

July 14, 2010

VIA ELECTRONIC FILING

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: U-100522 Conservation Incentive Inquiry - Comments

Dear Mr. Danner:

PacifiCorp, d.b.a. Pacific Power (“PacifiCorp” or “Company”) submits the following comments in accordance with the Washington Utilities and Transportation Commission’s (“Commission”) Notice of Opportunity to File Written Comments (“Notice”) issued in Docket U-100522 on July 2, 2010.

- 1) Full decoupling, including all declines and all increases in sales from any source.

PacifiCorp’s position is neutral. While the Company understands there are drawbacks to a broad-based mechanism, a mechanism that is designed appropriately may enhance a utility’s opportunity to recover fixed costs and earn its allowed rate of return.

- 2) Lost margin adjustment for declines in sales due only to company sponsored conservation efforts.

The Company is supportive of a lost margin adjustment that would provide for recovery of fixed costs. However, the Company still believes that the best way to address the issue related to a decline in sales due to conservation efforts is through straight fixed/variable rate design.

- 3) Attrition adjustment based on the results of an attrition study.

PacifiCorp is supportive of an attrition adjustment if this is a manner of adjusting historic billing determinants to forecast billing determinants for setting rates.

- 4) An independent conservation provider (*i.e.* similar in concept to the Energy Trust of Oregon).

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PacifiCorp is neutral on a policy that would establish an independent conservation provider. Through its conservation programs a utility has an opportunity to have a positive interaction with customers and the community. If the Commission were to consider the use of an independent conservation provider, the Company suggests that it be designed in a manner that would allow the utility's interface with customers and the community, as it relates to conservation programs, be maintained and leveraged.

PacifiCorp appreciates the opportunity provide comments. If you have any questions regarding these comments, please contact Cathie Allen, Regulatory Manager, (503) 813-5934.

Sincerely,

A handwritten signature in cursive script that reads "Andrea Kelly" followed by a vertical line and the initials "AKC".

Andrea Kelly
Vice President, Regulation