BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

In the Matter of PacifiCorp, dba	**)**	
Pacific Power	**)**	**Docket No. UE-227**
2012 Transition Adjustment	**)**	
Mechanism	**)**	

Reply Testimony of Kevin C. Higgins

on behalf of

Noble Americas Energy Solutions LLC

Exhibit 100

June 24, 2011

REPLY TESTIMONY OF KEVIN C. HIGGINS

Introduction

Q. Please state your name and business address.

A. Kevin C. Higgins, 215 South State Street, Suite 200, Salt Lake City, Utah, 84111.

Q. By whom are you employed and in what capacity?

A. I am a Principal in the firm of Energy Strategies, LLC. Energy Strategies is a private consulting firm specializing in economic and policy analysis applicable to energy production, transportation, and consumption.

Q. On whose behalf are you testifying in this phase of the proceeding?

A. My testimony is being sponsored by Noble Americas Energy Solutions ("Noble Solutions"), formerly Sempra Energy Solutions LLC. Noble Solutions is a retail energy supplier that serves commercial and industrial end-use customers in 16 states, the District of Columbia, and Baja California, Mexico. Noble Americas serves more than 15,000 retail customer sites nationwide, with an aggregate load in excess of 4,500 MW. Noble Solutions' retail customers are located in the service territories of 55 utilities. In Oregon, Noble Solutions is currently serving customers in Portland General Electric's service territory and PacifiCorp's territory.

Q. Please describe your professional experience and qualifications.

A. My academic background is in economics, and I have completed all coursework and field examinations toward a Ph.D. in Economics at the University of Utah. In addition, I have served on the adjunct faculties of both the University of Utah and Westminster College, where I taught undergraduate and graduate courses in economics. I joined Energy Strategies in 1995, where I assist private and public sector clients in the areas of energy-related economic and policy analysis, including evaluation of electric and gas utility rate matters.

Prior to joining Energy Strategies, I held policy positions in state and local government. From 1983 to 1990, I was economist, then assistant director, for the Utah Energy Office, where I helped develop and implement state energy policy. From 1991 to 1994, I was chief of staff to the chairman of the Salt Lake County Commission, where I was responsible for development and implementation of a broad spectrum of public policy at the local government level.

Q. Have you ever testified before this Commission?

A. Yes. I have testified in several prior proceedings in Oregon, including the three previous PacifiCorp Transition Adjustment Mechanism ("TAM") cases, UE-216 (2011 TAM), UE-207 (2010 TAM), and UE-199 (2009 TAM). I have also participated in four PacifiCorp general rate cases, UE-210 (2009), UE-179 (2006), UE-170 (2005), and UE-147 (2003). In addition, I have testified in three Portland General Electric ("PGE") general rate cases, UE-215 (2010), UE-197 (2008) and UE-180 (2006), as well as in the PGE restructuring proceeding, UE-115 (2001).

Q. Have you participated in any workshop processes sponsored by this Commission?

A. Yes. In 2003, I was an active participant in the collaborative process initiated by the Commission to examine direct access issues in Oregon, UM-1081.

Q. Have you testified before utility regulatory commissions in other states?

A. Yes. I have testified in approximately 135 proceedings on the subjects of utility rates and regulatory policy before state utility regulators in Alaska, Arizona, Arkansas, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nevada, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Virginia, Washington, West Virginia, and Wyoming. I have also prepared affidavits that have been filed with the Federal Energy Regulatory Commission. My statement of qualifications is attached as Noble Solutions Exhibit 101.

Overview and Conclusions

Q. What is the purpose of your testimony in this proceeding?

A. My testimony addresses the calculation of the Schedule 294 and 295 transition adjustments.

Q. What are the conclusions and recommendations in your testimony?

A. I support the continued application of the modifications to the calculation of Schedule 294 and 295 transition adjustments provided in Stipulations approved by the Commission in Docket Nos. UE-199 and UE-207.

