

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 (REVISED March 26, 2013)

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 around \$5.94 per month, 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 "GenerationRetail" allocator, which Staff, Public Counsel and ICNU agree should be used. This is the same allocator used for Schedule 95. 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 \$~~5.94~~⁹⁶ per month. For a three-year amortization, the monthly bill credit for the average Residential customer would be around \$~~1.98~~³² per month. For a five-year amortization, the monthly bill credit for the average Residential customer would be around \$~~1~~¹⁹ per month. For a one-time credit, the average Residential customer would receive a credit of around \$~~71,241~~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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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 26th day of March 2013.

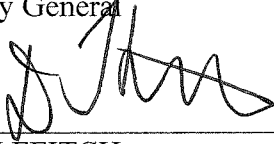
Respectfully submitted,

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