

March 8, 2013

**NOTICE PROVIDING OPPORTUNITY TO FILE IN
COMPLIANCE WITH ORDERS 10 AND 11
(By Friday, March 22, 2013)**

RE: *Washington Utilities and Transportation Commission v. PacifiCorp d/b/a Pacific Power & Light Company*, Docket UE-100749

TO ALL PARTIES:

On August 23, 2012, the Washington Utilities and Transportation Commission (Commission) entered Order 10, Order Establishing Disposition of Proceeds from the Sale of Renewable Energy Credits (Order 10). Paragraph 75 of that order required the parties in this docket to file either an agreed mechanism or individual proposed mechanisms for crediting historic and future Renewable Energy Credits (REC) sales proceeds to customers of PacifiCorp d/b/a Pacific Power and Light Company (PacifiCorp or Company) with supporting documentation. Order 11, Order Denying Petition for Reconsideration, Motion to Reopen Record, and Petition for Stay (Order 11), required the parties to make this compliance filing within 90 days of the date of that order.

On March 1, 2013, PacifiCorp filed a letter describing the parties' agreed calculations and proposal for a mechanism to account for REC sales proceeds (March 1 Letter). That mechanism, however, is specific to distribution of future proceeds. The letter states, "To the extent the Commission orders pre-April 3, 2011 revenues to be credited to customers, a mechanism similar to that described above would be used, potentially modified to lengthen the amortization period to avoid significant fluctuations in customer rates."¹ In addition, "the Company will accrue interest on the pre-April 3, 2011 balance at the Company's Washington after-tax authorized rate of return from the date of [Order 10] (August 23, 2012) forward."²

¹ March 1 Letter at 2.

² *Id.*

The March 1 Letter does not comply with Orders 10 and 11. Those orders expressly required the parties to agree to or propose a mechanism to credit historic, as well as future, REC sales proceeds. The orders require more than offering an unspecified mechanism to credit historic proceeds that is *similar* to the future credit mechanism and that could be “potentially modified to lengthen the amortization period” for an indeterminate amount of time.

Accordingly, the Commission provides the parties with an additional opportunity to make filings in compliance with Orders 10 and 11. By March 22, 2013, the parties should file the following with the Commission:

- (1) A specific agreed or proposed mechanism for crediting to PacifiCorp’s customers the proceeds from the Company’s REC sales generated from January 1, 2009, through April 2, 2011, including the date on which the Company should begin to provide the credits. The description of this mechanism should detail any and all differences between this mechanism and the mechanism to which the parties agreed for crediting future REC sales proceeds and should explain the reason for those differences.
- (2) A specific agreed or proposed amortization period for crediting the Company’s REC sales generated from January 1, 2009, through April 2, 2011, including the reasons supporting the period selected. In addition, the parties should provide a calculation of the monthly credit amount for amortization periods of one, three, and five years, as well as the size of the credit if the Company were required to distribute the entirety of the sales proceeds in a single credit to customers.
- (3) A discussion of whether the Commission has the authority and should require PacifiCorp to calculate interest on the Company’s historic REC sales proceeds beginning on January 1, 2009, rather than on August 23, 2012, as reflected in the March 1 Letter.

THE COMMISSION GIVES NOTICE of the opportunity to make filings in compliance with Orders 10 and 11 as set forth in this Notice no later than Friday, March 22, 2013.

GREGORY J. KOPTA
Administrative Law Judge