

January 31, 2017

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

Attn: Filing Center

**Re: Docket UM 1050
Petition of PacifiCorp Requesting Approval of the One-Year Extension Option of
the 2017 Inter-Jurisdictional Allocation Protocol**

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits for filing of its Petition, the one-year extension option of the 2017 PacifiCorp Inter-Jurisdictional Allocation Protocol (the 2017 Protocol).

PacifiCorp also requests acknowledgement from the Public Utility Commission of Oregon that it has met the requirements of Section XIV.3 of the 2017 Protocol, by providing the results of its assessment of alternative inter-jurisdictional allocation methods, including a corporate structural alternative, by the date required.

Please direct informal correspondence and questions regarding this filing to me at (503) 813-6389.

Sincerely,



R. Bryce Dalley
Vice President, Regulation

Enclosures

cc: UM 1050 Service List

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp’s **Petition for Approval of the One-Year Extension Option of the 2017 Inter-Jurisdictional Allocation Protocol** on the parties listed below via electronic mail and/or overnight delivery in compliance with OAR 860-001-0180.

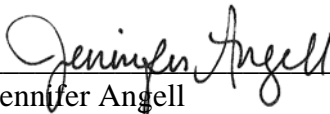
**Service List
UM 1050**

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Sommer Moser (C) Department of Justice 1162 Court St NE Salem, OR 97301 sommer.moser@doj.state.or.us	

Dated this 31st day of January 2017.



 Jennifer Angell
 Supervisor, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1050

In the Matter of the Application of
PACIFICORP for an Investigation of Inter-
Jurisdictional Issues

**PETITION FOR APPROVAL OF THE
ONE-YEAR EXTENSION OPTION OF
THE 2017 INTER-JURISDICTIONAL
ALLOCATION PROTOCOL**

PacifiCorp, d/b/a Pacific Power (PacifiCorp or Company), files this Petition (Petition) under Oregon Revised Statutes (ORS) 756.568 for approval of the one-year extension option of the 2017 Inter-Jurisdictional Allocation Protocol (2017 Protocol) approved by the Public Utility Commission of Oregon (Commission) in Order No. 16-319. In support of the Petition, the Company states as follows:

1. Pacific Power is a division of PacifiCorp. PacifiCorp is an Oregon corporation that provides electric service to retail customers as Pacific Power in Oregon, California, and Washington, and as Rocky Mountain Power in Idaho, Utah, and Wyoming.
2. PacifiCorp is a public utility in the state of Oregon under ORS 757.005 and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Oregon. The Company serves approximately 562,000 retail customers in Oregon. PacifiCorp's principal place of business in Oregon is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232.
3. The Company respectfully requests that the Commission complete its review and issue an order with respect to this Petition no later than March 31, 2017, for the reasons discussed herein.

4. Communications regarding this filing should be addressed to:

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Matthew McVee
Assistant General Counsel
PacifiCorp
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R. Bryce Dalley
Vice President, Regulation
PacifiCorp
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Portland, OR 97232
Phone: (503) 813-6389
bryce.dalley@pacificorp.com

In addition, PacifiCorp requests that all data requests regarding the Petition be sent to the following:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

I. BACKGROUND

5. PacifiCorp provides retail electric service to more than 1.7 million customers in Oregon and five other western states. PacifiCorp owns substantial generation, transmission, and distribution facilities. Augmented with wholesale power purchases and long-term transmission contracts, these facilities operate as a single system on an integrated basis to provide service to all customers in a cost-effective manner. PacifiCorp recovers costs of owning and operating its generation, transmission, and distribution system in retail prices established in state regulatory proceedings.

6. On August 23, 2016, the Commission issued Order No. 16-319 adopting the 2017 Protocol. Section II of the 2017 Protocol provided the effective period and expiration date for the 2017 Protocol. Per the terms of Section II, the 2017 Protocol will expire on December 31, 2018. However, if all of the commissions that approved the 2017 Protocol agree, by no later than March 31, 2017, the protocol may be extended by an optional one-year extension to December 31, 2019.

II. REQUEST FOR APPROVAL OF ONE-YEAR EXTENSION

7. In Section XIV.3 of the 2017 Protocol, the Company committed to continued evaluation of alternative inter-jurisdictional allocation methods, including consideration of corporate structure alternative and distribution of the results of its analysis no later than March 31, 2017. PacifiCorp conducted a year-long effort to analyze the practicability and cost impacts of an alternative corporate structure. The Company also developed an alternative allocation concept that would achieve results similar to structural separation for generation while retaining the current company structure and economic dispatch across the system, and increasing state autonomy in resource decisions. The Company presented the results of the analysis to the Broad Review Workgroup on December 14, 2016, and to the Commissioner Forum on January 25, 2017.

8. Based on discussions during the January 25, 2017 Commissioner Forum, there was a general agreement that it would be unlikely that stakeholders and the Company could reach consensus on a permanent allocation proposal for Commission approval before the currently scheduled expiration of the 2017 Protocol. Indeed, several of the state commissioners in attendance stated their support for extending the 2017 Protocol to allow for further discussions.

9. Section II of the 2017 Protocol provides for an optional one-year extension of the 2017 Protocol until December 31, 2019. In Order No. 16-319, the Commission stated that it did not intend to adopt the one-year extension. PacifiCorp, however, believes that circumstances have changed since the issuance of Order No. 16-319. Specifically, PacifiCorp has completed a year-long analysis of alternative inter-jurisdictional allocation alternatives and developed a new allocation concept that could provide the flexibility to address state-specific energy and environmental policies. Accordingly, PacifiCorp requests approval of the optional one-year extension of the 2017 Protocol to facilitate continued discussion of a permanent allocation methodology. Continuation of the 2017 Protocol through the end of 2019 will provide more time for the Company and its stakeholders to negotiate an allocation methodology that addresses each state's objectives.

10. PacifiCorp also requests that the Commission acknowledge that the Company has evaluated alternative inter-jurisdictional allocation methods, including consideration of corporate structure alternative, and satisfied the requirement of Section XIV.3 of the 2017 Protocol. Section XIV.3 of the 2017 Protocol obligates PacifiCorp to distribute or present the results of its analysis no later than March 31, 2017. As discussed above, PacifiCorp distributed and presented the results of its analysis at the Broad Review Workgroup on December 14, 2016, and the Commissioner Forum on January 25, 2017. The Company has also provided supporting workpapers to the parties in response to data requests. Such acknowledgment does not foreclose continued discussion regarding any alternative inter-jurisdictional allocation methods, but will allow PacifiCorp to focus on and address the concerns of all its stakeholders.

III. CONCLUSION

WHEREFORE, by this Petition, PacifiCorp respectfully requests that the Commission issue an order approving the one-year extension of the 2017 Protocol inter-jurisdictional allocation methodology by March 31, 2017.

DATED this 31st day of January 2017.

Respectfully submitted,

PACIFICORP

A handwritten signature in black ink, appearing to read 'Matthew McVee', is written over a horizontal line.

Matthew McVee
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