

March 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: Docket UM 1050 - Errata to Exhibit PPL/101 (Appendices A, B, and C)
accompanying the Direct Testimony of Andrea L. Kelly in the Petition of PacifiCorp
Requesting Approval of Amendments to the Revised Protocol Allocation Methodology**

PacifiCorp d/b/a Pacific Power (Company) encloses for filing an original and five (5) copies of an errata sheet and specific replacement pages to Exhibit PPL/101 (Appendices A, B and C) accompanying the Direct Testimony of Andrea L. Kelly originally filed on September 15, 2010. This errata corrects typographical errors and omissions only and has no impact to the calculations and intended use of the 2010 Protocol as filed.

Please contact Joelle Steward, Regulatory Manager at (503) 813-5542 for questions on this matter.

Sincerely,


Andrea L. Kelly
Vice President, Regulation

Enclosures

cc: Service List – UM 1050

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document, in Docket UM 1050, on the date indicated below by email and/or overnight delivery, addressed to said parties at his or her last-known address(es) indicated below.

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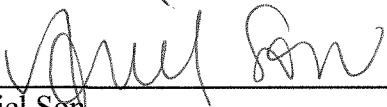
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DATED: March 2, 2011

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Ariel Son
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Errata Sheet

Exhibit PPL/101 (Appendices A, B, and C) accompanying the Direct Testimony of Andrea L. Kelly in the Petition of PacifiCorp Requesting Approval of Amendments to the Revised Protocol Allocation Methodology

March 2, 2011

This Errata Sheet lists corrections to pages of Appendices A, B and C of Exhibit PPL/101 accompanying the Direct Testimony of Andrea L. Kelly dated September 2010. Revised pages of Appendices A, B, and C are attached to replace and supersede the pages originally filed on September 15, 2010.

The corrections are as follows:

Exhibit PPL/101 - 2010 Protocol - Appendix A - Defined Terms:

- Page 17 of 57 – on the last line in the definition of “Forecasted Embedded Costs – Hydro-Electric Resources”, the reference to “Revised Protocol” corrected to reference “2010 Protocol”.
- Page 18 of 57 – on the last line in the definition of “Forecasted Embedded Costs – Pre-2005 Resources”, the reference to “Revised Protocol” corrected to reference “2010 Protocol”.
- Page 19 of 57 – on the last line in the definition of “New Resources”, the reference to “Protocol” corrected to reference “2010 Protocol”.

Exhibit PPL/101 - 2010 Protocol - Appendix B – Allocation Factor Applied to each Component of Revenue Requirement:

- Page 29 of 57 – the description shown for FERC Account 40911 corrected to reference “State Income Taxes” and “Internal calculation using blended statutory state and local income tax rate”. The allocation factor is corrected to reference the system factor “S” instead of “IBT”.
- Page 30 of 57 – the description shown for FERC Account 1011390 corrected to reference “Production / Transmission” instead of “Generation / Transmission”.
- Page 31 of 57 – the allocation factors shown for FERC Account 154:
 - “Production – Common” corrected to reference the system generation factor “SG” instead of “SNPPS”;
 - “Hydro” corrected to reference the system generation factor “SG” instead of “SNPPH”; and
 - “Production, Other” corrected to reference the system generation factor “SG” instead of “SNPPO”.
- Page 31 of 57 – the allocation factor shown for FERC Account 25318 for “Provo Working Capital Deposit” corrected to reference the system generation factor “SG” instead of “SNPPS”.
- Page 32 of 57 – the allocation factor shown for FERC Account 186M for “Production – Common” corrected to reference the system generation factor “SG” instead of “SNPPS”.

- Page 33 of 57 – two “depreciation” allocation factors added to FERC Account 282 as follows:
 - “Depreciation” with allocation factor of “TAXDEPR”; and
 - “Depreciation” with allocation factor of “SCHMDEXP”.

