

Exhibit B

Affidavit of Melinda J. Davison

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BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON STATE ATTORNEY  
GENERAL'S OFFICE AND THE  
INDUSTRIAL CUSTOMERS OF  
NORTHWEST UTILITIES,

Joint Complainants,

v.

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

Respondents.

Docket No. UE-\_\_\_\_\_

AFFIDAVIT OF MELINDA J.  
DAVISON

STATE OF OREGON                    )  
  )     ss.  
County of MULTNOMAH            )

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

1. My name is Melinda Davison. I am over the age of 18, a citizen of the United States, and competent to be a witness.
2. I am employed by the law firm of Davison Van Cleve as an attorney representing the Industrial Customers of Northwest Utilities (ICNU) before the Washington Utilities and Transportation Commission (the Commission). In this capacity, I participated in the 2009 General Rate Case of Pacific Power and Light, d/b/a PacifiCorp, Docket No. UE-090205 (2009 GRC).

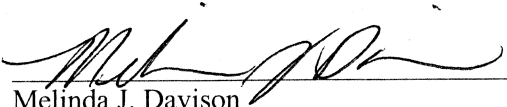
- 1           3.     In the *2009 GRC*, ICNU undertook discovery regarding PacifiCorp's 2008, 2009,  
2           and 2010 renewable energy credit (REC) sales. The purpose of this discovery  
3           was to establish the actual levels of test-year and rate-effective period sale price  
4           and volume. ICNU sought information regarding actual rate year revenue  
5           because it wished to assess whether the proposed pro forma adjustment to REC  
6           revenues sponsored by witness R. Bryce Dalley reflected the proper level of  
7           revenues.
- 8           4.     ICNU sent two data requests, DRs 2.1 and 2.2, to PacifiCorp on February 24,  
9           2009 relating to the Company's REC revenue adjustments. These data requests  
10          and the instructions are attached to the Joint Complaint as Exhibit B, and is a true  
11          and correct copy.
- 12          5.     ICNU received responses from PacifiCorp to DRs 2.1 and 2.2. These responses  
13          showed REC prices for periods beyond the test year that differ from the test year  
14          price. ICNU relied on the information provided in response to DRs 2.1 and 2.2 as  
15          well as additional oral statements from PacifiCorp regarding future REC sales  
16          when it agreed to the REC revenue adjustment presented in the settlement  
17          agreement in the *2009 GRC*. A true and correct copy of the settlement agreement  
18          (omitting appendices) is attached to the Joint Complaint as Exhibit A.
- 19          6.     In PacifiCorp's 2010 general rate case, Docket No. UE-100749 (*2010 GRC*),  
20          ICNU again undertook discovery regarding actual REC sales and revenues during  
21          the test-year and rate-effective period. In response, PacifiCorp provided actual  
22          contracts for REC sales for the test period, rate-effective period, and beyond.  
23          24

1 This information has been designated by the Company as highly confidential.

2 Upon information and belief that will be supplemented upon discovery,  
3 PacifiCorp's REC revenues during the rate-effective period were much higher  
4 than the pro forma adjustment presented by the Company or could be inferred  
5 from the information presented to parties through discovery requests, and  
6 PacifiCorp had reason to know of this discrepancy at the time of settlement of the  
7 2009 GRC.

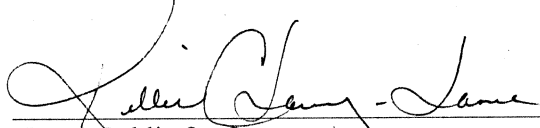
8 7. If ICNU had been provided complete and accurate information regarding 2009  
9 and 2010 REC revenues by PacifiCorp during the discovery and settlement phases  
10 of the *2009 GRC*, ICNU would not have agreed to the REC terms in the  
11 Settlement. It is highly unlikely that ICNU would have settled any of its issues  
12 raised in the 2009 GRC without the Company agreeing to provide customers with  
13 a credit for the actual REC revenues received, on a Washington basis. Given the  
14 rate increases customers have seen related to the costs of new renewable  
15 resources, this was a very important issue to ICNU and its members.  
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Melinda J. Davison

SUBSCRIBED AND SWORN to before me this 6th day of January, 2011.



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