

July 23, 2010

***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 Customer Notice

Dear Mr. Danner:

Pursuant to Administrative Law Judge Patricia Clark's Notice Establishing Deadline for Customer Notice, issued July 15, 2010, PacifiCorp submits for filing a draft of the customer notice in Docket UE-100749. As noted in the Company's Application, the notice provisions of WAC 480-100-194 are not required for this filing because the Company agreed that upon suspension of its tariff filing, it will provide notice pursuant to WAC 480-100-197. Accordingly, the notice was prepared consistent with WAC 480-100-197 and includes the information required by WAC 480-100-194(4). PacifiCorp serves approximately 131,000 customers in Washington that may be affected by the proposed rate increase. The customer notice will begin to be included in customer bills starting no later than September 7, 2010. All customers will have received the bill insert after the 30-day bill cycle is complete, approximately two weeks prior to the public meeting scheduled for October 21, 2010.

The attached notice has been reviewed by Commission Staff and Public Counsel. As discussed in Public Counsel's Status Report of July 1, 2010, Public Counsel will be filing a Status Report on July 23, 2010 to update the Commission on the status of the parties' review of the attached draft notice.

If you have any questions regarding this filing, please contact Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,



Andrea Kelly
Vice President, Regulation

Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have this 23rd day of July, 2010, served the true and correct original, along with the correct number of copies, of the foregoing document upon the WUTC, via the method(s) noted below, properly addressed as follows:

David S. Danner	_____	Hand Delivered
Secretary and Executive Director	_____	U.S. Mail (first-class, postage prepaid)
Washington Utilities and Transportation	<u> x </u>	Overnight Mail (UPS)
Commission	_____	Facsimile (360) 586-8203
1300 S Evergreen Park Drive SW	<u> x </u>	Email (records@wutc.wa.gov)
PO Box 47250		
Olympia, WA 98504-7250		

I hereby certify that I have this 23rd day of July, 2010, served a true and correct copy of the foregoing document upon parties of record, via the method(s) noted below, properly addressed as follows:

On Behalf Of Public Counsel:

Simon J. ffitc	_____	Hand Delivered
Attorney General of Washington	<u> x </u>	U.S. Mail (first-class, postage prepaid)
Public Counsel Section	_____	Overnight Mail (UPS)
Suite 2000	_____	Facsimile (206) 389-2079
800 Fifth Avenue	<u> x </u>	Email (simonf@atg.wa.gov)
Seattle WA 98104-3188		

On Behalf Of Wal-Mart and Sam West:

Arthur A. Butler	_____	Hand Delivered
Ater Wynne LLP	<u> x </u>	U.S. Mail (first-class, postage prepaid)
601 Union Street, Suite 1501	_____	Overnight Mail (UPS)
Seattle, WA 98101-3981	_____	Facsimile 206-623-8406
	_____	Email (aab@aterwynne.com)
	<u> x </u>	

On Behalf Of Wal-Mart and Sam West:

Judith Kim	_____	Hand Delivered
2001 S.E. 10th Street	<u> x </u>	U.S. Mail (first-class, postage prepaid)
Wal-Mart U.S. Legal	_____	Overnight Mail (UPS)
Department #8989	_____	Facsimile 479-277-5991
Bentonville, AR 72716-0550	<u> x </u>	Email (judith.kim@walmartlegal.com)

On Behalf Of ICNU:

Irion Sanger
Davison Van Cleve PC
Suite 400
333 SW Taylor
Portland OR 97204

Hand Delivered
 U.S. Mail (first-class, postage prepaid)
 Overnight Mail (UPS)
 Facsimile (503) 241-8160
 Email (ias@dvclaw.com)

On Behalf Of Commission Staff:

Donald Trotter
Attorney General of Washington
1400 S Evergreen Park Drive SW
PO Box 40128
Olympia WA 98504-7250

Hand Delivered
 U.S. Mail (first-class, postage prepaid)
 Overnight Mail (UPS)
 Facsimile
 Email (dtrotter@wutc.wa.gov)

On Behalf Of ICNU:

Melinda J. Davidson
Davidson Van Cleve, PC
Suite 400
333 SW Taylor
Portland OR 97204

Hand Delivered
 U.S. Mail (first-class, postage prepaid)
 Overnight Mail (UPS)
 Facsimile
 Email (mjd@dvclaw.com)


On Behalf Of The Energy Project:

Brad M. Purdy
2019 N 17th Street
Boise ID 83702

Hand Delivered
 U.S. Mail (first-class, postage prepaid)
 Overnight Mail (UPS)
 Facsimile (208) 384-8511
 Email (bmpurdy@hotmail.com)

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED this 23rd day of July, 2010, at Seattle, Washington.



Amie Jamieson

You are invited to comment to the UTC:

- in person at the October 21, 2010, public hearing in Yakima (see front cover for details) or contact the commission
- via UTC Web form: utc.wa.gov/comment
- by e-mail at: comments@utc.wa.gov
- in writing at:

UTC

P.O. Box 47250
Olympia, WA 98504-7250

- by phone: **1-888-333-WUTC (9882)**
- by fax: 1-360-586-1150

Please reference Docket Number UE-100749.

Public Counsel

The public is represented by the Public Counsel Section of the Washington Attorney General's Office.