I also recommend that the Schedule 294 and 295 transition adjustment calculations be modified to provide for the inclusion of a credit for the resale of 25 MW of Bonneville Power Administration (“BPA”) transmission, corresponding to the amount of the load decrement used in computing the transition adjustment. At a minimum, the small BPA credits adopted in the UE-216 Stipulation should continue to be applied in the 2012 TAM.

Further, I recommend that the Commission address the disparity between the line losses charged to an Oregon Electric Service Supplier ("ESS") in PacifiCorp's Open Access Transmission Tariff ("OATT") and the line losses used in the calculation of the Schedule 294 and 295 transition adjustments. It is essential that this disparity be rectified and the line losses applied on a consistent basis, as it is creating undue disadvantages in the pricing of direct access service. Specifically, I recommend that the Commission require PacifiCorp to explain and reconcile the differences between the line loss factors used in its proposed OATT currently before the Federal Energy Regulatory Commission ("FERC") and those that PacifiCorp uses in its retail rate schedules in Oregon. I further recommend that the Commission direct PacifiCorp to use line loss factors in the determination of the Schedule 294 and 295 transition adjustments that are consistent with the line losses charged to Oregon ESS's in the Company's OATT, after adjusting for the fact that the former is properly measured at retail delivery and the latter is measured at input.

<u>Calculation of the Transition Adjustment (Schedules 294 and 295)</u>

Q. What is your understanding of the purpose of the transition adjustment?

A. My understanding is that the purpose of the transition adjustment is to provide the appropriate credit or charge for customers who choose direct access service. The transition adjustment is applied either through Schedule 294 or Schedule 295. The former is applied to customers who choose a one-year direct access option, whereas the latter is applied to customers who choose a three-year direct access option.

The logical premise behind the transition adjustment is to credit or charge direct access customers the difference between PacifiCorp's net power cost (as reflected in Schedule 201) and the estimated market value of the electricity that is freed up when a customer chooses direct access service. This is calculated by subtracting the former from the latter, after adjusting for line losses measured at the point of retail delivery. If the result is a positive number, the difference is applied as a credit to the direct access customer. If the result is a negative number, the difference is applied as a charge to the direct access customer.

The current practice is to calculate the transition adjustment using PacifiCorp's GRID model. According to PacifiCorp's tariff, the estimated market value of the electricity that is freed up when a customer chooses direct access service is determined by running two system simulations – one simulation <u>with</u> PacifiCorp serving the direct access load and one simulation with the Company <u>not</u> serving the direct access load. At the present time, these simulations are run assuming direct access occurs in 25 MW decrements, which are shaped using the load shape of the rate schedule being analyzed for purposes of determining its Schedule 294 or 295 credit (charge). The difference between the two scenarios is used to calculate the impact on PacifiCorp's total system, which is then used to determine the Weighted Market Value of the energy freed-up due to direct access.

The Weighted Market Value of the energy is then compared to the customer's price under Schedule 201 to determine the Schedule 294 or 295 credit (charge).

In each of the last three PacifiCorp TAM proceedings there have been refinements to the calculation Schedules 294 and 295 that were included in Stipulations approved by the Commission, most recently in Order No. 10-363.

Q. What refinements to the calculation of the Schedule 294 and 295 rates have been adopted over the past three TAM proceedings?

A. In UE-199, the Stipulation approved by the Commission in Order No. 08-543 modified the valuation of the energy freed-up due to direct access as follows:

> 15. Transition Adjustment: The Parties agree to modify the calculation of the Transition Adjustment for direct access in two ways: (1) the Company will relax the market cap limitations in the GRID model by 15MW at Mid-Columba and 10MW at COB to determine the value of the freed up power; and (2) any remaining monthly thermal generation that is backed down for assumed direct access load will be priced at the simple monthly average of the COB price, the Mid-Columbia price, and the avoided cost of thermal generation as determined by GRID. The monthly COB and Mid-Columbia prices will be applied to the heavy load hours or light load hours separately. The existing balancing account mechanisms will remain in effect.

