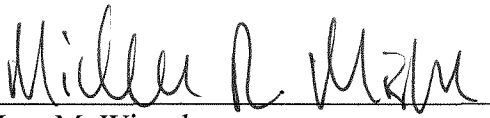
2

PacifiCorp respectfully requests that, in accordance with ORS 757.259, the

3

Commission authorize the Company to defer the costs described in this Application.

DATED: September 15, 2011.


Mary M. Wiencke
Legal Counsel
Pacific Power
PacifiCorp

*for
Mary
Wiencke*

EXHIBIT A

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM ____

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

NOTICE OF APPLICATION

1 On September 15, 2011, Applicant PacifiCorp, d.b.a. Pacific Power (PacifiCorp
2 or Company) applied to the Public Utility Commission of Oregon (Commission) for
3 authorization to use deferred accounting.

4 The Company proposes to defer from the date of the Application forward the
5 costs associated with the independent evaluator (Oregon IE) approved by the Public
6 Utility Commission of Oregon for the Company's solicitation process in its 2011 All
7 Source Request for Proposal (2011 All Source RFP) in Docket UM 1540. The Company
8 estimates the total deferral amount to be \$300,000.

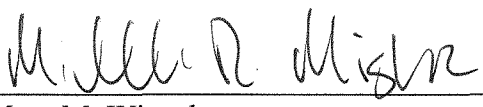
9 The granting of this Application will not authorize a change in rates, but will
10 permit the Commission to consider allowing such deferred amounts in rates in a
11 subsequent proceeding.

12 Interested persons may obtain a copy of the Application by contacting:

13 Joelle Steward
14 PacifiCorp
15 825 NE Multnomah Street, Suite 2000
16 Portland, OR 97232
17 Phone: (503) 813-5542

1 Any person may submit the Commission written comment to the Application, in
2 accordance with the procedures prescribed by the Commission. The deadline for
3 comments on the application is October 10, 2011.

DATED: September 15, 2011.



Mary M. Wiencke
Legal Counsel
Pacific Power
PacifiCorp

*for
Mary
Wiencke*