Exhibit PPL/101 - 2010 Protocol - Appendix C – Allocation Factors Algebraic Derivations:

- Page 41 of 57 – the “System Net Plant Production – Steam Factor (“SNPPS”)” algebraic derivation deleted entirely, as this allocation factor is not relevant to the 2010 Protocol.
- Page 42 of 57 – the “System Net Plant Production – Hydro Factor (“SNPPH”)” algebraic derivation deleted entirely, as this allocation factor is not relevant to the 2010 Protocol.
- Page 44 of 57 – the “Income Before Taxes Factor (“IBT”)” algebraic derivation deleted entirely, as this allocation factor is not relevant to the 2010 Protocol.
- Page 46 of 57 – the “Schedule M – Deductions (“SCHMD”)” algebraic derivation corrected to reference “SCHMDEXP” instead of “SCHMD” in four instances.

**REVISED PAGES
OF EXHIBIT PPL/101
(APPENDICES A, B, AND C)
ACCOMPANYING THE DIRECT TESTIMONY
OF ANDREA L. KELLY**

“Direct Access Customers” means retail electricity consumers located in PacifiCorp’s service territory that either: a) purchase electricity directly from a supplier other than PacifiCorp pursuant to a Direct Access Program or b) elect to have all or a portion of the electricity they purchase from PacifiCorp priced based upon market prices rather than the Company’s traditional cost-of-service rate. If a State implements a Direct Access Program pursuant to which Freed-Up Resources are transferred between customer classes, such transfers shall be considered Direct Access Purchases and Sales.

“Direct Access Program” means a law or regulation that permits retail consumers located in PacifiCorp’s service territory to purchase electricity directly from a supplier other than PacifiCorp.

“Direct Access Purchases and Sales” means Wholesale Contracts and Short-Term Purchases and Sales entered into by PacifiCorp either to supply customers who have become Direct Access Customers or to dispose of Freed-Up Resources.

“Energy-Related Costs” means costs, such as fuel costs that vary with the amount of energy delivered by the Company to its customers during any hour plus any portion of Fixed Costs that have been deemed to have been incurred by the Company in order to meet its energy requirements.

“Existing Resources” means Resources whose costs were committed to prior to Direct Access Customers making an election to permanently forego being served by the Company at a cost-of-service rate.

“FERC” means the Federal Energy Regulatory Commission.

“Fixed Costs” means costs incurred by the Company that do not vary with the amount of energy delivered by the Company to its customers during any hour.

“Forecasted Embedded Costs – Hydro-Electric Resources” means PacifiCorp’s total forecasted production costs contained in the Company’s Baseline Study, for calendar years 2011 through 2016, expressed in dollars per MWh, associated with Hydro-Electric Resources as recorded in the FERC Accounts listed in Appendix E to the 2010 Protocol.

“Forecasted Embedded Costs – Pre-2005 Resources” means PacifiCorp’s total forecasted production costs of Pre-2005 Resources contained in the Company’s Baseline Study, for calendar years 2011 through 2016, expressed in dollars per MWh, other than costs associated with Hydro-Electric Resources, and Mid-Columbia Contracts, as recorded in the FERC Accounts listed in Appendix E to the 2010 Protocol.

“Forecasted Mid-Columbia Contract Costs” means the total forecasted net costs incurred by PacifiCorp contained in the Company’s Baseline Study, for calendar years 2011 through 2016, expressed in dollars per MWh, under the Mid-Columbia Contracts.

“Freed-Up Resources” means Resources made available to the Company as a result of its customers becoming Direct Access Customers.

“General Plant” means capital investment included in FERC accounts 389 through 399.

“Grant County” means Public Utility District No. 2 of Grant County, Washington

“Hydro-Electric Resources” means Company-owned hydro-electric plants located in Oregon, Washington or California.

“Intangible Plant” means capital investment included in FERC accounts 301 through 303.

“Klamath Dam Removal Surcharge” means the tariffs collected from customers in California and Oregon for the purpose of providing funding to remove specific Klamath River dams, as detailed in the Klamath Hydroelectric Settlement Agreement.

“Klamath Hydroelectric Settlement Agreement” means the Klamath Hydroelectric Settlement Agreement executed on February 18, 2010 for the purpose of resolving specific FERC relicensing proceedings by establishing a process for potential facilities removal and operation of hydroelectric projects until that time.