This provision provides an improved measurement of Weighted Market Value of the energy freed-up due to direct access compared to prior measurements.

In UE-207, the Stipulation approved by the Commission in Order No. 09-274 corrected an oversight in the treatment of line losses in the calculations of Schedule 294 and 295 rates. Section 15.c of the UE-207 Stipulation provides that:

> For purposes of calculating the transition adjustments in Schedules 294 and 295, losses will include primary and secondary line losses, as

> applicable, in addition to the transmission losses already included in the calculation.

This provision significantly improved the accuracy of the line loss component in the calculation of Schedules 294 and 295.

Finally, the Stipulation in the most recent TAM proceeding, UE-216, provides for a small Bonneville Power Administration ("BPA") transmission credit for direct access customers. Section 16 of that Stipulation states:

> 16. BPA Transmission Credit for Direct Access. PacifiCorp agrees to increase the Schedule 294 transition adjustment by $(0.50)/MWh for the 2011 TAM for Schedule 747 and 748 customers to reflect the potential value associated with reselling BPA Point to Point ("PTP") wheeling rights from Mid-C to the Company's Oregon Service territory that are freed-up as a result of customers choosing direct access.
>
> PacifiCorp also agrees to meet with an Energy Service Supplier ("ESS") upon request in advance of the November 2010 shopping window to discuss price, terms and potential quantities of BPA PTP wheeling rights to be purchased from PacifiCorp for delivery from all points of receipt considered to be Mid-C to the Company's Oregon service territory to serve direct access load.
>
> Nothing in this agreement obligates PacifiCorp to sell any transmission rights to an ESS. PacifiCorp further agrees to evaluate this issue using the actual direct access customer data that results from the November 2010 shopping window, report its findings back to the parties, and use any knowledge gained to guide its filing of the 2012 TAM.

Q. Has PacifiCorp continued to apply the refinements to the TAM calculations agreed to in UE-199, UE-207, and UE-216 in calculating the sample TAM calculations for Schedules 30-Secondary and 48-Primary filed in this docket?

A. Yes. PacifiCorp's calculation of sample TAM calculations for Schedules 30-Secondary and 48-Primary filed in this docket continues to apply the provisions of those prior Stipulations, including the small BPA credit.

Q. In your opinion, what is the basis for recognizing a BPA credit?

A. Although the calculation of the Weighted Market Value of "freed-up" energy has been improved over the past several TAMs, there continues to be a structural impediment to the pricing of direct access service associated with the need for an ESS to obtain wheeling from BPA to reach the PacifiCorp service territory from the Mid-C trading hub. This impediment could be reasonably mitigated if the calculation of the Schedule 294 and 295 transition adjustments were adjusted to recognize that the direct access load "frees up" BPA transmission capacity that can then be resold to an ESS to reach PacifiCorp load. A BPA transmission credit based on this concept has been included in the calculation of transition adjustments for the Portland General service territory for a number of years.

The BPA credit recognized in UE-216 was a small positive step in this direction.

Q. The UE-216 Stipulation states that PacifiCorp will evaluate the BPA wheeling issue using the actual direct access customer data that results from the November 2010 shopping window, report its findings back to the parties, and use any knowledge gained to guide its filing of the 2012 TAM. What information has PacifiCorp provided in this regard?

A. According to the Company's Response to Noble Americas Data Request 4, which is Noble Solutions Exhibit 102 attached to my testimony, PacifiCorp indicates that based on its review of historical information, transmission services that PacifiCorp acquires from BPA to serve some of the sites in Oregon may be impacted by customers electing direct access. Among those sites, there may be limited point-to-point access that PacifiCorp could release on a seasonal basis. Additionally, the sites to which BPA point-to-point transmission connects may not directly reach the load pockets in which certain direct access customers may be located.

