

# Notice of proposed rate increase

On February 9, 2009, Pacific Power filed a general rate case request with the Washington Utilities and Transportation Commission (UTC) requesting an electric rate increase of \$38.5 million or 15 percent. The increase would recover additional costs associated with investments in the electrical system we use to reliably serve our customers, as well as investments in new renewables to meet the state's new renewable portfolio standards. Power costs are also rising, due in part to the expiration of some purchase power contracts.

The UTC will be reviewing our request. If approved, changes would go into effect January 2010. 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.

**October 12, 2009**  
**5:30 p.m. - 7:30 p.m.**  
Yakima Valley Community College  
Parker Room  
1015 S. 16th Avenue  
Yakima, WA



Let's turn the answers on.

## You are invited to comment to the UTC:

- in person at the October 12, 2009, public hearing in Yakima (see front cover for details) or contact the commission
- via UTC Web form: [utc.wa.gov/comment](http://utc.wa.gov/comment)
- by e-mail at: [comments@utc.wa.gov](mailto:comments@utc.wa.gov)
- in writing at:

### UTC

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

- by using the detachable mailer attached to this notice
- by phone: **1-888-333-WUTC (9882)**

Please reference Docket Number UE-090205.

## 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](mailto:utility@atg.wa.gov)

For more information about Public Counsel, visit:

[www.atg.wa.gov/utilities.aspx](http://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**.

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Place  
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here

**Washington Utilities and Transportation Commission**  
Post Office Box 47250  
Olympia, WA 98504-7250  
Re: Docket No: UE-090205

## 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:

- \$20.0 million for new generation resources
- \$2.3 million for increased operating expenses for new generation resources
- \$9.8 million for increased power costs
- \$5.0 million for increased return on investment

## 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.

## Summary of proposed rate increases

Overall increase in dollars \$38.5 million  
 Overall increase percent 15.1%

Type of service	Schedule(s)	Average Increase
Residential	16	15.2%
<b>Commercial Industrial</b>		
Small General Service	24	9.9%
Medium General Service	36	15.2%
Large General Service	48	19.9%

**Pacific Power also has proposed to increase the customer charge from \$6.00 to \$7.00.**

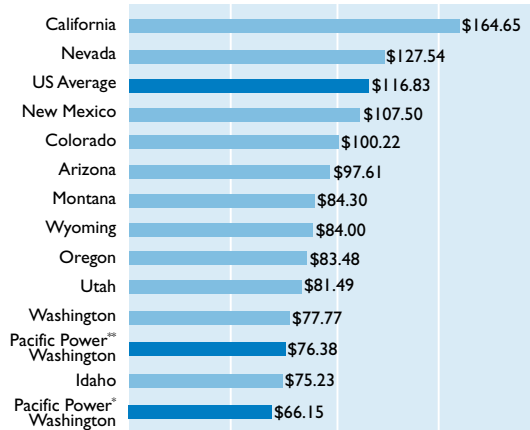
## Effects on residential customers

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	\$7.00
<b>@ 1,000 kwh:</b>		
Average rate per kwh	6.62¢	7.64¢
Total bill	\$66.15	\$76.38
<b>@ 1,300 kwh:</b>		
Average rate per kwh	6.86¢	7.92¢
Total bill	\$89.17	\$102.93

*A typical Pacific Power residential customer uses 1,300 kwh per month.*

**US Average Residential Monthly Electric Bills for 1,000 kWh**  
 (As of January 1, 2009)



<sup>\*</sup>Pacific Power calculated using current WA rates  
<sup>\*\*</sup>Pacific Power calculated using proposed WA rates  
 Source: Edison Electric Typical Bills and Average Rates Report, Winter 2009.

Your input into this process is important, please comment.

- Directions for mailing:
1. Detach comment form from this customer notice
  2. Stamp and mail to UTC

Save a stamp

Share your comments with the commission for free by logging on to: [utc.wa.gov/comment](http://utc.wa.gov/comment)

Customer name

Phone number

Comments

E-mail