

December 31, 2012

***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: **Docket UE-100749 – Compliance Filing**

Dear Mr. Danner:

PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) submits this filing to comply with paragraph 74 of the Washington Utilities and Transportation Commission (Commission) Order 10, Order Establishing Disposition of Proceeds from the Sale of Renewable Energy Credits, issued in Docket UE-100749 on August 23, 2012. This paragraph directs:

PacifiCorp must credit to its customers the Company's total Renewable Energy Credits sale proceeds on or after January 1, 2009, through December 31, 2011, attributable to Washington under the West Control Area, less the \$657,755 included in rates as a result of the settlement agreement the Commission approved in Docket UE-090205 and less the credits PacifiCorp provided to customers beginning April 3, 2011, pursuant to Order 06. Within 30 days of the date of this order, PacifiCorp shall make a compliance filing that calculates those total sales proceeds consistent with the requirements of this order.

On September 4, 2012, the Company filed a petition for reconsideration, a motion to reopen the record, and a petition for stay of Order 10. As a result of these filings, the Commission suspended the Company's compliance obligations under Order 10—including its obligations under paragraph 74—until “the Commission rules on PacifiCorp's Petition for Stay or until further order of the Commission.”<sup>1</sup> In paragraph 41 of Order 11, Order Denying Petition for Reconsideration, Motion to Reopen Record and Petition for Stay, dated November 30, 2012, the Commission lifted the temporary suspension of the Order 10 compliance requirements, stating:

The temporary suspension of the compliance filing deadlines in paragraphs 74 and 75 of Order 10 is lifted. PacifiCorp and the

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<sup>1</sup> Notice of Extension of Opportunity to File Answers, Notice of Opportunity to File a Reply, and Notice Temporarily Suspending Compliance Deadlines (September 17, 2012).

other parties shall make those filings within the time frames specified in those paragraphs measured from the date of this order.

In accordance with Commission Orders 10 and 11, PacifiCorp submits this compliance filing.<sup>2</sup> This filing includes an accounting of the proceeds from the sale of renewable energy attributes or Washington renewable energy credits<sup>3</sup> from January 1, 2009, through December 31, 2011, attributable to Washington under the West Control Area inter-jurisdictional allocation methodology, less the credits provided in customer rates as a result of the settlement agreement the Commission approved in Docket UE-090205 and provided through tariff Schedule 95—Renewable Energy Revenue Adjustment.

### **Accounting of REA and REC Revenues**

Confidential Attachment A shows an accounting of revenues from January 1, 2009, through March 31, 2011, calculated in compliance with Order 10.<sup>4</sup> In addition, the attachment shows credits provided to customers in Docket UE-090205. Confidential Attachment B shows an accounting of revenues from April 1, 2011, through December 31, 2011<sup>5</sup>, and credits provided to customers through Schedule 95, beginning on April 3, 2011. Confidential Attachment C shows a summary of the Company's megawatt hours (MWh) of renewable generation, quantities of REAs and RECs sold, quantities of REAs and RECs held for compliance, and revenues from sales of REAs and RECs for the various types of renewable generation (wind, small hydro, large hydro, and biomass) from resources included in the west control area. This attachment also shows the average price of REAs and RECs used for the revenue imputation calculations used in Confidential Attachments A and B. Confidential Attachment D shows transaction details for west control area resources by contract by month for calendar years 2009 through 2011. This includes the resource from which the REA or RECs were generated, the vintage of the REA or REC that were sold, the month in which the transaction was recorded in the Company's SAP accounting system, the REA or REC price, the quantity of REA or RECs sold, and the total dollars from the transaction. Confidential Attachments A and B are described in further detail below.

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<sup>2</sup> The Company filed for judicial review of Commission Orders 10 and 11 on December 28, 2012, and reserves all rights pending the outcome of the appeal.

<sup>3</sup> Whether renewable energy attributes can be used for compliance purposes as "renewable energy credits" or "renewable energy certificates" is dependent upon the terms of the applicable state law. In Washington, the requirement and associated restrictions are specified by Washington's Energy Independence Act, chapter 19.285 RCW (EIA). In this compliance filing and the accompanying attachments, the Company uses the term renewable energy credits (RECs) to refer to renewable energy attributes eligible to be used for compliance with Washington's renewable portfolio standard (RPS) adopted in the EIA. The term renewable energy attributes (REAs) is used for those attributes not eligible to be used for compliance under the EIA.

<sup>4</sup> The Company designates portions of Attachments A and B and all of Attachments C and D as confidential under the Protective Order in this docket, Order 03.

<sup>5</sup> The Company has separated the REA or REC sale proceeds for periods before and after the April, 3, 2011, effective date of Order 06 in Docket UE-100749. This differentiation is consistent with Orders 11 and 12, issued on November 30, 2012, and December 28, 2012, respectively. For administrative ease, the pre-April 3, 2011 revenues are categorized as amounts through March 31, 2011.