Finally, PacifiCorp adds:

> The information the Company received during the November 2010 shopping window is varied due to customers both leaving and coming back to the Company's system, and the Company is unable to draw any conclusion from the limited information prior to actual delivery during 2011.

Q. What is your recommendation to the Commission on this issue?

A. I recommend that the Schedule 294 and 295 transition adjustment calculations be modified to include a credit for the resale of BPA transmission in the same amount of the 25 MW load decrement used in computing the transition adjustment. This change would mitigate the structural impediment to the pricing of direct access service by treating the BPA wheeling costs on a comparable basis for direct access and cost-of-service customers.

If this recommendation is not adopted, then, at a minimum, the small BPA credits adopted in the UE-216 Stipulation should continue to be applied in the 2012 TAM.

Q. Has the issue of a BPA transmission credit been addressed previously by the Commission with respect to the PacifiCorp TAM?

A. Yes. In Order No. 04-516, issued in UM-1081, proposals by parties to recognize a BPA transmission credit were not adopted by the Commission. At that time (2004), PacifiCorp was contractually precluded from reselling its BPA wheeling rights, and the Commission determined that not recognizing a BPA transmission credit was consistent with the Company's anticipated operational responses to direct access. [Order at 9-12.]

At the same time, however, the Commission left the door open to later revisions, stating that:

> We agree with parties that further revisions may be necessary to implement an accurate and equitable transition adjustment in the long run. We are hopeful, however, that interim transition adjustment revisions will stimulate participation in direct access in PacifiCorp's service territory in the short term and thereby inform the design of further improvements. [Order at 1.]

Q. Has participation in direct access in PacifiCorp's service territory been stimulated as hoped for in the Order?

A. Not to a significant extent. Participation has improved compared to the complete absence of direct access activity that existed in 2004, but it is still quite small relative to the participation levels in the Portland General service territory. For example, according to the Oregon Electric Industry Restructuring Status Report (prepared by the Commission's Electric Rates and Planning section) dated May 2011, only 0.6% of non-residential customer load in the PacifiCorp service territory was participating in direct access service compared to 8.5% participation in the Portland General service territory. I have attached that report as Noble Solutions Exhibit 103.

Q. Why is it appropriate to revisit the issue of a BPA transmission credit at this time?

A. The facts are different today than in 2004 with respect to PacifiCorp's ability to resell BPA wheeling rights. In 2004, PacifiCorp was contractually precluded from reselling its BPA wheeling rights; that is no longer the case. PacifiCorp confirmed as such in PacifiCorp Response to Noble Solutions DR 8, which I have attached as Exhibit 104 to this testimony. PacifiCorp's ability to resell its BPA wheeling rights now makes it reasonable to assume that an ESS can reach its PacifiCorp customer load from Mid-C by purchasing transmission capacity from PacifiCorp that is freed-up by direct access. Recognizing the value of this freed-up transmission as a credit in the Schedule 294 and 295 transition adjustment calculation is a reasonable means to address the continued impediments to direct access service in the PacifiCorp service territory within the general framework of the current TAM methodology. As I stated above, a similar credit is applied in the Portland General service territory.

Q. You stated above that the transition adjustment is calculated by subtracting PacifiCorp's net power cost from the estimated market value of the electricity that is freed up when a customer chooses direct access service -- after adjusting for line losses measured at the point of retail delivery. Do you have any concerns with respect to the line loss percentages used in the calculation of the Schedule 294 and 295 transition adjustments?

A. Yes. As I indicated above, the UE-207 Stipulation corrected an oversight that significantly improved the accuracy of the line loss component in the calculation of Schedules 294 and 295.

However, there remains a separate problem in that the line losses used in the setting of Oregon retail rates, including Schedules 294 and 295, are not consistent with the line losses that PacifiCorp charges an ESS serving Oregon direct access load for line losses through PacifiCorp's Open Access Transmission Tariff ("OATT").