“Load-Based Dynamic Allocation Factor” means an allocation factor that is calculated using States’ monthly energy usage and/or States’ contribution to monthly system Coincident Peak.

“Mid-Columbia Contracts” means the Power Sales Contract with Grant County dated May 22, 1956; the Power Sales Contract with Grant County dated June 22, 1959; the Priest Rapids Project Product Sales Contract with Grant County dated December 31, 2001; the Additional Products Sales Agreement with Grant County dated December 31, 2001; the Priest Rapids Project Reasonable Portion Power Sales Contract with Grant County dated December 31, 2001; the Power Sales Contract with Douglas County PUD dated September 18, 1963; the Power Sales Contract with Chelan County PUD dated November 14, 1957 and all successor contracts thereto.

“Net Power Costs” means PacifiCorp’s fuel and wheeling expenses and costs and revenues associated with Wholesale Contracts, Seasonal Contracts, Short-Term Purchases and Sales and Non-Firm Purchases and Sales.

“New QF Contracts” means Qualifying Facility Contracts that are entered into subsequent to September 15, 2010.

“New Resources” means Resources that are not Existing Resources as established pursuant to Paragraph XA2 of the 2010 Protocol.

“Non-Firm Purchases and Sales” means transactions at wholesale that are not Wholesale Contracts, Seasonal Contracts, Short-Term Purchases and Sales or Direct Access Purchases and Sales.

“Portfolio Standard” means a State law or regulation that requires PacifiCorp to acquire: (a) a particular type of Resource, (b) a particular quantity of Resources, (c) Resources in a prescribed manner or (d) Resources located in a particular geographic area.

“Pre-2005 Resources” means Resources (other than Mid-Columbia Contracts and Hydro-Electric Resources) that were part of the Company’s integrated system prior to January 1, 2005.

“Qualifying Facility Contracts” means contracts to purchase the output of small power production or cogeneration facilities developed under the Public Utility Regulatory Policies Act of 1978 (PURPA) and related State laws and regulations.

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
SCHMDT	Deductions - Temporary	
	Direct assigned - Jurisdiction	S
	Bad Debt	BADDEBT
	Miscellaneous	SNP
	Pacific Hydro	SG
	Mining related	SE
	Production, Transmission	SG
	Property Tax	GPS
	General	SO
	Depreciation	TAXDEPR
	Distribution	SNPD
	Customer Related	CN
State Income Taxes		
40911	State Income Taxes (Internal calculation using blended statutory state and local income tax rate)	S
40910	FIT True-up	S
40910	Wyoming Wind Tax Credit	SG
Steam Production Plant		
310 - 316	Steam Plants	SG
Nuclear Production Plant		
320-325	Nuclear Plant	SG
Hydraulic Plant		
330-336	Pacific Hydro	SG
	East Hydro	SG
Other Production Plant		
340-346	Other Production Plant	SG
TRANSMISSION PLANT		
350-359	Transmission Plant	SG
DISTRIBUTION PLANT		
360-373	Direct assigned - Jurisdiction	S

Allocation Factor Applied to each Component of Revenue Requirement

FERC <u>ACCT</u>	<u>DESCRIPTION</u>	ALLOCATION <u>FACTOR</u>
GENERAL PLANT		
389 - 398		
	Distribution	S
	Pacific Hydro	SG
	East Hydro	SG
	Production / Transmission	SG
	Customer Related	CN
	General	SO
	Mining	SE
399	Coal Mine	
	Remaining Mining Plant	SE
399L	WIDCO Capital Lease	
	WIDCO Capital Lease	SE
1011390	General Capital Leases	
	Direct assigned - Jurisdiction	S
	General	SO
	Production / Transmission	SG
INTANGIBLE PLANT		
301	Organization	
	Direct assigned - Jurisdiction	S
302	Franchise & Consent	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
303	Miscellaneous Intangible Plant	
	Distribution	S
	Pacific Hydro	SG
	East Hydro	SG
	Production / Transmission	SG
	Customer Related	CN
	General	SO
	Mining	SE
303	Less Non-Utility Plant	
	Direct assigned - Jurisdiction	S
Rate Base Additions		
105	Plant Held For Future Use	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Mining Plant	SE
114	Electric Plant Acquisition Adjustments	
	Direct assigned - Jurisdiction	S
	Production Plant	SG
115	Accum Provision for Asset Acquisition Adjustments	
	Direct assigned - Jurisdiction	S
	Production Plant	SG

