



ATTORNEY GENERAL OF WASHINGTON

800 Fifth Avenue #2000 • Seattle WA 98104-3188

January 31, 2013

SENT VIA E-MAIL & ABC LMI

David Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Re: Docket UE-100749—Order 12, Compliance Filing

Dear Mr. Danner:

Public Counsel submits this letter in response to paragraph 15 of the Commission's Order 12, Order modifying Order 06 and Requiring Compliance Filing, issued December 28, 2012. Paragraph 15 directs all other parties to file a response to PacifiCorp's accounting, forecast, and proposed revision to Schedule 95 and report on discussions with other parties on the development of a mechanism for crediting historical and future REC/REA sales proceeds. In summary, for the reasons below, Public Counsel does not oppose the request to set Schedule 95 at zero cents per kWh.

PacifiCorp submitted its compliance filing on January 16, 2013, in Docket UE-100749. The Company's compliance filing included an accounting of actual and forecast proceeds from the sale of Washington renewable energy credits (RECs) and renewable energy attributes (REA) from April 3, 2011, through December 31, 2013, a proposal to revise Schedule 95 to zero cents per kilowatt hour effective immediately, and a report on discussions with other parties regarding the development of a mechanism for crediting historical and future REC and REA sales proceeds.

REC Accounting and Proposed Revisions to Schedule 95

The Company's compliance filing shows that actual Washington-allocated REC sales proceeds for the period April 3, 2011 through December 31, 2012 are \$4,700,841. The Company forecasts REC sales proceeds for calendar 2013 to be \$52,154 on a Washington allocated basis. When these revenues are trued-up against the actual revenues returned to customers for the period April 2011 through December 2012 and the forecast revenues returned for January 2013, the Company will have returned a net excess of \$3.6 million to customers through Schedule 95.



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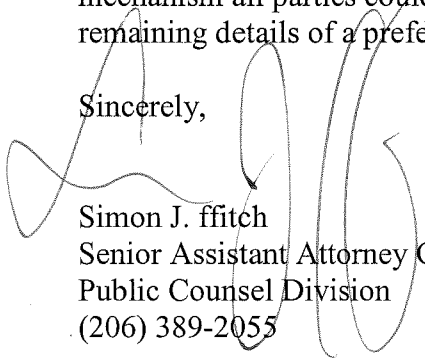
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Schedule 95 currently provides credits to customers of approximately \$4.8 million annually. Given the excess distribution incurred to date, along with the forecast for revenues in 2013, Public Counsel concludes that continuation of Schedule 95 will further exacerbate the net excess distribution to customers. As discussed in Public Counsel's December 20th, 2012, response to PacifiCorp's motion to amend Order 06, our preferred approach is for the Company to make a rate change to address the overpayment of REC revenues and the credit for historic REC revenues at the same time in order to avoid rate fluctuations. However, the Commission has clearly stated that "it is not prepared at this point to offset any such overpayments with historic REC sales proceeds."¹ For this reason Public Counsel does not oppose the Company's request that Schedule 95 should be set at zero cents per kWh.

Report on Discussions with Other Parties on a REC Crediting Mechanism

PacifiCorp correctly reports in its January 16, compliance filing in this docket that the Company held a conference call on January 9, 2013, to discuss the development of a mechanism for crediting historical and future REC revenues. Progress was made in reaching agreement on a mechanism all parties could support. Public Counsel looks forward to working out the remaining details of a preferred mechanism with the Company and other parties.

Sincerely,



Simon J. Ffitch
Senior Assistant Attorney General
Public Counsel Division
(206) 389-2055

SJf:cjw
cc: Service List (E-mail and U.S. Mail)

¹ Order 12, ¶ 9.

CERTIFICATE OF SERVICE
Docket UE-100749

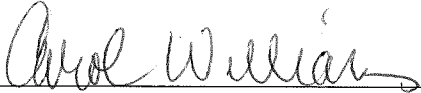
I hereby certify that a true and correct copy of Public Counsel's response to Order 12, Compliance Filing were sent to each of the parties of record shown on the attached Service List in sealed envelopes, via: U.S. and Electronic Mail.

SERVICE LIST UE-100749

**** = Receive Highly Confidential; * = Receive Confidential; NC = Receive Non-Confidential**

PacifiCorp * Katherine A. McDowell McDowell Rackner & Gibson PC 419 SW 11th Ave Suite 400 Portland, OR 97205	WUTC STAFF* Donald T. Trotter Assistant Attorney general 1400 S. Evergreen Park Dr. SW P.O. Box 40128 Olympia, WA 98504-0128
PacifiCorp * Mary Wiencke Legal Counsel 825 NE Multnomah ST STE 1800 Portland OR 97232	ICNU:* Irion Sanger Melinda Davison Davison Van Cleve, P.C. 333 SW Taylor Suite 400 Portland OR 97204
ENERGY PROJECT* Brad Purdy Attorney at Law 2019 N. 17 th Street Boise ID 83702	ICNU:* Donald W. Schoenbeck Regulatory & Cogeneration Services, Inc. 900 Washington Street, Suite 780 Vancouver, WA 98660
	WAL-MART AND SAM'S WEST* Arthur A. Butler Ater Wynne LLP 601 Union Street Suite 1501 Seattle WA 98101 3981

DATED: January 31, 2013.



CAROL WILLIAMS, Legal Assistant