### **Confidential Attachment A**

Page 1 of Confidential Attachment A shows, for the period January 1, 2009, through March 31, 2011, a summary of the Washington allocation of booked revenues (line 1), the Washington allocation of imputed revenues associated with REAs or RECs held for compliance (line 2), an adjustment for Washington's RPS compliance requirements (line 3). Total Washington-allocated revenue is calculated on line 4. From this total, deductions are made for revenues included in customer rates during 2010 and 2011 through Docket UE-090205 (lines 5 and 6). Line 7 shows the total Washington-allocated revenue net of amounts included in customer rates of approximately \$17.3 million for January 1, 2009, through March 31, 2011.

Page 2 of Confidential Attachment A shows the more detailed calculations that are summarized on page 1. The first step in determining Washington-allocated REA or REC revenues is allocating booked revenues from the sale of REAs or RECs from west control area resources. Lines 1 through 6 show the total booked revenue from west control area resources. Lines 10 through 15 show Washington's allocation of these revenues using the Control Area Generation West (CAGW) factor.

The second step is the calculation of imputed revenues associated with REAs or RECs held for compliance according to section C of Order 10. From lines 17 through 50, the Company calculates the Washington allocation of the value of REAs or RECs held for compliance. These imputation calculations are categorized by renewable generation resource type (wind, small hydro, large hydro, and biomass). The Company allocates Washington its CAGW share of all REAs or RECs held for compliance, and then multiplies that share by an average price based on actual transactions for that type and vintage of REA or REC. As described in paragraph 31 of Order 11, this calculation is based on the premise that 100 percent of these REAs or RECs were effectively "sold" by the Company.

The final step in the calculation is shown on Lines 52 through 55 and reflects an adjustment for Washington's RPS compliance requirement. This calculation uses the same average price assumption for wind RECs as used in the revenue imputation calculation for RECs held for compliance (described above). Total Washington-allocated REA or REC revenue is calculated on Line 57 and is carried forward to page 1, line 4.

### **Confidential Attachment B**

Page 1 of Confidential Attachment B shows, for the period April 1, 2011, through December 31, 2011, a summary of the Washington allocation of booked revenues (line 1), the Washington allocation of imputed revenues associated with RECs held for compliance (line 2), an adjustment for the Washington's RPS compliance requirements (line 3). Total Washington-allocated revenue is calculated on line 4. From this total, deductions are made for revenues included in customer rates from April 3, 2011, through November 30, 2012, through Schedule 95 (line 5). Line 6 shows an estimate of credits to customers through Schedule 95 for December 2012. Line 7 shows the total net excess distribution to customers of approximately \$6.1 million for the period April 1, 2011, through December 31, 2011.

Page 2 of Confidential Attachment B shows the more detailed calculations that are summarized on page 1, similar to Confidential Attachment A. Lines 1 through 3 show the total booked REC revenue from west control area resources. Lines 7 through 9 show Washington's allocation of booked revenues using the CAGW factor. On Lines 11 through 25, the Company calculates the Washington allocation of the value of RECs held for compliance and the adjustment for Washington's RPS compliance requirement, as discussed above for Confidential Attachment A. Total Washington-allocated revenue is calculated on Line 27 and is carried forward to page 1, line 4.


The Company respectfully requests that all formal correspondence and Staff requests regarding this filing be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto: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 Bryce Dalley at (503) 813-6389 or by e-mail to [Bryce.Dalley@PacifiCorp.com](mailto:Bryce.Dalley@PacifiCorp.com).

Sincerely,

Handwritten signature of William R. Griffith, with the initials "WRG" written at the end of the signature.

William R. Griffith  
Vice President, Regulation

Enclosures

cc: UE-100749 Service List

## CERTIFICATE OF SERVICE

I certify that I have cause to be served the foregoing document, via E-mail and Overnight Delivery, to the following:

### **Industrial Customers of Northwest Utilities**

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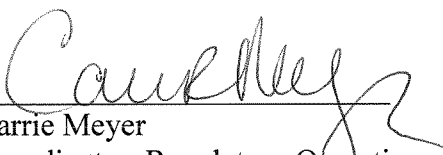
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DATED this 31<sup>st</sup> day of December 2012.

