

April 3, 2009

VIA ELECTRONIC FILING

Washington Utilities & 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: Advice No. 09-01

Schedule 70 – Renewable Energy Rider – Optional

Schedule 73 – Renewable Energy Rider – Optional Bulk Purchase Option

Dear Mr. Danner:

Pursuant to Washington Law, including sections 80.28.050 and 80.28.060 of the revised Code of Washington and the Commission's Rules and Regulations, PacifiCorp, d.b.a. Pacific Power ("PacifiCorp" or "the Company") submits for filing the following proposed tariff sheets. The Company respectfully requests that the proposed tariff revisions become effective on May 3, 2009

Fourth Revision of Sheet No. 70.1	Schedule 70	Renewable Energy Rider – Optional
First Revision of Sheet No. 70.3	Schedule 70	Renewable Energy Rider – Optional
Second Revision of Sheet No. 73.1	Schedule 73	Renewable Energy Rider – Optional Bulk Purchase Option
Second Revision of Sheet No. 73.2	Schedule 73	Renewable Energy Rider – Optional Bulk Purchase Option
First Revision of Sheet No. 73.3	Schedule 73	Renewable Energy Rider – Optional Bulk Purchase Option

PacifiCorp offers customers with an opportunity to participate in the Company's renewable energy program referred to as the Blue Sky program. The program was initially offered in Washington, Oregon, Utah and Wyoming beginning in 2000, and has since expanded to Idaho in 2003 and California in 2004. In Washington, the opportunity to participate in The Blue Sky program is offered through Schedules 70 and 73. Schedule 70 is the optional Renewable Energy

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Rider¹ which provides customers the opportunity to support the program by purchasing one or more Blocks of renewable energy. A purchase of one Block represents 100 kilowatt-hours of renewable energy at a monthly cost of \$1.95 per Block.

Schedule 73 is the Renewable Energy Rider – Optional Bulk Purchase Option² ("Bulk Purchase Option"). The Bulk Purchase Option allows large usage customers to support renewable energy at a bulk discount rate. This option requires a minimum purchase of 1,212 Blocks (equating to 121.1 megawatt-hours) at a cost of \$0.70 per Block per month in addition to an annual fixed charge of \$1,500.

The program provides customers in Washington an easy way to support regional wind energy and help advance the construction of new, small to medium scale (less than 10 MW) community-based renewable energy projects that include wind, solar, geothermal, low-emissions biomass, certified low-impact hydro and wave or tidal action. Funds received from participating customers first go towards the purchase of renewable energy credits ("RECs") from regional wind farms to match customer Block purchases and cover the cost of offering the program. Funds not spent after covering REC purchases and program costs may be used to fund community-based renewable energy projects.

REC purchases made to match customer Block purchases are in addition to investments associated with the Company's Integrated Resource Plan, and are not considered for purposes of any Renewable Portfolio Standard requirements. Renewable energy generated in response to any federal or state statutory requirement to construct or contract for renewable energy is also not eligible under the program. Currently, 2,005 Washington customers participate in the Blue Sky program, purchasing 7,879 Blocks of renewable energy equivalent to 787,900 kilowatt-hours each month.

Housekeeping Changes to Schedules 70 and 73

As part of this filing, PacifiCorp is proposing a few housekeeping changes to Schedules 70 and 73. The Company is proposing a revision to these schedules in section 2 under Special Conditions, changing "will not" to "may" to allow flexibility in enrollment of Blue Sky program participants. In addition, in Schedule 70, Special Conditions item 2, the word "deliver" is inadvertently included after the word "will"; which this filing is proposing to replace with "may." The Company proposes to remove the word "deliver" from Schedule 70. The proposed paragraph will read as follows:

2. The Company may accept enrollments for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices, or have been disconnected within the last 12 months.

¹ Schedule 70, Renewable Energy Rider – Optional was initially approved through Advice Letter 00-003, effective April 13, 2000.

² Schedule 73, Renewable Energy Rider – Optional Bulk Purchase Option was initially approved through Advice Letter 04-12, effective January 1, 2005.

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The purpose of this change is to accommodate customers who have a desire to participate in the Blue Sky programs and generally do not have challenges in paying their utility bills, but from time to time may pay their bill late or forget to pay their bill.

The Company is also proposing to add or remove certain rate schedules that are eligible to participate in Schedules 70 and 73. Schedule 70 is intended to be available to end use customers. As such, the Company proposes to add Schedules 33 and 47T, both end use schedules, to the Application section of Schedule 70 and to remove Schedule 18, which is not an end use schedule. Schedule 73 is intended to be available to non-residential end use customers. Accordingly, the Company proposes to remove Schedules 16 and 18, which are residential schedules, and to add Schedule 33. These changes will ensure that the Applicability sections of the Blue Sky program schedules accurately reflect the intent of the program.

Bulk Purchase Option - Large Purchase Pricing

As interest in renewable energy continues to grow, the Company has recently been approached by several organizations with requests to purchase renewable energy credits (RECs) through the Company's Blue Sky program. Among these are requests from large organizations seeking to secure significantly large REC volumes to partially, and in some cases fully, offset their energy usage over a period of years.

Currently, the Bulk Purchase Option, offered under Schedule 73, allows large customers the opportunity to purchase renewable energy blocks at \$0.70 per month per block plus an annual \$1,500 fixed fee. This option does not allow PacifiCorp customers the opportunity to secure a supply of RECs out multiple years. Further, due to the volatility of the REC market, organizations that have contacted the Company to secure significant REC volumes have also expressed an interest in securing a price for those RECs for a multiple year period. Under the current tariff, the Company is unable to accommodate these requests.

The Company believes that being able to accommodate such requests would further improve the ability of the Blue Sky program to meet the renewable energy demands of our customers. As such, the Company is proposing to add the following language to Schedule 73:

For purchase commitments over two years in length or large purchases over 75,000 MWh per year, individually negotiated arrangements may be available, pursuant to the execution of a written contract.

This change will give the Company the ability to respond to customer requests for significantly large, multiple year REC purchases through the Blue Sky Program.

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

By E-mail (preferred): <u>datarequest@pacificorp.com</u>

By Fax: (503) 813-6060

By regulator mail: Data Request Response Center

PacifiCorp

825 NE Multnomah Blvd., Suite 2000

Portland, OR 97232

Informal questions should be directed to Cathie Allen, Washington regulatory affairs manager, at 503-813-5934.

Sincerely,

Andrea L. Kelly Vice President, Regulation

Enclosures