

1 A. PacifiCorp uses a start date of April 3, 2011. The Company proposes a true-up from
2 the current \$4.8 million being returned to ratepayers to the actual amount for the
3 period April 3, 2011 to April 2, 2012¹⁸. Under PacifiCorp's proposal, Washington
4 ratepayers would have their REC revenues for ~~2010~~ 2009 reduced substantially, from
5 \$4.8 million to \$ [REDACTED].¹⁹
6

7 **Q. What reasons does PacifiCorp use to support its proposal?**

8 A. PacifiCorp says the April 3, 2011, date is necessary to avoid "retroactive
9 ratemaking"; the Company allegedly did not earn its "authorized" return in prior
10 periods²⁰; and the Company will have to reflect a one-time adjustment to earnings.²¹
11 The Company also says the Settlement Stipulation prevents the Commission from
12 passing back REC revenues for 2010,²² and that selecting a date prior to April 3,
13 2011, provides the Company improper incentives.²³
14

15 **Q. Do you address retroactive ratemaking in your testimony?**

16 A. No. It is my understanding that is a legal issue Staff will address in its brief to the
17 Commission.
18

¹⁸ PacifiCorp Compliance Filing (May 24, 2011), at 6.

¹⁹ Exhibit No. ___ (RBD-27C) at 1.

²⁰ Kelly Direct Testimony, Exhibit No. ___ (ALK-1T) at 5:11-20.

²¹ Kelly Direct Testimony, Exhibit No. ___ (ALK-1T) at 5:20-23.

²² Kelly Direct Testimony, Exhibit No. ___ (ALK-1T) at 3:27-29 and at 6:17-21.

²³ Kelly Direct Testimony, Exhibit No. ___ (ALK-1T) at 5:23 – 6:2.