You may contact the Public Counsel in writing at:

Public Counsel

Assistant Attorney General
800 5th Avenue, Suite 2000
Seattle, WA 98104-3188

e-mail: utility@atg.wa.gov

For more information about Public Counsel, visit:
www.atg.wa.gov/utilities.aspx

For more information or to contact Pacific Power, please call us toll free at **1-800-221-7070** or write to:

Pacific Power

825 NE Multnomah, Suite 2000
Portland, OR 97232

Need help managing electric expenses?

Pacific Power offers special services, bill assistance and time payment plans for customers experiencing financial difficulties. For questions about payment plan eligibility or if you are experiencing difficulty making payments, please call **1-888-221-7070**.

Notice of proposed rate increase

On May 4, 2010 Pacific Power filed a general rate case request with the Washington Utilities and Transportation Commission (UTC) requesting an electric rate increase of \$56.7 million or 2.1 percent. The increase is due, in part, to rising power costs due to the expiration of several long-term below-market power purchase contracts and fuel contracts. These contracts have benefited our customers for many years but as they expire, the Company needs to replace them at current market prices. The increase would also recover costs associated with investments in the electrical system we use to reliably serve our customers. A more detailed explanation of the proposed rate increase is included on the inside of this notice.

The UTC will be reviewing our request. If approved, changes would go into effect April 2011. You have the opportunity to comment on this filing.

Public comment hearing

Pacific Power customers have the opportunity to comment to the UTC in numerous ways, including in person at a public hearing.

Thursday, October 21, 2010

5:30 to 7 p.m.

Yakima Valley Community College

Parker Room

1015 S. 16th Avenue

Yakima, Washington



Let's turn the answers on.



What would the requested rate increase pay for?

If approved, the increase would recover the rising cost of serving customers. This request includes, but is not limited to the following, approximately:

- \$30.8 million for investments in the electrical system (including transmission, distribution, hydro, wind, steam and other generation facilities)
- \$17.7 million for increased power costs
- \$3.2 million for increased property and other taxes
- \$2.5 million for increased return on investment
- \$2.5 million increase for other costs (including depreciation, operations, maintenance, administrative and general expenses)

Summary of proposed rate increases

Overall increase in dollars	\$56.7 million
Overall increase percent	21%

Type of service	Schedule(s)	Average Increase
Residential	16	21%
Commercial Industrial		
Small General Service	24	21%
Medium General Service	36	21%
Large General Service	48	21%
Public Streetlighting	All	5%

Pacific Power also has proposed to increase the monthly residential basic charge from \$6.00 to \$9.00.

General rate case information

A general rate case is the regulatory proceeding which gives the UTC an opportunity to examine a utility's operations and costs to determine if the proposed rates are fair, just and reasonable. This process lets the UTC conduct a detailed review of a utility's revenues, profits, expenses, and investments in plant and equipment, in order to establish an approved revenue requirement.

The UTC staff, Pacific Power, Public Counsel Section of the Attorney General's Office, and other parties will participate. New rates would go into effect at the completion of the UTC's investigation, which may take up

to 11 months. Based on the outcome of its investigation, the UTC has the authority to approve rates that are higher or lower than Pacific Power's request.

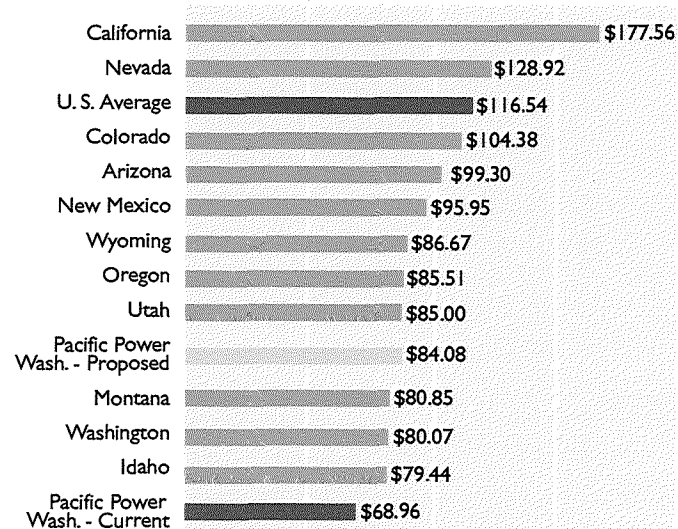
Effects on residential customers

Based on the overall increase discussed, the following chart shows the increases for a residential customer using electric service at 1,000 kwh and 1,300 kwh per month:

	Current	Proposed
Basic charge per month	\$6.00	\$9.00
@ 1,000 kwh:		
Average rate per kwh	6.90¢	8.41¢
Total bill	\$68.96	\$84.08
@ 1,300 kwh:		
Average rate per kwh	7.16¢	8.68¢
Total bill	\$93.11	\$112.86

A typical Pacific Power residential customer uses 1,300 kwh per month. The basic charge covers related costs of service including the cost of meters, service drops, meter reading and billing for residential customers.

U. S. Average Residential Monthly Electric Bills for 1,000 kwh (As of January 1, 2010)



Source: Edison Electric Institute Typical Bills and Average Rates Report, Winter 2010. The UTC does not consider electric rates charged by other utilities in setting rates.