

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER & LIGHT COMPANY

Petition for an Order Approving Deferred
Accounting Related to Federal Tax Act.

DOCKET UE-17_____

PACIFIC POWER’S PETITION FOR
ACCOUNTING ORDER

I. INTRODUCTION

1 In accordance with WAC 480-07-370(b), Pacific Power & Light Company (Pacific Power), a division of PacifiCorp, petitions the Washington Utilities and Transportation Commission (Commission) for an order authorizing the Company to defer the expected impacts associated with the income tax provisions enacted by the federal “To provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018” (Tax Act) that was signed into law on December 22, 2017. Pacific Power seeks deferral of these costs to track and preserve them for later ratemaking treatment.

II. BACKGROUND

2 Pacific Power is an electric utility and public service company doing business in the state of Washington under RCW 80.04.010, and its public utility operations, retail rates, service, and accounting practices are subject to the Commission’s jurisdiction. PacifiCorp also provides retail electricity service under the name Pacific Power in Oregon and California and under the name Rocky Mountain Power in Idaho, Utah, and

Wyoming. The Company's principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon, 97232.

3 Pacific Power's name and address:

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

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

By regular mail Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
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Informal inquiries may be directed to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

III. THE BASIS FOR REQUESTING DEFERRED ACCOUNTING

A. Description

4 The Tax Act contains provisions that will result in comprehensive changes to Pacific Power's financial statements. The most notable impact is the reduction in the federal corporate income tax rate from 35 percent to 21 percent. In addition, the change in the federal corporate income tax rates results in excess deferred income tax liabilities, which must be reversed. Pacific Power is continuing to analyze the provisions of the Tax Act to determine other impacts to be considered in this petition, and requests that these costs be deferred for later ratemaking treatment.

B. Proposed Accounting

5 Pacific Power proposes to record deferred amounts related to the reduction in federal corporate income tax rate in FERC Account 229—Accumulated Provision for Rate Refund with the corresponding entry to FERC Account 449.1—Provision for Rate Refunds and related income tax effects to FERC 190—Accumulated Deferred Income Taxes, FERC 236—Taxes Accrued, FERC 409.1—Income Taxes – Utility Operating Income and FERC 411.1—Provision for Deferred Income Taxes – Credit, Utility Operating income. If this petition is denied, the collection of revenue requirement at the higher tax rate will remain in general business revenues (FERC accounts 440—Residential Sales, 442—Commercial and Industrial Sales, and 444—Public Street and Highway Lighting).

6 In addition, Pacific Power proposes to record deferred amounts related to excess deferred income tax liabilities in FERC Account 254—Other Regulatory Liabilities and FERC Account FERC 182—Other Regulatory Assets with offsetting amounts to FERC 190—Accumulated Deferred Income Taxes, FERC 281—Accumulated Deferred Income Taxes – Accelerated Amortization, FERC 282—Accumulated Deferred Income Taxes – Other Property, and FERC 283—Accumulated Deferred Income Taxes – Other. If this petition is denied, the changes related to excess deferred income tax liabilities will be recorded in FERC 190—Accumulated Deferred Income Taxes, FERC 281—Accumulated Deferred Income Taxes – Accelerated Amortization, FERC 282—Accumulated Deferred Income Taxes – Other Property, FERC 283—Accumulated Deferred Income Taxes – Other, FERC 410.1—Provisions for Deferred Income Taxes, Utility Operating Income, and FERC 411.1—Provision for Deferred Income Taxes – Credit, Utility Operating income.

7 The Company requests that it be allowed to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital most recently approved by the Commission in Docket UE-152253.

C. Estimate of Amounts

8 As explained above, Pacific Power is continuing to analyze the provisions of the Tax Act to determine and quantify the impacts. An estimate of the total expected benefit is not available at this time.

IV. CONCLUSION

9 Pacific Power respectfully requests that the Commission authorize Pacific Power to defer the expected impacts associated with the income tax provisions enacted by the Tax Act. Pacific Power will address any ratemaking treatment of these costs in a future filing or general rate case.

Respectfully submitted this 28th day of December, 2017.

By: /s/
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