  
Carrie Meyer  
Coordinator, Regulatory Operations

REDACTED  
ATTACHMENT A

CONFIDENTIAL PER THE PROTECTIVE ORDER IN  
WUTC DOCKET UE-100749

**Summary of Washington-Allocated Revenue from Sale of Renewable Energy Attributes (REAs) and Washington Renewable Energy Credits (RECs)  
 Docket UE 100749**

Line	Description	Revenues from Sale of REAs as Defined by States Other than Washington		Revenues from Sale of REAs as Defined by States Other than Washington		(D) (A) + (B) + (C)	Notes/Formula
		(A) 2009	(B) 2010	(C) 2011 Jan - Mar	(D) Total Jan 2009 - Mar 2011		
1	Washington Allocation of Booked Revenue (WCA Resources)	\$ 4,939,889	\$ 7,753,851	\$ 1,167,962	\$ 13,861,702		CONF Attach A Page 2, Line 15
2	Washington Allocation of Imputed Revenue for MWhs Held for Compliance (WCA Resources)	\$ 1,839,703	\$ 2,593,110	\$ 698,457	\$ 5,131,271		CONF Attach A Page 2, Line 50
3	Adjustment for Washington RPS Compliance Requirement	N/A	N/A	\$ (897,732)	\$ (897,732)		CONF Attach A Page 2, Line 55
<b>4</b>	<b>Total Washington-Allocated Revenue</b>	<b>\$ 6,779,592</b>	<b>\$ 10,346,961</b>	<b>\$ 968,688</b>	<b>\$ 18,095,241</b>		CONF Attach A Page 2, Line 57
5	Less: Amounts in Rates from January through December 2010 (UE-090205) <sup>1</sup>		\$ (657,755)		\$ (657,755)		
6	Less: Amounts in Rates from January 1, 2011 through April 2, 2011 (UE-090205) <sup>2</sup>			\$ (181,409)	\$ (181,409)		
<b>7</b>	<b>Total Washington-Allocated Revenue - Less Amounts in Rates from UE-090205</b>	<b>\$ 6,779,592</b>	<b>\$ 9,689,206</b>	<b>\$ 787,279</b>	<b>\$ 17,256,077</b>		<b>Sum Lines 4 - 6</b>

Notes:

(1) Revenues from the sale of REAs were included in rates approved by the Commission in Docket UE-090205. These are deducted from the calculation of Washington-allocated revenues pursuant to Order 10 in Docket UE-100749.

(2) Rates from Docket UE-090205 were in effect from January 1, 2010 through April 2, 2011. Accordingly, a prorated portion of the \$657,755 revenues from the sale of REAs from Docket UE-090205 were included in rates for approximately 3 months of 2011. The prorated amount of \$181,409 (27.58%) was calculated by taking the sum of Washington's KWh sales from January 1, 2011, through March 31, 2011, and dividing that amount by Washington's total KWh sales for 2011.

Washington-Allocated Revenue from Sale of Renewable Energy Attributes (REAs) and Washington Renewable Energy Credits (RECs)  
Docket UE 100749

Line	Description	Revenues from Sale of REAs as Defined by States Other than Washington		Revenues from Sale of RECs Defined by Washington's EIA	(D) Total
		(A) 2009	(B) 2010	(C) 2011 Jan - Mar	
1	<b>Total Company Booked Revenues (WCA Resources)</b>				
2	WCA Wind				
3	WCA Small Hydr				
4	WCA Large Hydro				
5	WCA Biomass				
6	<b>Total Booked Revenues (WCA Resources)</b>	\$ 22,313,263	\$ 34,501,120	\$ 5,251,724	\$ 62,066,107
7					
8	Washington % (CAGW) <sup>2</sup>	22.1388%	22.4742%	22.2396%	
9					
10	<b>WA Allocated Booked Revenues (WCA Resources)</b>				
11	WCA Wind				
12	WCA Small Hydr				
13	WCA Large Hydro				
14	WCA Biomass				
15	<b>Total WA Allocated Booked Revenues (WCA Resources)</b>	\$ 4,939,889	\$ 7,753,851	\$ 1,167,962	\$ 13,861,702
16					
17	<b>Imputed Revenue Calculations (MWH Held for RPS Compliance)</b>				
18	MWhs Held for Compliance (WCA Wind)				
19	Washington % (CAGW)	22.1388%	22.4742%	22.2396%	
20	Washington Allocator				
21	Assumed Percentage Sold	100.00%	100.00%	100.00%	
22	Washington Allocation Considered Sold				
23	Average Price				
24	<b>WA Allocated Imputed Revenues (WCA Wind)</b>				
25					
26	MWhs Held for Compliance (WCA Small Hydro)				
27	Washington % (CAGW)	22.1388%	22.4742%		
28	Washington Allocator				
29	Assumed Percentage Sold	100.00%	100.00%		
30	Washington Allocation Considered Sold				
31	Average Price <sup>3</sup>				
32	<b>WA Allocated Imputed Revenues (WCA Small Hydro)</b>				
33					
34	MWhs Held for Compliance in (WCA Large Hydro)				
35	Washington % (CAGW)	22.1388%	22.4742%		
36	Washington Allocator				
37	Assumed Percentage Sold	100.00%	100.00%		
38	Washington Allocation Considered Sold				
39	Average Price <sup>3</sup>				
40	<b>WA Allocated Imputed Revenues (WCA Large Hydro)</b>		\$ -		
41					
42	MWhs Held for Compliance in (WCA Biomass)				
43	Washington % (CAGW)	22.1388%	22.4742%		
44	Washington Allocator				
45	Assumed Percentage Sold	100.00%	100.00%		
46	Washington Allocation Considered Sold				
47	Average Price <sup>3</sup>				
48	<b>WA Allocated Imputed Revenues (WCA Biomass)</b>				
49					
50	<b>Total WA Allocated Imputed Revenues</b>	\$ 1,839,703	\$ 2,593,110	\$ 698,457	\$ 5,131,271
51					
52	<b>Adjustment for Washington RPS Compliance Requirement</b>				
53	Washington RPS Compliance Requirement (WCA Wind)				
54	Average Price				
55	<b>Subtract Revenue for Washington RPS Compliance (WCA Wind)</b>			\$ (897,732)	\$ (897,732)
56					
57	<b>Total Washington-Allocated Revenue</b>	\$ 6,779,592	\$ 10,346,961	\$ 968,688	\$ 18,095,241

