

July 26, 2013

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

Steven V. King
Acting Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Re: PacifiCorp's Petition for an Accounting Order

Dear Mr. King,

In accordance with WAC 480-07-370(b), enclosed for filing are an original and twelve (12) copies of PacifiCorp's petition for deferral of costs related to an outage at the Colstrip generating plant.

It is respectfully requested that all data requests be addressed in the following manner, with copies to the Company's counsel:

By Email (preferred): datarequest@pacificorp.com

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

Please direct any informal inquiries to Gary Tawwater, Manager of Regulatory Affairs, at (503) 813-6805.

Sincerely,



William R. Griffith
Vice President, Regulation

Enclosures

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER &
LIGHT COMPANY

Petition for an Order Approving Deferral of
Costs Related to Colstrip Outage

DOCKET UE-13 _____

PACIFICORP'S PETITION FOR AN
ACCOUNTING ORDER

I. INTRODUCTION

1. In accordance with WAC 480-07-370(b), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) petitions the Washington Utilities and Transportation Commission (Commission) for an order authorizing the Company to defer from the date of this Petition forward its costs for repair and replacement purchase power for an outage at the 740-megawatt unit 4 of the Colstrip generating plant located in Colstrip, Montana. PacifiCorp seeks deferral of these costs to track and preserve them for later incorporation into rates.

II. BACKGROUND

2. PacifiCorp is an electric utility and public service company doing business in the state of Washington under RCW 80.04.010 and is subject to the jurisdiction of the Commission with regard to its public utility operations, retail rates, service, and accounting practices. The Company also provides retail electricity service under the name Pacific Power in Oregon and California and under the name Rocky Mountain Power in Utah, Wyoming, and Idaho. PacifiCorp's principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon, 97232.

3. PacifiCorp's name and address:

PacifiCorp Washington Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Washington.Dockets@PacifiCorp.com

Sarah K. Wallace
Senior Counsel
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Phone: (503) 813-5865
sarah.wallace@pacificorp.com

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

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

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

Informal inquiries may be directed to Gary Tawwater, Manager of Regulatory Affairs, at (503) 813-6805.

III. THE BASIS FOR REQUESTING DEFERRED ACCOUNTING

A. Description

4. This Petition seeks authorization to defer for later recovery in rates costs associated with the Colstrip Unit 4 outage. Colstrip Unit 4 is jointly owned, with 30 percent owned by NorthWestern Energy, 25 percent by Puget Sound Energy, 20 percent by Portland General Electric Company, 15 percent by Avista, and 10 percent by PacifiCorp. On July 1, 2013, damage occurred in the generator at Colstrip Unit 4, resulting in an outage. Although the total costs to repair Colstrip Unit 4 are unknown, PacifiCorp estimates that its share of the costs will be \$3 million to \$4 million, and the repair is expected to take at least six months to complete. The cause of the outage is under investigation.

5. In addition to the cost of repairs, the lost generation of Colstrip Unit 4 will result in purchased power expenses to replace the energy, which will result in increased net power supply costs for the Company. PacifiCorp's initial estimates show an increase in its power supply costs in the range of approximately \$9 to \$12 million on a total-company basis for the duration of the outage.

B. Treatment of Net Power Costs by other Washington Utilities

6. PacifiCorp currently has no mechanism in Washington to recover unexpected fluctuations in net power costs. Puget Sound Energy (PSE) has a Power Cost Adjustment (PCA) mechanism that would account for differences in PSE's modified actual power costs relative to a power cost baseline. Avista has an Energy Recovery Mechanism, or ERM, that includes power cost accounts, wheeling revenue and expense, and revenues from the sale of Renewable Energy Credits.

C. Proposed Accounting

7. During the deferral period, PacifiCorp proposes to account for replacement power costs associated with the continuation of the Colstrip Unit 4 outage in the following manner. The replacement purchase power costs will be credited to Account 555—Purchased Power, thereby decreasing the recorded power supply expenses, and debited to Account 182.3—Other Regulatory Assets. PacifiCorp proposes that capital costs of repair be credited to steam electric plant in service accounts and debited to Account 182.3. To the extent repairs are initially classified as operation and maintenance (O&M) accounts, the Company proposes to credit steam O&M accounts and debit Account 182.3. PacifiCorp requests that it be allowed to accrue interest on the unamortized

balance at a rate equal to its weighted average cost of capital (7.74 percent) most recently approved by the Commission in Docket No. UE-111190.

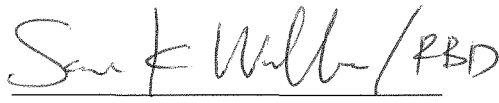
D. Estimate of Amounts

8. As explained above, PacifiCorp's share of the repair costs is estimated to be \$3 million to \$4 million. The replacement purchase power cost is estimated to be in the range of \$9 to \$12 million on a total-company basis for the duration of the outage.

IV. CONCLUSION

9. PacifiCorp respectfully requests that the Commission authorize the Company to defer, commencing as of the date of this filing, its repair cost and replacement purchase power costs caused by the Colstrip Unit 4 outage, as described in detail in this Petition.

Respectfully submitted this 26th day of July, 2013.

By: 
Sarah K. Wallace
Senior Counsel
PacifiCorp d/b/a Pacific Power & Light Company
825 NE Multnomah, Ste 1800
Portland, OR 97232