

April 29, 2011

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

Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

Attention: David W. Danner  
Executive Director and Secretary

RE: **UE-100170**  
**Schedule 191 – System Benefits Charge Adjustment**

Dear Mr. Danner:

Ordering paragraph 8(d), Order 02 (modifying Order 01), Docket UE-100170 requires PacifiCorp, d.b.a. Pacific Power (PacifiCorp or Company), to file for revisions to Schedule 191 - System Benefits Charge Adjustment (SBC) by May 1, 2011. The Company submits this filing in compliance with the Commission's direction.

As more fully described below, the Company is not proposing a revision to the SBC collection rate at this time. The current SBC is set at the appropriate level to enable the Company to recover its costs associated with acquiring cost effective conservation within its Washington service area and to comply with the requirements of Initiative Measure No. 937, which is codified as RCW 19.285.040 and implemented through WAC 480-109.

The SBC was last adjusted in October 2009 when it was increased from an annual collection rate of \$4.5 million to the current collection rate of \$8.8 million. The current SBC collection rate was approved in Docket UE-091516 with an effective date of October 30, 2009. As of December 2010, the SBC collection rate represents approximately 3.0 percent of Washington electric revenues. In 2010, \$8.9 million was collected through the SBC. As reported in the Company's 2010 Washington annual report on conservation,<sup>1</sup> PacifiCorp acquired 41,727,271 kWh (4.76 aMW) in energy efficiency resources in 2010 at a total resource cost test result of 2.640. These acquisitions were funded through the current SBC collection rate.

As of March 31, 2011, the SBC deferred account balance was \$579,000. The Company has projected SBC revenue and conservation acquisition related expenditures through December 2011. As demonstrated in Attachment A, applying projected SBC collections of \$6.4 million to the March 2011 balance, offset by projected conservation expenditures of \$6.8 million, results in

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<sup>1</sup> Filed with the Commission on March 31, 2011 in Docket UE-100170.

a projected SBC deferred account balance of approximately \$202,000 as of December 2011. Program level expense detail is provided in Attachment B.

Not included in the projected December 2011 balance are costs the Company expects to incur in 2011 for a production efficiency study. In approving the Company's 2010-2011 I-937 conservation targets, the Commission ordered PacifiCorp to include in its filing identifying its ten-year achievable conservation for 2012-2021 and biennial conservation target for 2012-2013 conservation potential for production efficiency.<sup>2</sup> To properly assess production efficiency potential for inclusion in this filing, the Company will conduct a study of its generation facilities which are subject to this requirement. PacifiCorp expects to commence the study later in 2011 such that production efficiency potential identified may be included in the ten-year conservation potential for 2012-2021, which is due to be provided by January 1, 2012.<sup>3</sup> The Company will incur costs beyond those identified herein to complete this study.

As a result of the projected December 2011 SBC balance along with the additional costs expected for the production efficiency study, the Company proposes no change to the present SBC rate at this time. The Company will continue to monitor the SBC deferred balance and will propose adjustments to the SBC collection rate in the future as appropriate.

It is respectfully requested that all formal correspondence and Staff requests regarding this filing be addressed to:

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

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

Informal questions regarding this filing should be directed to me at (503) 813-6043.

Sincerely,

Andrea Kelly  
Vice President, Regulation

Enclosures

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<sup>2</sup> Ordering paragraph 8(f), Order 02 (modifying Order 01), Docket UE-100170.

<sup>3</sup> Ibid.