

June 29, 2009

VIA ELECTRONIC FILING & OVERNIGHT DELIVERY

David Danner
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
P. O. Box 47250
Olympia, WA 98504-7250

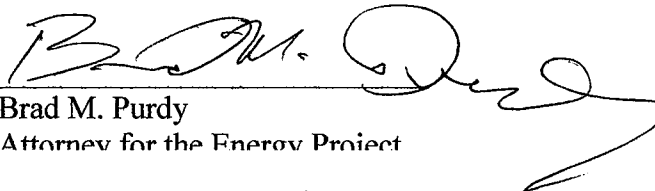
Re: WUTC v. PacifiCorp D/B/A Pacific Power & Light Company
Docket No. UE-090205

2009 JUN -1 AM 9:15
OFFICE OF THE
COMMISSIONER

Dear Mr. Danner:

Enclosed please find the original and twenty (20) copies of the Energy Project's Response To Public Counsel's Motion Regarding the Public Notice, for filing in the above-entitled docket. Next day overnight delivery will follow.

Sincerely,


Brad M. Purdy
Attorney for the Energy Project

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION
COMMISSION,

Complainant,

v.

PACIFICORP D/B/A PACIFIC
POWER & LIGHT COMPANY,

Respondent.

DOCKET NO. UE-090205

THE ENERGY PROJECT'S
RESPONSE TO PUBLIC
COUNSEL'S MOTION
REGARDING THE PUBLIC
NOTICE

2009 JUL -1 AM 9:15
WASHINGTON
UTILITIES AND
TRANSPORTATION
COMMISSION

Pursuant to the Notice issued in this matter on June 24, 2009 establishing a schedule for responding to, and oral argument of, Public Counsel's Motion Regarding the Public Notice, the Energy Project hereby submits its response.

The Energy Project supports Public Counsel's Motion in its entirety and, for the sake of brevity, will not repeat the arguments contained in that Motion. The Energy Project does, however, wish to illustrate the central point of the Motion, which is that it is misleading to compare the bills of the customers of different utilities established in states other than Washington. Indeed, it can be misleading to compare bills or rates of the same utility, operating in other states. One reason for this is that it is unclear to the Energy Project if the average monthly bills contained in Exhibit "A" to the proposed public notice, and obtained from the Edison Electric Institute ("EEI"), simply constitutes the average monthly usage multiplied by the average kilowatt per hour rate for the utilities in question, or if the average bills also have factored in such things as power cost adjustments employed by certain utilities.

Specifically, some utilities adjust their rates annually to account for variables in energy costs based on forecasting techniques, and "true-ups" to account for the disparity between the

prior year's energy cost forecasts, and actual energy costs, once they are calculated. Depending on the utility and the cost adjustment mechanism in question, these adjustments can be substantial, resulting in either an increase or decrease in rates. This provides stability for the utility, but a certain degree of uncertainty for customers, particularly during periods of substantial energy cost variations.

Given that the factors that drive power costs, and thus rates, vary from year to year and state to state (e.g., drought conditions disproportionately affect hydro-dominated utilities, rising coal costs disproportionately affect thermal-dominated utilities), this skews the relevance of comparisons of rates between differing utilities and states. This fact is particularly troubling in this case where PacifiCorp is presumably suggesting that its Washington rates are lower than rates charged by it or other utilities in other states. It should be noted that PacifiCorp does not have a power cost adjustment in Washington, but is currently seeking one (an "ECAM" – Energy Cost Adjustment Mechanism) in Idaho.¹ The Energy Project is uncertain whether PacifiCorp has a power cost adjustment mechanism in Wyoming, Utah or Oregon, but believes that the Company has, or is seeking, some form of such a mechanism in some or all of those states.

The Energy Project has not been able to precisely determine how the EEI calculates the bill comparisons contained in Exhibit "A," but is concerned that such a side-by-side comparison of monthly bills between different utilities and states might be akin to the proverbial comparing of apples to oranges. This, in turn, creates the possibility, as Public Counsel aptly articulated, that customers will be misled and might skew the nature and extent of public testimony and/or comments submitted to the Commission.

The Energy Project has focused solely on the fact that some utilities whose rates are shown on Exhibit A might have power cost adjustment mechanisms and others might not, or that

¹ Case No. PAC-E-08-08.

certain utilities, such as PacifiCorp, itself have mechanisms in some states, but not others, but there might be other factors that make an inter-state comparison of rates inappropriate and misleading to PacifiCorp's customers. It is for this reason, and those already articulated by Public Counsel, that, the Energy Project respectfully requests that Exhibit "A" to the public notice be withdrawn.

DATED, this 29th day of June, 2009.


Brad M. Purdy