Allocation Factor Applied to each Component of Revenue Requirement

FERC <u>ACCT</u>	<u>DESCRIPTION</u>	<u>ALLOCATION FACTOR</u>
120	Nuclear Fuel Nuclear Fuel	SE
124	Weatherization Direct assigned - Jurisdiction General	S SO
182W	Weatherization Direct assigned - Jurisdiction	S
186W	Weatherization Direct assigned - Jurisdiction	S
151	Fuel Stock Steam Production Plant	SE
152	Fuel Stock - Undistributed Steam Production Plant	SE
25316	DG&T Working Capital Deposit Mining Plant	SE
25317	DG&T Working Capital Deposit Mining Plant	SE
25319	Provo Working Capital Deposit Mining Plant	SE
154	Materials and Supplies Direct assigned - Jurisdiction Production, Transmission Mining General Production - Common Hydro Distribution Production, Other	S SG SE SO SG SG SNPD SG
163	Stores Expense Undistributed General	SO
25318	Provo Working Capital Deposit Provo Working Capital Deposit	SG
165	Prepayments Direct assigned - Jurisdiction Property Tax Production, Transmission Mining General	S GPS SG SE SO

Allocation Factor Applied to each Component of Revenue Requirement

FERC <u>ACCT</u>	<u>DESCRIPTION</u>	ALLOCATION <u>FACTOR</u>
182M	Misc Regulatory Assets	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Mining	SE
	General	SO
	Production, Other	SGCT
186M	Misc Deferred Debits	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	General	SO
	Mining	SE
	Production - Common	SG
Working Capital		
CWC	Cash Working Capital	
	Direct assigned - Jurisdiction	S
OWC	Other Working Capital	
131	Cash	SNP
135	Working Funds	SG
143	Other Accounts Receivable	SO
232	Accounts Payable	SO
232	Accounts Payable	SE
253	Deferred Hedge	SE
25330	Other Deferred Credits - Misc	SE
230	Other Deferred Credits - Misc	SE
Miscellaneous Rate Base		
18221	Unrec Plant & Reg Study Costs	
	Direct assigned - Jurisdiction	S
18222	Nuclear Plant - Trojan	
	Trojan Plant	TROJP
	Trojan Plant	TROJD
141	Notes Receivable	
	Employee Loans - Hunter Plant	SG
Rate Base Deductions		
235	Customer Service Deposits	
	Direct assigned - Jurisdiction	S
2281	Prov for Property Insurance	SO
2282	Prov for Injuries & Damages	SO

Allocation Factor Applied to each Component of Revenue Requirement

FERC <u>ACCT</u>	<u>DESCRIPTION</u>	ALLOCATION <u>FACTOR</u>
2283	Prov for Pensions and Benefits	SO
22841	Accum Misc Oper Prov-Black Lung Mining	SE
22842	Accum Misc Oper Prov-Trojan Trojan Plant	TROJD
254105	FAS 143 ARO Regulatory Liability Trojan Plant	TROJP
230	Asset Retirement Obligation Trojan Plant	TROJP
252	Customer Advances for Construction	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Customer Related	CN
25399	Other Deferred Credits	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Mining	SE
254	Regulatory Liabilities	
	Regulatory Liabilities	SE
	Insurance Provision	SO
190	Accumulated Deferred Income Taxes	
	Direct assigned - Jurisdiction	S
	Bad Debt	BADDEBT
	Pacific Hydro	SG
	Production, Transmission	SG
	Customer Related	CN
	General	SO
	Miscellaneous	SNP
	Trojan	TROJD
	Distribution	SNPD
	Mining Plant	SE
281	Accumulated Deferred Income Taxes	
	Production, Transmission	SG
282	Accumulated Deferred Income Taxes	
	Direct assigned - Jurisdiction	S
	Depreciation	DITBAL
	Hydro Pacific	SG
	Production, Transmission	SG
	Customer Related	CN
	General	SO
	Miscellaneous	SNP
	Trojan	TROJP
	Depreciation	TAXDEPR
	Depreciation	SCHMDEXP

$SG_i^* = SG_i$ if i is a Pacific jurisdiction, otherwise

$SG_i^* = 0$.

