

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 UE 219

4 In the Matter of

5 PACIFICORP

6 Application to Implement the Provisions of
7 Senate Bill 76

STAFF RESPONSE TO ICNU APPLICATION
FOR RECONSIDERATION

8 Staff of the Public Utility Commission (“Staff”) opposes a grant of the application for
9 reconsideration filed by the Industrial Customers of Northwest Utilities (ICNU).

10 Generally, Staff supports the arguments advanced by PacifiCorp in its opposition to
11 ICNU’s application. The company is correct in pointing out that ICNU is raising the same
12 arguments that the Commission has already considered and rejected.

13 Specifically, Staff adds the following:

14 (1) This case involves the potential removal of four dams from PacifiCorp’s resource
15 mix. The Commission’s rate spread decision should reflect that fact. The Commission should
16 not venture into the unknown and, as ICNU suggests on page 4 of its application, “adopt a rate
17 spread that addresses the distinct and highly political nature of the Klamath dam removal.”

18 (2) SB 76 does not require the Commission to include long-term growth projections in its
19 calculation of the initial surcharge. Moreover, the Commission’s decision to use an annual
20 review mechanism to keep surcharges roughly equal from year to year is superior to making such
21 a projection.

22 (3) The Commission has the discretion to order any refunds on a customer class basis,
23 rather than on an individual basis. In its exercising of this discretion, the Commission
24 recognized the burden of implementing a new accounting system to track a small surcharge that
25 would overly burden the Company and customers.

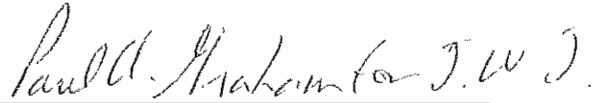
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1 Staff respectfully requests that the Commission deny ICNU's application.

2 DATED this 30th day of November 2010.

3 Respectfully submitted,

4 JOHN R. KROGER
5 Attorney General

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7 Jason W. Jones, #00059
8 Assistant Attorney General
9 Of Attorneys for Staff of the Public Utility
10 Commission of Oregon
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1 **CERTIFICATE OF SERVICE**

2 I certify that on November 30, 2010, I served the foregoing Response upon the parties in
3 this proceeding by electronic mail and by sending a true, exact and full copy by regular mail,
4 postage prepaid, or by hand-delivery/shuttle, to the parties accepting paper service.

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Business Activities Section

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