Specifically, the line loss percentages used in the calculation of the Schedule 294 and 295 transition adjustments can be found in Schedule 220 - Standard Offer Supply Service. These are:

Transmission Delivery Voltage	3.61%
Primary Delivery Voltage	5.77%
Secondary Delivery Voltage	9.18%.

At the same time, an ESS serving direct access load in Oregon is assessed line losses pursuant to Schedule 10 of PacifiCorp's OATT. This schedule provides that any use of the PacifiCorp transmission system for delivery to the PacifiCorp system shall be assessed real power losses in the following amounts:

Use of any portion of the Transmission System at a voltage of 46 kV or greater:	4.48%
Use of any portion of the Distribution System at a voltage of 34.5 kV or less:	3.56%
Use of a combination of PacifiCorp Transmission and Distribution System:	8.04%

I have attached Schedule 10 of PacifiCorp's OATT in effect on the date of this testimony as Noble Solutions Exhibit 105.

Further, on May 29, 2011, PacifiCorp filed at FERC to change the assessment for real power losses in Schedule 10 of its OATT as follows:

Use of any portion of the Transmission System at a voltage of 46 kV or greater:	5.00%
Use of any portion of the Distribution System at a voltage of 34.5 kV or less:	3.56%

Use of a combination of PacifiCorp Transmission and Distribution System: 8.56%

I have attached this proposed version of Schedule 10 of PacifiCorp's OATT filed by PacifiCorp with FERC as Noble Solutions Exhibit 106.

Thus, pursuant to proposed Schedule 10, an ESS would be charged 8.56% for losses (measured at input) for delivery to a primary voltage customer, but is credited only 5.77% (measured at retail delivery, which is equivalent to 5.46% measured at input) in the calculation of the transition adjustment. This disparity creates a material pricing disadvantage for the ESS serving a primary voltage customer, which derives from the inconsistent structure by which power loss factors are assessed (or credited) between PacifiCorp's OATT and the Company's PacifiCorp's retail rate schedule in Oregon.

In failing to differentiate between primary and secondary voltage, Schedule 10 of PacifiCorp's OATT undermines the implementation of retail access in Oregon by burdening an ESS competing with PacifiCorp for retail customers with unduly high power losses when serving a primary voltage customer.

Q. Has Noble Solutions raised this issue at FERC?

A. Yes. Noble Solutions has filed a protest at FERC in PacifiCorp's current OATT proceeding requesting that PacifiCorp's proposed Schedule 10 be rejected until PacifiCorp properly differentiates between distribution delivery at primary and secondary voltage.

Q. What is the purpose of raising this issue in this UE-227 proceeding?

A. I first pointed out this problem in UE-216. However, I placed my concerns on hold after learning that PacifiCorp would be filing in June 2011 to update its OATT, which represented an opportunity for PacifiCorp to rectify this problem by making the treatment of line losses in Schedule 10 consistent with the treatment of line losses in Oregon rates. Unfortunately, PacifiCorp has not taken this initiative in its OATT filing. Instead, the Company appears to be perpetuating discrepancies between the loss factors used in its OATT and its Oregon tariff, to the unreasonable detriment of retail access in Oregon.

In addition to the structural discrepancy (i.e., the absence in Schedule 10 of a line loss assessment for primary delivery), there is a measurement discrepancy between line losses used in Oregon rates and those charged to an ESS through PacifiCorp's OATT. Specifically, measured at input, the power losses for transmission delivery in Pacific Power Schedule 220 are equivalent to 3.48%, compared to 5.00% proposed for Schedule 10. In addition, measured at input, the line losses for combined transmission and secondary distribution delivery in Pacific Power Schedule 220 are 8.41% compared to 8.56% proposed for Schedule 10.

It is essential that the line losses charged to Oregon ESS's in PacifiCorp's OATT be the same as those used in the calculation of the transition adjustment (after adjusting for the fact that the former is measured at input and the latter is measured at retail delivery). The current and proposed disparity between the loss factors used in the state and federal jurisdictions creates undue disadvantages in the pricing of direct access service for certain delivery voltages.

