

November 20, 2012

***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 of PacifiCorp for a Deferred Accounting Order  
For Network Damage from November 2012 Storm

Enclosed for filing by PacifiCorp d.b.a. Pacific Power is an original and five copies of an Application for a Deferred Accounting Order for Network Damage from the November 2012 storm. A copy of the enclosed Notice has been served on all parties in Docket UE 246 as indicated on the attached Certificate of Service.

Informal inquiries may be directed to Bryce Dalley at (503) 813-6389.

Very truly yours,



William R. Griffith  
Vice President, Regulation

Enclosures

cc: Service List UE 246

## CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document, in Docket UE 246, on the date indicated below by email, addressed to said parties at his or her last-known address(es) indicated below.

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DATED: November 20, 2012

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Amy Eissler  
Coordinator, Regulatory Operations

1                               **BEFORE THE PUBLIC UTILITY COMMISSION**  
2   **OF OREGON**

3   UM \_\_\_\_\_

4   In the Matter of the Application of  
5   PACIFICORP for a Deferred Accounting  
6   Order For Network Damage from  
7   November 2012 Storm

**PACIFIC POWER'S APPLICATION**  
   **FOR DEFERRED ACCOUNTING**

8   **I. INTRODUCTION**

9               Under ORS 757.259 and OAR 860-027-0300, PacifiCorp dba Pacific Power (or the  
10   Company) applies to the Commission for an order authorizing the Company to defer from  
11   November 20, 2012 forward the costs associated with network damage from a severe rain  
12   and windstorm on the Oregon coast beginning on November 19, 2012.

13   **II. NOTICE**

14           Communications regarding this application should be addressed to:

15   Oregon Dockets	Ryan Flynn
16   PacifiCorp	General Counsel
17   825 NE Multnomah, Suite 2000	Pacific Power
18   Portland, OR 97232	825 NE Multnomah, Suite 2000
Telephone: (503) 813-6389	Portland, OR 97232
Email: oregondockets@pacificorp.com	Telephone: (503) 813-5854
	Email: ryan.flynn@pacificorp.com

19           In addition, PacifiCorp respectfully requests that all data requests regarding this  
20   matter be addressed to:

21           By email (preferred)	datarequest@pacificorp.com
22           By regular mail	Data Request Response Center
23   PacifiCorp	
24   825 NE Multnomah, Suite 2000	
25   Portland, OR 97232	
26           By facsimile	(503) 813-6060

1                   **III. DEFERRED ACCOUNTING RULE REQUIREMENTS**

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

4 **A.     Description of Utility Expense.**

5           Beginning on November 19, 2012, parts of the Company's Oregon service area  
6   experienced a severe rain and windstorm that caused extensive outages. An estimated  
7   20,000 customers had service interruptions throughout the Pacific Power service territory  
8   stretching from Astoria to Bandon, Central Oregon and the southern Willamette Valley.  
9   Pacific Power activated its Virtual Emergency Action Center at approximately 10:45 a.m.  
10   on November 19, 2012 to mobilize personnel to respond to the event.

11          Pacific Power's first priority has been customer safety and power restoration so a  
12   complete assessment of the damages is not yet available.

13 **B.     Reasons for Deferral.**

14          Pacific Power's request for deferral results from damage caused by a severe storm. In  
15   establishing generic guidelines for deferred accounting in UM 1147, the Commission made  
16   clear that deferred accounting was designed to cover costs associated with this type of  
17   unanticipated and undeniably serious triggering event. *See In re Investigation Related to*  
18   *Deferred Accounting*, Order No. 05-1070, Docket UM 1147 (2005).

19          This Application for deferred accounting permits the Commission to support Pacific  
20   Power's efforts to respond responsibly to the November 2012 storm by immediately  
21   addressing all safety and service concerns, and conducting subsequent assessment of  
22   damage and repairs costs and options. In UM 1147, the Commission made clear that it had  
23   discretion and flexibility to allow deferred accounting to encourage utility behavior  
24   consistent with good regulatory policy. Order No. 05-1070 at 2.

25          ORS 757.259(2)(e) allows the deferral of utility expenses or revenues where  
26   necessary to match appropriately the costs borne by and the benefits received by customers.

