

December 6, 2013

***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: Steven V. King
Executive Director and Secretary

RE: **Compliance Filing—Order 05 in Docket UE-130043
Revisions to PacifiCorp’s General Tariffs**

In accordance with RCW 80.28.060, WAC 480-07-550, WAC 480-07-880, and WAC Chapter 480-80, PacifiCorp d/b/a Pacific Power & Light Company (Company) submits the following revised tariff sheets in compliance with Washington Utilities and Transportation Commission Order 05 in Docket UE-130043.

The revised tariff sheets are designated as follows:

First Revision of Sheet No. 15.1	Schedule 15	Outdoor Area Lighting Service – No New Service
Second Revision of Sheet No. 16.1	Schedule 16	Residential Service
Second Revision of Sheet No. 17.1	Schedule 17	Low Income Bill Assistance Program – Residential Service Optional for Qualifying Customers
First Revision of Sheet No. 18.1	Schedule 18	Three Phase Residential Service Rider
Second Revision of Sheet No. 24.1	Schedule 24	Small General Service
Second Revision of Sheet No. 24.2	Schedule 24	Small General Service
First Revision of Sheet No. 33.1	Schedule 33	Partial Requirements Service – Less than 1,000 kW
Second Revision of Sheet No. 36.1	Schedule 36	Large General Service – Less than 1,000 kW
Second Revision of Sheet No. 36.2	Schedule 36	Large General Service – Less than 1,000 kW
Second Revision of Sheet No. 40.1	Schedule 40	Agricultural Pumping Service
First Revision of Sheet No. 47T.1	Schedule 47T	Large General Service – Partial Requirements Service Metered Time of Use 1,000 kW and Over

Second Revision of Sheet No. 48T.1	Schedule 48T	Large General Service – Metered Time of Use 1,000 kW and Over
First Revision of Sheet No. 51.1	Schedule 51	Street Lighting Service – Company-Owned System
First Revision of Sheet No. 52.1	Schedule 52	Street Lighting Service – Company-Owned System No New Service
First Revision of Sheet No. 53.1	Schedule 53	Street Lighting Service – Customer-Owned System
First Revision of Sheet No. 54.1	Schedule 54	Recreational Field Lighting – Restricted
First Revision of Sheet No. 57.1	Schedule 57	Mercury Vapor Street Lighting Service No New Service
Third Revision of Sheet No. 91.1	Schedule 91	Surcharge to Fund Low Income Bill Assistance Program

The Commission’s Order 05 authorized a revenue requirement increase of approximately \$16.7 million to the Company’s base rates. The order also required the Company to “rerun its revenue requirement study for purposes of its compliance filing[.]”¹ The Company reran its revenue requirement and jurisdictional allocation models to include all of the adjustments required by Order 05. The Company’s calculations resulted in a revenue requirement of \$16,996,743. The deviation from the \$16.7 million revenue requirement stated in Order 05 results from a variance associated with deferred income taxes. In the order, the Commission rejected the inclusion of the Company’s investment in the Merwin Fish Collector from rate base.² Accordingly, in preparing this compliance filing, the Company removed all revenue requirement components associated with the Merwin Fish Collector, which were included in Adjustment 8.4 in Exhibits SRM-3 and SRM-7. In addition, the Company reflected the impact of this change on Adjustment 7.7 (Remove Deferred State Tax Expense and Balance), which is necessary because the deferred tax components associated with the Merwin Fish Collector included in Adjustment 8.4 were calculated using a composite state and federal tax rate.³ Under the West Control Area inter-jurisdictional allocation methodology (WCA), state income taxes are not allocated to Washington. To comply with the WCA, as a final step in the Company’s modeling, Adjustment 7.7 removes the deferred tax components associated with state income tax. In Order 05, the change in Adjustment 7.7 due to the exclusion of the Merwin Fish Collector was not reflected in the determination of the authorized revenue requirement increase, understating the overall revenue deficiency by \$294,323.

¹ Order 05, ¶ 7.

² *Id.* ¶ 206.

³ In the development of deferred income tax components, the Company uses a composite federal and state income tax rate, which reflects the federal tax rate of 35.0 percent and the Company’s combined state income tax rate of 4.54 percent. Because of the tax deductibility of state income taxes for federal tax purposes, the composite tax rate is 37.951 percent. In the Company’s accounting system, deferred tax components are calculated using this composite rate. For filings in Washington, the Company includes a restating adjustment to remove the state income tax component consistent with the WCA. This adjustment was presented in Exhibits SRM-3 and SRM-7 as Adjustment 7.7.

The Company discussed this discrepancy with Commission advisory and advocacy staff, who indicated that the Company's compliance filing could reflect the results of the Company's revised revenue requirement calculations because these calculations are more accurate and materially comply with Order 05. Electronic copies of the Company's revenue requirement models are included in the work papers accompanying this filing. Also included in the enclosed work papers are a summary of the revenue requirement calculation and the estimated effect of the ordered prices, including billing determinants and monthly billing comparisons.

The revised revenue requirement increase reflected in the attached compliance tariffs is \$16,996,743, or 5.6 percent. The average residential customer using 1300 kWh per month would see an increase of \$6.12. The filing also reflects an increase in PacifiCorp's Low Income Bill Assistance Program benefits per participant of 11 percent. As directed in the order, the compliance filing includes revised Schedule 91 rates that reflect the increased funding to the Low Income Bill Assistance Program of 9.3 percent, which is attributable to the increase in the participant benefits.⁴

The Company requests an effective date of December 11, 2013, for the tariff revisions.

Please direct any informal inquiries regarding this filing to Gary Tawwater, Regulatory Affairs Manager, at 503-813-6805.

Sincerely,



William R. Griffith
Vice President, Regulation

Enclosures

⁴ The 18 percent program funding increase noted in Order 05 was based on the funding level at the time of the initial filing. Since that time, an increase related to program administrative costs went into effect June 20, 2013, consistent with the five-year plan. Therefore, this compliance filing reflects the increase to the participant benefits only.