Unlike the structural problem, which must be cured in Schedule 10 of PacifiCorp's OATT, the measurement discrepancy can be cured in an Oregon rate proceeding. To that end, I recommend that the Commission require PacifiCorp to explain and reconcile the differences between the line loss factors used in its OATT and those that PacifiCorp uses in its retail rate schedules in Oregon. I further recommend that the Commission direct PacifiCorp to use line loss factors in the determination of the Schedule 294 and 295 transition adjustments that are consistent with the line losses charged to Oregon ESSs in the Company's OATT, after adjusting for the fact that the former is properly measured at retail delivery and the latter is measured at input.

Q. Does this conclude your reply testimony?

A. Yes, it does.

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

In the Matter of PacifiCorp, dba	**)**	
Pacific Power	**)**	**Docket No. UE-227**
2012 Transition Adjustment	**)**	
Mechanism	**)**	

Noble Americas Energy Solutions LLC

Exhibit 101

Witness Qualification Statement of Kevin C. Higgins

June 24, 2011

WITNESS QUALIFICATION STATEMENT

NAME: Kevin C. Higgins

EMPLOYER: Energy Strategies, LLC

TITLE: Principal

ADDRESS: 215 South State Street, Suite 200, Salt Lake City, UT 84111

EDUCATION: Ph.D. Candidate, Economics, University of Utah (coursework and field exams completed, 1981)

Bachelor of Science, Education, State University of New York at Plattsburgh, 1976 (cum laude).

EXPERIENCE:

I have served on the adjunct faculties of both the University of Utah and Westminster College, where I taught undergraduate and graduate courses in economics. I joined Energy Strategies in 1995, where I assist private and public sector clients in the areas of energy-related economic and policy analysis, including evaluation of electric and gas utility rate matters.

Prior to joining Energy Strategies, I held policy positions in state and local government. From 1983 to 1990, I was economist, then assistant director, for the Utah Energy Office, where I helped develop and implement state energy policy. From 1991 to 1994, I was chief of staff to the chairman of the Salt Lake County Commission, where I was responsible for development and implementation of a broad spectrum of public policy at the local government level.

I have testified in approximately 140 proceedings on the subjects of utility rates and regulatory policy before state utility regulators in Alaska, Arizona, Arkansas, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nevada, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Utah, Virginia, Washington, West Virginia, and Wyoming. I have also prepared affidavits that have been filed with the Federal Energy Regulatory Commission.

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

In the Matter of PacifiCorp, dba	)	
Pacific Power	)	**Docket No. UE-227**
2012 Transition Adjustment	)	
Mechanism	)	

Noble Americas Energy Solutions LLC

Exhibit 102

PacifiCorp's Response to Noble Americas Energy Solutions LLC's Data

Request 4

June 24, 2011

NAES Data Request 4

BPA Credit

(a) In the Stipulation filed July 7, 2010 filed in UE-216, PPL agreed to increase the Schedule 294 transition adjustment by $(0.50)/MWh for the 2011 TAM for Schedule 747 and 748 customers to reflect the potential value associated with reselling BPA Point to Point ("PTP") wheeling rights from Mid-C to the Company's Oregon Service territory that are freed up as a result of customers choosing direct access. It appears that PPL did not apply this credit in its calculation of the Sample Schedule 294 Transition Adjustments filed in this docket, UE-227. Please confirm whether or not this is a correct inference. If incorrect, please indicate where in the sample calculation this credit is applied.

(b) If PPL did not apply the BPA credit in its calculation of the Sample Schedule 294 Transition Adjustments filed in this docket, UE-227, please explain the basis for the change from UE-216.

(c) In Paragraph 16 of the Stipulation filed in UE-216, PPL agreed to evaluate the BPA credit issue using the actual direct access customer data that results from the November 2010 shopping window, report its findings back to the parties, and use any knowledge gained to guide its filing of the 2012 TAM.