Notes:

- (1) The RPS compliance requirement shown in the 2011 column is based on the Company's compliance requirement for January 1, 2012.  
(2) Washington's CAGW factor for 2009 and 2011 are based on the 2009 and 2011 Commission Basis Reports, respectively. The CAGW for 2010 is based on the Company's 2011 General Rate Case, UE-111190.



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ATTACHMENT B

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WUTC DOCKET UE-100749

Summary of Washington-Allocated Revenue for RECs Defined by Washington's EIA (RCW 19.285)  
Docket UE 100749

Line	Description	2011 Apr - Dec	Notes/Formula
1	Washington Allocation of Booked Revenue (WCA Resources)	\$ 2,630,001	CONF Attach B Page 2, Line 9
2	Washington Allocation of Imputed Revenue for MWhs Held for Compliance (WCA Resources)	\$ 1,867,587	CONF Attach B Page 2, Line 20
3	Adjustment for Washington RPS Compliance Requirement	\$ (2,693,196)	CONF Attach B Page 2, Line 25
4	<b>Total Washington-Allocated Revenue</b>	<b>\$ 1,804,392</b>	CONF Attach B Page 2, Line 27
5	Less: Actual Schedule 95 Credits from April 2011 through November 2012	\$ (7,446,596)	
6	Less: Forecast Schedule 95 Credits in December 2012	\$ (459,793)	
7	<b>Total Washington-Allocated Revenue - Less Credits to Customers</b>	<b>\$ (6,101,997)</b>	<b>Sum Lines 4 - 6</b>

**Washington-Allocated Revenue for RECs Defined by Washington's EIA (RCW 19.285)  
Docket UE 100749**

Line	Description	2011 Apr - Dec
1	<b>Total Company Booked Revenues (WCA Resources)</b>	
2	WCA Wind	
3	<b>Total Booked Revenues (WCA Resources)</b>	<b>\$ 11,825,757</b>
4		
5	Washington % (CAGW) <sup>2</sup>	22.2396%
6		
7	<b>WA Allocated Booked Revenues (WCA Resources)</b>	
8	WCA Wind	
9	<b>Total WA Allocated Booked Revenues (WCA Resources)</b>	<b>\$ 2,630,001</b>
10		
11	<b>Imputed Revenue Calculations (MWhs Held for RPS Compliance)</b>	
12	MWhs Held for Compliance (WCA Wind)	
13	Washington % (CAGW)	22.2396%
14	Washington Allocation	
15	Assumed Percentage Sold	100.00%
16	Washington Allocation Considered Sold	
17	Average Price	
18	<b>WA Allocated Imputed Revenues (WCA Wind)</b>	
19		
20	<b>Total WA Allocated Imputed Revenues</b>	<b>\$ 1,867,587</b>
21		
22	<b>Adjustment for Washington RPS Compliance Requirement</b>	
23	Washington RPS Compliance Requirement (WCA Wind) <sup>1</sup>	
24	Average Price	
25	<b>Subtract Revenue for Washington RPS Compliance (WCA Wind)</b>	<b>\$ (2,693,196)</b>
26		
27	<b>Total Washington-Allocated Revenue</b>	<b>\$ 1,804,392</b>

Notes:

(1) The RPS compliance requirement shown in the 2011 column is based on the Company's compliance requirement for January 1, 2012.

(2) Washington's CAGW factor for 2011 is based on the 2011 Commission Basis Reports.



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