

May 15, 2012

***VIA ELECTRONIC FILING***

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: Schedule 191 – System Benefits Charge Adjustment

**Advice 12-02**

Dear Mr. Danner:

Pursuant to RCW 80.28.050, RCW 80.28.060, and WAC 480-100-194, PacifiCorp, d.b.a. Pacific Power & Light Company (PacifiCorp or Company), submits for filing in electronic format a proposed tariff sheet revision to Schedule 191-System Benefits Charge Adjustment (SBC). The Company submits this filing in an effort to align its SBC balancing account revenues and expenses and respectfully requests an effective date of July 1, 2012.

First Revision of Sheet No. 191.1 Schedule 191 System Benefits Charge

Adjustment

The Company is proposing to increase the SBC collection rate, which is administered through Schedule 191, in order to align the Company’s recovery of its costs associated with acquiring and administering cost effective conservation in its Washington service territory and to comply with the requirements of Initiative Measure No. 937 (I-937), which is codified as RCW 19.285.040 and implemented through WAC 480-109.

The current SBC collection rate is approximately $8.8 million on an annual basis and was approved in Docket UE-091516 with an effective date of October 30, 2009. As of April 30, 2012, the SBC collection rate represents approximately 2.8 percent of Washington electric revenues. The Company proposes an increase of approximately $2.6 million to $11.4 million on an annual basis, or approximately 3.6 percent of Washington electric revenues.

These changes will result in an overall average increase to Washington customers of approximately 0.8 percent effective July 1, 2012. For the average residential customer using 1,300 kWh per month, the updates to Schedule 191 will result in a monthly bill increase of approximately 0.9 percent, or $0.94. Table A attached to this filing, displays the changes by rate schedule for the updates to Schedule 191.

As of April 30, 2012, the SBC deferred account balance was under-collected by approximately $1.3 million on an accrual basis. Based on the biennium energy acquisition targets filed with the Washington Utilities and Transportation Commission on January 31, 2012, adopted by Commission Order on April 26, 2012, expenditures associated with the acquisition of conservation savings and the production and distribution energy efficiency potential assessments are expected to exceed the revenue currently collected through Schedule 191. The proposed SBC represents approximately 3.6 percent of PacifiCorp’s Washington electric revenues. As demonstrated in Attachment B the Company anticipates this proposed collection rate will more closely balance the SBC account by the end of December 2013.

As the ongoing expenses of the Demand-side Management (DSM) programs exceed the revenue currently collected through the SBC, the Company believes the requested increase is appropriate. Any delays in implementing the new collection rate will further contribute to the accrual of an under-collected balance in the SBC deferred account.

On April 16, 2012, a draft filing of this advice letter was provided by the Company to the DSM Advisory Group and a conference call was held with the DSM Advisory Group on April 27, 2012, to address comments and questions. Comments and edits to this letter from the DSM Advisory Group have been incorporated into this filing. These efforts were made pursuant to Condition 3a(iv) and Condition 3d in Docket UE-100170, Order 02.

It is respectfully requested that all formal correspondence and Staff requests regarding this filing be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center

PacifiCorp

825 NE Multnomah, Suite 2000

Portland, Oregon, 97232

By fax: (503) 813-7274

Informal questions regarding this filing should be directed to Carla Bird at (503) 813-5269.

Sincerely,

William R. Griffith

Vice President, Regulation

Enclosures