

May 2, 2011

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
550 Capitol Street NE, Ste 215
Salem, OR 97301-2551

Attn: Filing Center

Re: UM 926 – Request for Order to Sign Proposed Revised Bonneville Power Administration Residential Exchange Program Settlement Agreement and the Residential Exchange Program Settlement Implementation Agreement

Pursuant to ORS 757.663, PacifiCorp hereby requests that the Commission require it to sign the Revised Residential Exchange Program Settlement Agreement, including the Residential Exchange Program Settlement Implementation Agreement, (collectively, the "Revised REP Settlement Agreement"), by and between Bonneville Power Administration ("BPA"), PacifiCorp, certain investor-owned utilities ("IOUs"), certain state public utility commissions, the Citizens' Utility Board of Oregon ("CUB"), certain consumer-owned utilities ("COUs"), and consumer-owned utility associations (the form of which is attached as Exhibit 1). The Revised REP Settlement Agreement requires parties, except for BPA, to sign on or before June 3, 2011. Accordingly, PacifiCorp respectfully requests that the Commission treat this application on an expedited basis to ensure that execution of the Revised REP Settlement Agreement can occur by June 3, 2011.

On March 22, 2011, PacifiCorp filed a request (the "Initial Request") asking that the Commission require it to sign the Residential Exchange Program Settlement Agreement ("Original REP Settlement Agreement") offered by BPA. On April 11, 2011, the Commission issued Order No. 11-114, ordering PacifiCorp to sign the Original REP Settlement Agreement. PacifiCorp delivered to BPA a signed copy of the Original REP Settlement Agreement in advance of April 15, 2011.

The Original REP Settlement Agreement provided that unless COUs equal to or greater than 91 percent of the total Transition High Water Marks of all COUs executed and delivered the Original REP Settlement Agreement to BPA by April 15, 2011, the agreement is void. Original Settlement Agreement at §1.2.2. On April 15, BPA announced that it had received signatures of COUs with an aggregate Transition High Water Mark percentage of 81.5%, and, therefore, the Original REP Settlement Agreement was void.

After BPA's announcement, the principal parties who had signed the Original REP Settlement Agreement (the "Regional Parties") met to evaluate the alternatives given that there was strong regional support for the Original REP Settlement Agreement. The Regional Parties agreed to

propose the attached Revised REP Settlement Agreement, which makes the following three changes to the provisions of the Original REP Settlement Agreement:

- (1) the date by which parties must sign and deliver signatures is extended from April 15, 2011, to June 3, 2011;
- (2) the minimum aggregate Transition High Water Mark percentage for COU participation is reduced from 91% to 75%; and
- (3) the date by which BPA must provide notice regarding the level of participation is extended from April 25, 2011, to June 6, 2011.

The Revised REP Settlement Agreement incorporates by reference all of the provisions of the Original REP Settlement Agreement with the above revisions. If BPA determines that it will execute the Revised REP Settlement Agreement, then BPA will deliver to each party to the Revised REP Settlement Agreement a conformed copy of the settlement agreement entitled "REP Settlement Agreement" (the "REP Settlement Agreement") that will consist of the provisions of the Original REP Settlement Agreement as revised by the Revised REP Settlement Agreement with conformed signatures. PacifiCorp will submit in this docket a signed conformed copy of the REP Settlement Agreement upon receipt from BPA.

The Regional Parties committed to the Revised REP Settlement Agreement reflect broad regional support for settlement. The Regional Parties serve more than 90% of the electric load in the Pacific Northwest. The COUs proposing the Revised REP Settlement Agreement are confident that its members can secure signatures from a substantial majority of BPA's public power customers – more than enough to reach the 75% threshold. In addition, Regional Parties have recommitted to working together to promote the settlement among public power and to seek ratification from the U.S. Congress as provided for under the terms of the Revised REP Settlement Agreement. *See* Initial Request at § II(D).

