

1 BEFORE THE
2 WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

3 WASHINGTON STATE ATTORNEY
4 GENERAL'S OFFICE AND THE
5 INDUSTRIAL CUSTOMERS OF
6 NORTHWEST UTILITIES,

7 Joint Complainants,

8 v.

9 PACIFICORP, d/b/a PACIFIC POWER &
10 LIGHT CORP.

11 Respondents.

Docket No. UE-110070

AFFIDAVIT OF MELINDA J.
DAVISON

12 STATE OF OREGON)
13) ss.
14 County of MULTNOMAH)

15 I, Melinda J. Davison, being first duly sworn, do say:

- 16 1. My name is Melinda Davison. I am over the age of 18, a citizen of the United
17 States, and competent to be a witness.
- 18 2. I am employed by the law firm of Davison Van Cleve as an attorney representing
19 the Industrial Customers of Northwest Utilities ("ICNU") including before the
20 Washington Utilities and Transportation Commission (the "Commission"). In
21 this capacity, I participated in the 2009 and 2010 general rate cases of Pacific
22 Power and Light, d/b/a PacifiCorp ("2009 GRC" and "2010 GRC"), and in the
23 present case.
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- 1 3. On or about January 6, 2011, I submitted an affidavit in this proceeding regarding
2 certain discovery conducted by ICNU in the *2009 GRC* regarding renewable
3 energy credit (“REC”) sales.
- 4 4. During the *2009 GRC*, I participated in discussions with PacifiCorp regarding
5 PacifiCorp’s 2010 REC sales. Through discovery requests and other discussions,
6 ICNU communicated to PacifiCorp that ICNU sought to obtain full and complete
7 information about PacifiCorp’s \$657,755 in Washington-allocated REC sales for
8 the 2010 rate-effective period, including, but not limited to, all expected 2010
9 REC revenues.
- 10 5. PacifiCorp at no time during the *2009 GRC* indicated that it had knowledge of
11 expected or contingent 2010 REC revenues that it had not disclosed to other
12 parties.
- 13 6. Pursuant to the Settlement of the *2009 GRC*, PacifiCorp was required to issue
14 quarterly reports regarding REC revenues.
- 15 7. On or about July 8, 2010, ICNU was provided with complete copies of certain
16 REC sales contracts that PacifiCorp entered in 2009 with certain California
17 utilities for the sale of RECs in 2009 and 2010. This information was provided in
18 the context of the *2010 GRC*.
- 19 8. On behalf of ICNU, I received the REC Report including data for the 1st Quarter
20 of 2010 on or about July 28, 2010. This was the first time that I learned that the
21 amount of 2010 REC revenue on a Washington basis that PacifiCorp was
22 receiving for 2010 was much greater than represented in the *2009 GRC*.
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- 1 9. ICNU retained expert witness Randall Falkenberg to review power costs and
2 interstate cost allocation issues in the *2009 GRC*. Mr. Falkenberg's employment
3 in that instance was limited to the *2009 GRC*. ICNU did not directly control the
4 manner of Mr. Falkenberg's analysis, testimony, and participation. Mr.
5 Falkenberg's employment related to the *2009 GRC* terminated at the completion
6 of the proceeding.
- 7 10. ICNU has retained Mr. Falkenberg in regulatory proceedings in Oregon in the
8 past. Mr. Falkenberg is not currently retained by ICNU for any Oregon
9 proceedings.
- 10 11. ICNU has never retained Mr. Falkenberg for any proceedings in Utah.
- 11 12. At all times, ICNU has retained Mr. Falkenberg on a case-by-case basis with a
12 limited budget and scope of engagement for that specific case.
- 13 13. ICNU has never retained Mr. Falkenberg on a general basis or as an agent.
- 14 14. ICNU does not control Mr. Falkenberg's analysis, testimony or participation in
15 any other jurisdiction.
- 16 15. On or about December 9, 2010, individuals from my firm obtained PacifiCorp's
17 permission to file the Joint Complaint with material PacifiCorp designated as
18 Highly Confidential.
- 19 16. On or about December 9, 2010, ICNU and Public Counsel filed the Joint
20 Complaint containing material PacifiCorp designated as Highly Confidential.
21 ICNU and Public Counsel filed the Joint Complaint on a Highly Confidential
22 basis.
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1 17. On or about December 16, 2010, PacifiCorp informed ICNU that it was
2 withdrawing its permission to include the material designated as Highly
3 Confidential in the Joint Complaint.

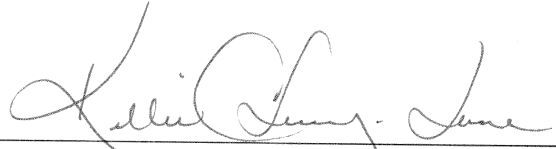
4 18. On or about January 6, 2011, ICNU and Public Counsel re-filed the Joint
5 Complaint without reference to the material PacifiCorp had designated as Highly
6 Confidential.

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8 Melinda J. Davison

9 SUBSCRIBED AND SWORN to before me this 28th day of February, 2011.



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Notary Public for Oregon
My Commission Expires: March 14, 2014