1 This standard requires flexibility and an examination of the facts of the case. Order No.  
2 05-1070 at 4-5. This request seeks to align the costs of Pacific Power's network service  
3 with the benefits customers receive from such service.

4 **C. Proposed Accounting.**

5 During the period of deferral, Pacific Power proposes to account for the deferred  
6 costs of the storm by recording the deferral in Account 182.3, Other Regulatory Assets.  
7 Pacific Power requests that in accordance with ORS 757.259(3), it be allowed to accrue  
8 interest on the unamortized balance at a rate equal to its weighted average cost of capital  
9 most recently approved by the Commission. Amortization of the balance would be  
10 considered in a subsequent proceeding coincident with inclusion in rates.

11 **D. Estimate of Amounts.**

12 Pacific Power will supplement this Application with an estimate of the costs of the  
13 storm damage as soon as these are available. In the event the costs are fully covered by the  
14 Company's self-insurance reserves<sup>1</sup>, Pacific Power will withdraw this Application.

15 **E. Notice.**

16 A copy of the Notice of Application and a list of persons served with the Notice are  
17 attached to this Application as Exhibit A.  
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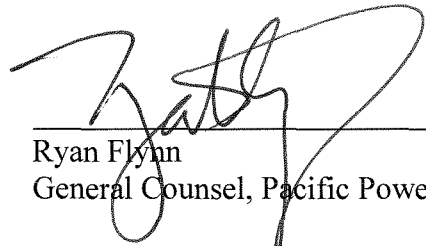
23 \_\_\_\_\_  
24 <sup>1</sup> On April 1, 2011, the Company began using self-insurance accruals and associated reserve balances for  
25 transmission and distribution property losses, non-transmission and distribution property losses, and third-party  
26 liability insurance. In paragraph 15 of the stipulation in Docket UE 217, the parties agreed that the Company  
may file deferrals for property and liability costs in excess of the self-insured reserve balances. The  
Commission approved the stipulation in Order No. 10-473 on December 14, 2010.

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**IV. CONCLUSION**

Pacific Power respectfully requests that, in accordance with ORS 757.259, the Commission authorize the Company to defer the costs described in this Application.

DATED: November 20, 2012.



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Ryan Flynn  
General Counsel, Pacific Power  
Counsel for PacifiCorp

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EXHIBIT A



1                               BEFORE THE PUBLIC UTILITY COMMISSION  
2   OF OREGON  
3   UM \_\_\_\_\_

4       In the Matter of Application of  
5       PACIFICORP for a Deferred Accounting  
6       Order For Network Damage from November  
7       2012 Storm

**NOTICE OF APPLICATION**

8               On November 20, 2012, Applicant PacifiCorp dba Pacific Power applied to the Public  
9       Utility Commission of Oregon (the "Commission") for authorization to use deferred  
10      accounting. Pursuant to ORS 757.259, Pacific Power proposes to defer for later recovery  
11      costs associated with network damage from a severe rain and windstorm that struck Oregon  
12      beginning on November 19, 2012.

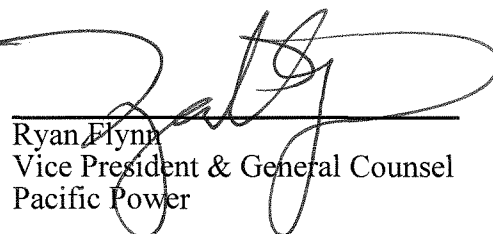
13             The granting of the Application will not authorize a change in rates, but will permit  
14      the Commission to consider allowing such deferred accounts in rates in a subsequent  
15      proceeding.

16             Interested persons can obtain a copy of the Application by contacting:

17                       Bryce Dalley  
18                       PacifiCorp  
19                       825 NE Multnomah St., Ste. 2000  
20                       Portland, OR 97232  
21                       Telephone: (503) 813-6389

22             Any person may submit to the Commission written comment on the Application, in  
23      accordance with procedures prescribed by the Commission. The deadline for comments on  
24      the Application is December 17, 2012.

25             DATED this 20<sup>th</sup> day of November 2012.

26     
Ryan Flynn  
Vice President & General Counsel  
Pacific Power