PacifiCorp recommends that the Commission order it to sign the Revised REP Settlement Agreement. For the reasons set forth in the Initial Request, the benefits of the Original REP Settlement Agreement to PacifiCorp's residential and small farm customers outweighed the risks. The same conclusion is true for the Revised REP Settlement Agreement. The only change proposed to the settlement (other than timing) is the reduction in the COU load required to sign. This reflects a modest increase in overall uncertainty given that REP Settlement Benefits, as defined in the Initial Request, may be adjusted based on the outcome of litigation and such adjustment is proportional to the level of COU participation in the settlement. *See* Initial Request at § III(A). It also reflects a slight reduction in the benefits associated with settlement of the currently pending Ninth Circuit litigation. Nonetheless, near-term customer impacts as described in the Initial Request remain unchanged as a result of the proposed modifications. Even with the proposed modifications, the substantial benefits of the settlement (fixed amount of REP Settlement Benefits for allocation among the IOUs, a share of the RECs from the BPA system, reduction in litigation risk, and fostering positive regional relationships) outweigh the risks.

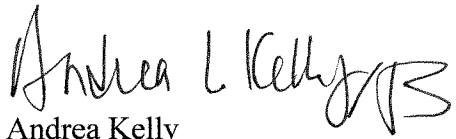
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For the reasons stated above, the Commission should order PacifiCorp to execute the Revised REP Settlement Agreement.

Sincerely,

A handwritten signature in black ink that reads "Andrea L. Kelly" followed by a stylized monogram or flourish.

Andrea Kelly

Vice President, Regulation

Enclosure

cc: Service List UM 926

CERTIFICATE OF SERVICE

I certify that I have cause to be served the foregoing document in OPUC Docket No. UM 926 by electronic mail and/or first class mail to the parties on the attached service list unless paper service has been waived.

DATED this 2nd day of May, 2011.

Service List UM-926

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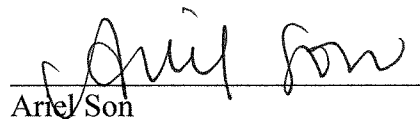
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Ariel Son
Coordinator, Administrative Services

Exhibit 1

REVISED REP SETTLEMENT AGREEMENT

This Revised REP Settlement Agreement (“Revised REP Settlement Agreement”) is entered into by and among the Bonneville Power Administration (“BPA”) and the undersigned investor-owned utilities, state public utility commissions, Citizens’ Utility Board of Oregon, consumer-owned utilities, consumer-owned utility associations, and other BPA power customers:

1. As used in paragraphs 2, 3, and 4 herein, the term “Document” means that certain document entitled “REP Settlement Agreement” and identified as Contract No. 11PB-12322, which has also been marked as REP-12-E-BPA-11 in the BPA’s REP-12 proceeding, together with all exhibits thereto.

2. Section 1.2.2 of the Document, “Conditions Precedent to Initial Obligations,” is hereby revised as follows:

(a) the phrase “April 15, 2011” in item (i) of Section 1.2.2 is revised to “June 3, 2011”;

(b) the phrase “91 percent” in item (i) of Section 1.2.2 is revised to “75 percent”;
and

(c) the phrase “April 25, 2011” in item (ii) of Section 1.2.2 is revised to “June 6, 2011”;

and no other provision of the Document is revised hereby.

3. The Document, as revised as described in the preceding paragraph, is incorporated into this Revised REP Settlement Agreement by reference, as if set forth fully herein.

4. Each signatory represents that he or she is authorized to enter into this Revised REP Settlement Agreement on behalf of the party hereto for whom he or she signs. For the convenience of the parties hereto, this Revised REP Settlement Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts together constituting the same agreement. If the Administrator executes this Revised REP Settlement Agreement as specified in section 1.4 of the Document as revised and incorporated herein, BPA will promptly deliver to each party hereto a conformed copy of this Revised REP Settlement Agreement in the form of the Document as revised hereby and dated as of the date on which the Administrator executes this Revised REP Settlement Agreement. Each signatory authorizes BPA to reflect such signatory’s conformed signature on the signature pages of such conformed copy.

5. The conformed copy as described in paragraph 4 hereof will, for all purposes, constitute the "REP Settlement Agreement," and will be binding on the parties hereto according to its terms.

FULL NAME OF PARTY

(Print/Type)

By _____

Title _____

Name _____
(Print/Type)

Date _____