



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

April 21, 2010

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

Oregon Public Utility Commission
550 Capitol Street NE, Ste 215
Salem, OR 97301-2551

Attn: Filing Center

RE: UM 1363(2) – Pacific Power’s Application for Reauthorization of Deferred Accounting

PacifiCorp d/b/a Pacific Power (“Company”) encloses for filing an Application for Reauthorization of Deferred Accounting associated with the costs for the independent evaluator for the Company’s 2008 Request for Proposals.

Please contact Joelle Steward, Regulatory Manager, at (503) 813-5542 for questions on this matter.

Sincerely,

Andrea L. Kelly
Vice President, Regulation

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1363(2)

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

**PACIFICORP'S APPLICATION FOR
REAUTHORIZATION OF DEFERRED
ACCOUNTING**

I. INTRODUCTION

1
2 On January 22, 2008, pursuant to ORS 757.259 and OAR 860-027-0300, PacifiCorp,
3 d.b.a. Pacific Power (“Company”) applied to the Public Utility Commission of Oregon
4 (“Commission”) for an order authorizing the Company to defer the costs associated with the
5 Oregon independent evaluators (“IEs”) selected and approved by the Commission for the
6 Company’s 2008 All Source Request for Proposal (“All Source RFP”) in Docket UM 1360.
7 In Order No. 08-119, the Commission approved the Company’s application for deferred
8 accounting. The Company filed an application requesting reauthorization to defer costs
9 associated with the IE on January 22, 2009, which was approved by the Commission in
10 Order No. 09-071. The All Source RFP process is ongoing, therefore the Company is
11 submitting this application (“Application”) for an order reauthorizing the Company to defer
12 costs associated with the IE.

13 In support of this Application, the Company states as follows:

II. NOTICE

14
15 Communications regarding this Application should be addressed to:

Oregon Dockets
Pacific Power
825 NE Multnomah, Suite 2000
Portland, OR 97232
Phone: 503.813.5542
Email: oregondockets@pacificorp.com

Jordan White
Senior Counsel
PacifiCorp
1407 W North Temple, Suite 320
Salt Lake City, Utah 84116
Phone: 801.220.2279
Email: jordan.white@pacificorp.com

1 In addition, the Company requests that all data requests regarding this Application be
2 sent to the following:

3 By email (preferred): datarequest@pacificorp.com

4 By regular mail: Data Request Response Center
5 PacifiCorp
6 825 NE Multnomah, Suite 2000
7 Portland, Oregon 97232

8 Informal questions may be directed to Joelle Steward, Oregon Regulatory Affairs
9 Manager at 503-813-5542.

10 III. DEFERRED ACCOUNTING RULE REQUIREMENTS

11 The following is provided pursuant to the requirements set forth in OAR 860-027-
12 0300(3).

13 A. Description of Utility Expense.

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

19 On January 16, 2008, the Commission entered Order No. 08-019, which opened
20 Docket UM 1360 to address the Company's All Source RFP. Order No. 08-019 also directed
21 the Company to negotiate a contract with Boston Pacific Company, Inc. and Accion Group
22 for independent evaluator services regarding the All Source RFP. Pursuant to that directive,

1 the Company entered into professional service contracts with the IEs on February 27, 2008
2 (“IE Contracts”). On October 2, 2008, PacifiCorp issued the All Source RFP to market and
3 received bidders’ proposals on December 16, 2008.

4 On February 15, 2008, the Commission granted the Company’s request to defer costs
5 associated with the IEs’ services in Order No. 08-119 (“First 2008 RFP IE Deferred
6 Accounting Order”). The Company filed an application requesting reauthorization to defer
7 costs associated with the IE on January 22, 2009, which was approved by the Commission in
8 Order No. 09-071 (“Second 2008 RFP IE Deferred Accounting Order”).

9 On February 27, 2009, the Company filed a Notice of Suspension of 2008 All Source
10 Request for Proposal, indicating the Company had determined it was not in the best interests
11 of customers to proceed with the All Source RFP in light of changes in economic and market
12 conditions. On November 2, 2009, the Company requested approval to resume and re-issue
13 the All Source RFP, which was granted by the Commission in Order No. 09-491 (December
14 14, 2009).

15 The IEs continue to perform services under the IE Contracts and will continue to do
16 so until the conclusion of the All Source RFP. Because a deferral period may not exceed
17 twelve months beginning on or after the date of application, the Company seeks an order
18 reauthorizing the Company to continue to defer costs from the date of this Application
19 forward. *See* ORS 757.259(4).

20 **B. Reasons for Deferral.**

21 ORS 757.259(2)(e) allows the deferral of utility expenses or revenues where
22 necessary to match appropriately the costs borne by and benefits received by customers.
23 This request seeks to align the costs of the IEs and the services they will perform on behalf of

1 the Company's customers. In its RFP Order, the Commission specifically approved the use
2 of deferred accounting to match the customer costs and benefits of an IE in this manner.

3 **C. Proposed Accounting.**

4 During the period of deferral, the Company proposes to account for the deferred costs
5 of the IEs by recording the deferral in Account 182.3, Other Regulatory Assets. This
6 proposal is consistent with the Company's current deferral accounting practices under the
7 First 2008 RFP IE Deferred Accounting Order and Second 2008 IE Deferred Accounting
8 Order.

9 **D. Estimate of Amounts.**

10 As of the date of this Application, the Company has paid the IEs approximately
11 \$380,000 for the IEs' services. The Company anticipates that the total cost of the IEs will be
12 approximately \$700,000.

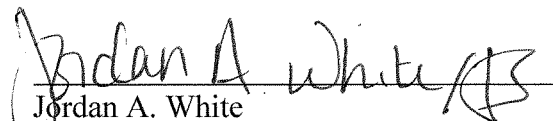
13 **E. Notice.**

14 A copy of the Notice of Application and a list of the persons served with the Notice
15 were attached to the original Application as Exhibit A.

16 **IV. CONCLUSION**

17 The Company respectfully requests that, in accordance with ORS 757.259, the
18 Commission reauthorize the Company to defer the costs described in this Application.

DATED: April 21, 2010.


Jordan A. White
Senior Counsel
Pacific Power