SG_i = System Generation for jurisdiction i .

Division Generation - Utah Factor (“DGU”)

$$DGU_i = \frac{SG_i^*}{\sum_{i=1}^{i=8} SG_i^*}$$

where:

DGU_i = **Division Generation - Utah Factor** for jurisdiction i .

$SG_i^* = SG_i$ if i is a Utah jurisdiction, otherwise

$SG_i^* = 0$.

SG_i = System Generation for jurisdiction i .

System Net Plant - Distribution Factor (“SNPD”)

$$SNPD_i = \frac{PD_i - ADPD_i}{(PD - ADPD)}$$

where:

- $SNPD_i$ = **System Net Plant - Distribution Factor** for jurisdiction i.
- PD_i = Distribution Plant - for jurisdiction i.
- $ADPD_i$ = Accumulated Depreciation Distribution Plant - for jurisdiction i.
- PD = Distribution Plant.
- $ADPD$ = Accumulated Depreciation Distribution Plant.

System Overhead - Gross Factor (“SO”)

$$SOG_i = \frac{PP_i + PT_i + PD_i + PG_i + PI_i - PP_{oi} - PT_{oi} - PD_{oi} - PG_{oi} - PI_{oi}}{\sum_{i=1}^{i=8} (PP_i + PT_i + PD_i + PG_i + PP_i - PP_{oi} - PI_{oi} - PD_{oi} - PG_{oi} - PI_{oi})}$$

- SOG_i = **System Overhead - Gross Factor** for jurisdiction i.
 PP_i = Gross Production Plant for jurisdiction i.
 PT_i = Gross Transmission Plant for jurisdiction i.
 PD_i = Gross Distribution Plant for jurisdiction i.
 PG_i = Gross General Plant for jurisdiction i.
 PI_i = Gross Intangible Plant for jurisdiction i.
 PP_{oi} = Gross Production Plant for jurisdiction i allocated on a SO factor.
 PT_{oi} = Gross Transmission Plant for jurisdiction i allocated on a SO factor
 PD_{oi} = Gross Distribution Plant for jurisdiction i allocated on a SO factor
 PG_{oi} = Gross General Plant for jurisdiction i allocated on a SO factor
 PI_{oi} = Gross Intangible Plant for jurisdiction i allocated on a SO factor

Schedule M - Deductions (“SCHMDEXP”)

$$SCHMDEXP_i = \frac{DEPRC_i}{\sum_{i=1}^{i=8} DEPRC_i}$$

where:

$SCHMDEXP_i$ = **Schedule M - Deductions (SCHMDEXP) Factor** for jurisdiction i.
 $DEPRC_i$ = Depreciation in Accounts 403.1 - 403.9 for jurisdiction i.

Trojan Plant (“TROJP”)

$$TROJP_i = \frac{ACCT18222_i}{\sum_{i=1}^{i=8} ACCT18222_i}$$

where:

$TROJP_i$ = **Trojan Plant (TROJP) Factor** for jurisdiction i.
 $ACCT18222_i$ = Allocated Adjusted Balance in Account 182.22 for jurisdiction i.

Trojan Decommissioning (“TROJD”)

$$TROJD_i = \frac{ACCT22842_i}{\sum_{i=1}^{i=8} ACCT22842_i}$$

where:

$TROJD_i$ = **Trojan Decommissioning (TROJD) Factor** for jurisdiction i.
 $ACCT22842_i$ = Allocated Adjusted Balance in Account 228.42 for jurisdiction i.