

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
v.)
PACIFICORP D/B/A PACIFIC)
POWER & LIGHT COMPANY,)
Respondent.)
_____)

Docket Nos. UE-130043

EXHIBIT NO.____(MCD-9)

PACIFICORP RESPONSE TO WUTC DATA REQUEST 225

June 21, 2013

UE-130043/PacifiCorp
April 19, 2013
WUTC Data Request 225

WUTC Data Request 225
Requestor: David Gomez

Please provide any and all adjustments to Net Power Costs in Docket UE-130043 as a result of the settlement in FERC Docket Nos. ER11-3643-000 and ER11-3643-001. Include all adjustments to costs affecting the WCA and Washington customers including, but not limited to, net wheeling and other transmission costs. Any responsive materials provided in Excel format should be fully functional with all workbooks, worksheets, data and formulae left intact.

Response to WUTC Data Request 225

Please note that the Company's filings in Docket Nos. ER11-3643-000 and ER11-3643-001 affect primarily wheeling revenue received by the Company, which is not included in net power costs.

While a settlement agreement has been reached in Docket No. ER11-3643-000 relating to PacifiCorp's proposed rates for transmission and ancillary services, final approval has not been received by the Federal Energy Regulatory Commission (FERC). All rates therefore remain subject to refund pending the FERC's final order. In addition to regulatory uncertainty associated with the pending settlement and refunds that have yet to be calculated, reviewed and paid to transmission customers, the formula rate used to set transmission rates also requires an annual true-up adjustment for prior calendar years' rates. The true-up calculation is performed each May and has not yet been calculated for calendar year 2012. Accordingly, several events must occur before the Company can precisely calculate the amount of increase or decrease in the \$72.3 million in revenues included in the 2013 Washington general rate case (on a total-company basis). Notwithstanding the above, the following information provides high-level estimates of potential impacts.

The pro forma level of wheeling revenue included in the Washington general rate case was based on historical rates that were effective before the rates filed in Docket No. ER11-3643. Based upon information contained in the pending settlement, it is likely that total-company wheeling revenue will be at least \$4 million lower than the amount included in the Company's initial Washington general rate case filing (-\$0.2 million Washington allocated). The transmission rates produced by the formula rate for calendar year 2012 are expected to be lower than the historical transmission rate of \$24.30 kw/year (as used in the Washington general rate case) by at least 10 percent. In addition, there may be true-up adjustments to this amount, which have not yet been calculated. As noted above, the true-up calculation and adjustment for calendar year 2012 will not be performed until May 2013. In addition, the amount of wheeling revenue associated with usage from January 2013 to June 2013 will not be trued-up until May 2014. As a result of formula rate true-up mechanics and timing, information

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is not available at this time to precisely measure the impacts of rates and revenues for the period of July 2012 to June 2013 (the pro forma period used in the Washington general rate case) and the -\$4 million estimate noted above is subject to change.

Based on information contained in the pending settlement, PacifiCorp currently assumes that it will be able to recognize additional revenue in excess of the ancillary revenue included in the Washington general rate case. It is anticipated that there will be an increase of \$1.5 million on a total-company basis (\$0.3 million Washington allocated) above the amount included in the Company's initial Washington general rate case filing associated with Open Access Transmission Tariff (OATT) ancillary service Schedule 1 (scheduling, system control, and dispatch service) and Schedule 2 (reactive supply and voltage control service), based on the settlement rates that are not yet approved by FERC and remain subject to adjustment and refund.

Ancillary service revenue for Schedule 3 and 3A (regulation and frequency response service) for load and generation is estimated to range between \$1.5 million and \$2 million on a total-company basis (\$0.3 million Washington allocated) above the amounts included in the Washington general rate case based on the settlement rates that are not yet approved by FERC and remain subject to adjustment and refund.

Ancillary service revenue for Schedules 5 and 6 (reserve service) is estimated at \$0.5 million lower on a total-company basis (\$0.1 million Washington allocated) than the amounts included in the Washington general rate case based on the settlement rates that are not yet approved by FERC and remain subject to adjustment and refund. This estimate does not account for additional impacts for customers who self-supply Schedule 5 and 6 obligations because the mechanics of billing for self-supply customers are currently being developed between PacifiCorp and its customers.

The only adjustment to NPC associated with the settlement in Docket No. ER11-3643-000 relates to the transmission loss rate applied under the Seattle City Light (SCL) Stateline Storage and Integration Agreement, which would decrease from 5 percent to 4.26 percent and would increase NPC approximately \$0.1 million on a total-company basis (\$23,000 Washington allocated).

PREPARER: Dan MacNeil/Teresa Tang/Ernie Knudsen/Gary Tawwater

SPONSOR: To Be Determined