

March 7, 2013

Commission Chair Susan Ackerman
Commissioner John Savage
Commissioner Stephen Bloom
Public Utility Commission of Oregon
550 Capitol St. NE
Salem, Oregon 97301-2551

Re: Objection to PacifiCorp's Advice No. 13-004

Dear Commissioners:

Safeway Inc. objects to PacifiCorp's Advice No. 13-004 because it fails to properly provide PacifiCorp's eligible direct access customers with a viable five-year opt out program similar to that offered by Portland General Electric Company (PGE).

The Commission required PacifiCorp to "file a tariff for a five-year opt out program that allows a qualified customer to go to direct access and pay fixed transition charges for the next five years, and then to be no longer subject to transition adjustments--for so long as that customer remains a direct access customer (on the Pacific Power system)." Order No. 12-500. The Commission referred to this as a "PGE-type model" because PGE has offered such a program for several years.

Yet, PacifiCorp's compliance filing changes every key facet of the PGE program. The most objectionable changes include the following:

- PGE requires only five years of transition charges. But PacifiCorp's proposal to assess the "Customer Opt-Out Charge" is effectively a requirement that eligible customers pay the equivalent of twenty years of transition charges.
- PGE's program offers a month-long enrollment window each September. But PacifiCorp has restricted the election window in its proposal to three weeks.
- PGE's program allows five-year opt-out customers to return to cost-of-service tariffs with two-year's notice, but PacifiCorp proposes to forbid customers from *ever* returning to cost-of-service tariffs.
- PGE has a minimum aggregate load requirement of one megawatt to participate in PGE's five-year opt-out program. But PacifiCorp's proposal restricts the program to customers with load in excess of two megawatts.

Furthermore, there is an absolute lack of transparency in their "GRID" model calculations and the assumptions used to calculate Net Power Costs and Transition Adjustments. The results of their model analysis, as exhibited in Attachment A and

B of their compliance filing, would make it cost prohibitive to pursue the five-year opt out and leave PacifiCorp generation service.

The Commission should require PacifiCorp to submit a compliance filing that actually complies with the Commission's order. At a minimum, the Commission should suspend the filing to allow for complete investigation of PacifiCorp's proposal by the Commission and interested parties.

Sincerely,

/s/

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Vice President Energy Operations

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