(i) Please provide the Company's evaluation of this issue.
(ii) How has the Company used the knowledge gained from the November 2010 shopping window to guide its filing of the 2012 TAM?

Response to NAES Data Request 4

(a) The Company believes that NAES is in error when it states that "It appears that PPL did not apply this credit in its calculation of the Sample Schedule 294 Transition Adjustments filed in this docket, UE-227." Please refer to the Company's Response to TAM Support 2nd Set Data M and the attachment.

(b) Please refer to (a) above.

(c) The Company has exchanged information with NAES. In his last email on November 18, 2010 responding to the information provided by the Company, Mr. Greg Bass indicated that he would follow up shortly. The Company has not received further information exchanges since then. Based on the Company's review of the historical information, the transmission services that the Company acquires from BPA to serve some of the sites in Oregon may be impacted by customers electing direct access. Among those sites, there may be limited PTP access that the Company could release on a seasonal basis. In addition, the sites that the BPA PTP transmission connects to may not directly reach the load pockets of the direct access customers. The information that the Company received during the November 2010 shopping widow is varied due to customers both leaving and coming back to the Company's system, and the Company is unable to draw any conclusion from the limited information prior to actual delivery during 2011.

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Noble Americas Energy Solutions LLC

Exhibit 103

Status Report: Oregon Electric Industry Restructuring (May, 2011)

June 24, 2011

Status Report

Oregon Electric Industry Restructuring
(May, 2011)

Portfolio Options*	PGE	PP&L
Fixed Renewable	12,894	9,498
Renewable Usage	63,831	23,962
Renewable Future	2,345	
Habitat		4,537
Habitat Rider***	9,167	
Time-of-use	2,368	1,663
Eligible Customers	806,223	554,839**

* Available to residential and small nonresidential customers. Customers may, in certain circumstances, choose more than one option.
** As of January 1, 2011.
*** Habitat Rider is available to existing renewable customers only, and should not be included in calculation of total renewable enrollment numbers.

Direct Access and Standard Offer Service

Certified Electricity Service Suppliers: 3
Registered Electricity Service Aggregators: 4

Nonresidential Customer Choices (based on load):

	Cost of Service	Market Options	Direct Access
PGE	85.6%	5.8%	8.5%
PP&L	99.2%	0.2%	0.6%

This report reflects prior month results.

Produced by the Oregon Public Utility Commission
Electric Rates and Planning
(503) 378-6917

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Pacific Power	)	**Docket No. UE-227**
2012 Transition Adjustment	)	
Mechanism	)	

Noble Americas Energy Solutions LLC

Exhibit 104

PacifiCorp's Response to Noble Americas Energy Solutions LLC's Data

Request 8

June 24, 2011

UE-227/PacifiCorp
May 12, 2011
NAES Data Request 8

NAES Data Request 8

Please confirm that the re-sale of PacifiCorp wheeling rights on the BPA system from Mid-Columbia and COB is not contractually precluded. If incorrect, please provide a detailed explanation of any prohibitions on such re-sales.

Response to NAES Data Request 8

Confirmed.

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Pacific Power	)	**Docket No. UE-227**
2012 Transition Adjustment	)	
Mechanism	)	

Noble Americas Energy Solutions LLC

Exhibit 105

Schedule 10 of PacifiCorp's OATT in Effect Today

June 24, 2011

Schedule 10

Real Power Losses

For Service in the PacifiCorp Zone:

Any use of the Transmission Provider's Transmission System shall be assessed Real Power Losses in the following amounts:

Use of any portion of the Transmission System at a voltage of 46 kV or greater	4.48%
Use of any portion of the Distribution at a voltage 34.5 kV or less	3.56%
Use of a combination of the Transmission System and the Distribution System	8.04%

In addition, for service provided over PacifiCorp lines located in another control area, any Real Power Losses assessed to PacifiCorp by the adjacent control area associated with the Customer's service will be passed through to the transmission customer. In instances where service is provided by PacifiCorp and an adjacent control area, any Real Power Losses assessed by the adjacent control area to PacifiCorp will be passed through to the customer in addition to PacifiCorp Real Power Losses identified in this section.

