



Bob Ferguson

ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

1400 S Evergreen Park Drive SW • PO Box 40128 • Olympia WA 98504-0128 • (360) 664-1183

March 22, 2013

David W. Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

RE: *WUTC v. PacifiCorp (PacifiCorp 2010 General Rate Case)*
Docket UE-100749

Dear Mr. Danner:

Enclosed for filing in the above-referenced docket are the original and 17 copies of Joint Response on Behalf of Commission Staff, Public Counsel and ICNU to the Commission's Notice Providing Opportunity to File in Compliance with Orders 10 and 11, and a Certificate of Service.

Sincerely,

DONALD T. TROTTER
Assistant Attorney General


DTT:klg
Enclosures
cc: Parties



Docket UE-100749
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the Joint Response on Behalf of Commission Staff, Public Counsel and ICNU to the Commission's Notice Providing Opportunity to File in Compliance with Orders 10 and 11, upon the persons and entities listed on the Service List below via email and by depositing a copy of said document in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 22nd day of March 2013.



KRISTA L. GROSS

All parties have signed confidentiality agreements

For PacifiCorp:

Cathie Allen
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
E-mail: Cathie.allen@pacificorp.com

Katherine McDowell
McDowell Rackner & Gibson
419 SW 11th Avenue, Suite 400
Portland, OR 97205
Phone: (503) 595-3924
E-mail: Katherine@mcd-law.com

For ICNU:

Melinda Davison
Irion Sanger
Davison Van Cleve
333 S.W. Taylor, Suite 400
Portland, OR 97204
Phone: (503) 241-7242
E-mail: mjd@dvclaw.com;
ias@dvclaw.com

For Public Counsel:

Simon ffitch
Public Counsel Section
800 Fifth Avenue Suite 2000
Seattle, WA 98104-3188
Phone: (206) 389-2055
E-mail: simonf@atg.wa.gov

For Walmart/Sam's West:

Arthur A. Butler
Ater Wynne LLP
601 Union Street, Suite 1501
Seattle, WA 98101-3981
Phone: (206) 623-4711
E-mail: aab@aterwynne.com

For The Energy Project:

Brad Purdy
Attorney at Law
2019 N. 17th Street
Boise, ID 83702
Phone: 208-1299
E-mail: bmpurdy@hotmail.com

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER &
LIGHT COMPANY,

Respondent.

DOCKET UE-100749

JOINT RESPONSE ON BEHALF OF
COMMISSION STAFF, PUBLIC
COUNSEL AND ICNU TO THE
COMMISSION'S NOTICE
PROVIDING OPPORTUNITY TO
FILE IN COMPLIANCE WITH
ORDERS 10 AND 11

1 Pursuant to the Commission's March 8, 2013, Notice Providing Opportunity to File in Compliance With Orders 10 and 11, Commission Staff, Public Counsel and ICNU file this Joint Response. The Commission's Notice seeks responses to three issue areas. We quote each issue area and after each, we provide our response.

(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 In response, Staff, Public Counsel and ICNU propose that the Commission use a rate credit tariff mechanism identical the one currently in effect for crediting prospective REC revenues from the date of the Commission's Order 06 as described in the February 28, 2013, joint compliance filing made by PacifiCorp, Staff, ICNU and Public Counsel.

Staff, Public Counsel and ICNU agree with the calculation of REC revenues the Company supplied in its February 28, Compliance Filing. In Attachment A, page 1, of that filing, PacifiCorp shows Washington allocated historic REC revenues to be \$17,256,077, which is before consideration of carrying charges.

3 The Commission should implement the rate credit tariff for the REC sales generated from January 1, 2009, through March 31, 2011, beginning on May 1, 2013, to be consistent with the reporting date proposed in the Company's February 28, 2013, Compliance Filing, page one.

(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.

4 Staff, Public Counsel and ICNU propose the Commission use either a one-time credit or a one-year amortization period for crediting the Company's REC sales revenues generated between January 1, 2009, through March 31, 2011. The resulting total amount of the credit for an average Residential ratepayer is no more than \$12, so there is no apparent need for a longer period.

5 For illustrative purposes, Attachment A shows the bill impact on a typical Residential customer under various amortization periods, using the "Retail" allocator. The figures would be lower if the "Total Cost of Service" allocator is used. (Staff, Public Counsel and ICNU have not reached consensus on which allocator should be used). For a one-year amortization, the monthly bill credit for the average Residential

customer (using 1300 Kwh per month) would be around \$.96 per month. For a three-year amortization, the monthly bill credit for the average Residential customer would be around \$.32 per month. For a five-year amortization, the monthly bill credit for the average Residential customer would be around \$.19 per month. For a one-time credit, the average Residential customer would receive a credit of around \$11.57.

6 These figures are approximate because they do not include carrying charges from August 23, 2012, forward. However, including such carrying charges should not change the figures significantly enough to change our amortization period recommendation.

(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.

7 The Commission decided in Order 06 that REC revenues belong to the ratepayer. The basis for requiring the Company to accrue carrying costs on REC balances from January 1, 2009, forward, is that the Company had the use of the funds, and rate payers are owed the time value of money. However, Staff, Public Counsel and ICNU agreed in the February 28, 2013, filing that the Company should accrue interest from August 23,

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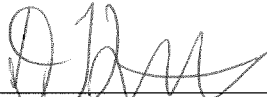
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2012, forward. This was a reasonable accommodation of competing interests and other considerations and Staff, Public Counsel and ICNU stand by that agreement.

DATED this 22nd day of March 2013.

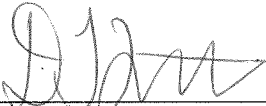
Respectfully submitted,

ROBERT W. FERGUSON
Attorney General



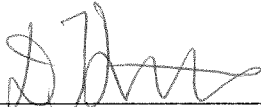
DONALD T. TROTTER
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

ROBERT W. FERGUSON
Attorney General



for _____
SIMON FFITCH *by telephone authorization*
Sr. Assistant Attorney General
Counsel for Public Counsel Section

DAVISON VAN CLEVE



for _____
MELINDA DAVISON *by telephone authorization*
Counsel for ICNU