For Service in the MidAmerican Zone:

Transmission System capacity loss factor:	1.55%
Transmission System energy loss factor:	**1.68%**

For Service on the PacifiCorp COI Segment:

Losses shall be calculated in accordance with Attachment S.

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Pacific Power	)	**Docket No. UE-227**
2012 Transition Adjustment	)	
Mechanism	)	

Noble Americas Energy Solutions LLC

Exhibit 106

Proposed Schedule 10 of PacifiCorp's OATT Filed at FERC by PacifiCorp on May 29, 2011

June 24, 2011

Schedule 10

Real Power Losses

For Service in the PacifiCorp Zone:

Any use of the Transmission Provider's Transmission System shall be assessed Real Power Losses in the following amounts:

Use of any portion of the Transmission System at a voltage of 46kV or greater	5.00%
Use of any portion of the Distribution System at a voltage 34.5 kV or less	3.56%
Use of a combination of the Transmission System and the Distribution System	8.56%

For Service in the MidAmerican Zone:

Transmission System capacity loss factor:	1.55%
Transmission System energy loss factor:	1.68%

For Service on the PacifiCorp COI Segment:

Real Power Losses shall be calculated in accordance with Attachment S for Transmission Service on the PacifiCorp COI Segment.

Service Over PacifiCorp Facilities in Other Control Areas: Transmission service provided over PacifiCorp lines located in another control area, any Real Power Losses assessed to PacifiCorp by the adjacent control area associated with the Customer's service will be passed through to the Transmission Customer. In instances where service is provided by PacifiCorp and an adjacent control area, any Real Power Losses assessed by the adjacent control area to PacifiCorp will be passed through to the Transmission Customer in addition to PacifiCorp Real Power Losses identified in this section.

Settlement of Transmission Losses: Unless Transmission Service is subject to Attachment S of the Tariff, a Transmission Customer taking Firm Point-to-Point Transmission Service shall be responsible for Real Power Losses as provided for in Section 15.7 of the Tariff, this Schedule 10 and the Transmission

Provider's business practices posted on OASIS. A Transmission Customer shall have the option to settle Real Power Losses pursuant to section (a) (Financial Settlement) or section (b) (Physical Delivery) subject to the Transmission Provider's business practices posted on OASIS.

(a) **Financial Settlement**.

(i) **Charges for Transmission Losses**. For each hour where the Transmission Provider provides loss service, the Transmission Customer shall compensate the Transmission Provider at a rate equal to the "Hourly Pricing Proxy" for energy for such hour."Hourly Pricing Proxy" is defined in Schedules 4 and 9.

(b) **Physical Delivery**. Transmission Customers opting for physical delivery shall schedule losses to the Transmission Provider concurrently with transmission schedules. The Transmission Provider shall deliver to the Point(s) of Delivery the amount of power received from a Transmission Customer at Point(s) of Receipt less losses. Any hourly differences between the amounts of power scheduled to be delivered at Point(s) of Delivery (plus applicable Real Power Losses) and the actual amounts of energy received at Point(s) of Receipt shall be accounted for as Energy Imbalance subject to charges pursuant to Schedule 4.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 24th day of June, 2011, a true and correct copy of the within and foregoing **TESTIMONY OF KEVIN HIGGINS FOR NOBLE AMERICAS ENERGY SOLUTIONS, LLC** was served as follows:

G. Catriona McCracken CITIZEN'S UTILITY BOARD OF OREGON catriona@oregoncub.org	__ Hand Delivery __U.S. Mail, postage pre-paid __ Facsimile X Electronic Mail
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Signed____________________
Gregory M. Adams