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January 17, 2012

Via U.S. Mail and Electronic Mail

Commissioner Susan Ackerman
Commissioner Stephen Bloom
Commissioner John Savage
Oregon Public Utility Commission
550 Capital St. NE Suite 215
Salem, OR 97308-2148

Re: In the Matter of PacifiCorp's Revised Integrated Resource Plan Action Plan
OPUC Docket No. LC 52

Dear Commissioners:

The Industrial Customers of Northwest Utilities ("ICNU") is providing limited comments on the revised integrated resource plan ("IRP") action plan ("Revised Action Plan") submitted by PacifiCorp, and supported by the Oregon Public Utility Commission (the "Commission") Staff, the Citizens' Utility Board of Oregon, the Northwest Energy Coalition, the Renewable Energy Project, and the Sierra Club. PacifiCorp filed its Revised Action Plan on January 9, 2012, and has requested that other parties in the case provide comments on the Revised Action Plan within five business days. While ICNU has had only a limited opportunity to review the numerous revisions, ICNU is not opposed to the Commission acknowledging the Revised Action Plan based on the understanding that certain issues regarding PacifiCorp's need for a 2016 resource will be re-evaluated and reviewed in a separate request for proposal ("RFP") proceeding.

PacifiCorp's Revised Action Plan makes significant changes to the Company's original IRP filing. A number of those major changes address whether PacifiCorp will need a new thermal resource on its eastern system in 2016, including PacifiCorp's conservation efforts in its eastern system, and its planning reserve margins. ICNU's written comments in this case addressed PacifiCorp's proposal to increase its planning reserve margin to 13% and recommended that a 12% planning reserve margin be used instead. ICNU believes the decision in the Revised Action Plan to utilize a 12% planning reserve margin is an improvement.

The Revised Action Plan makes a number of specific changes regarding PacifiCorp's investments in conservation, including implementing new pilot programs, conducting demand side management RFPs, and performing new studies. ICNU supports additional and specific steps to improve PacifiCorp's acquisition of cost effective conservation resources, but it is unclear whether or how much of an improvement in conservation will occur before a decision needs to be made regarding a 2016 thermal resource.

The Revised Action Plan also states that PacifiCorp will issue an all-source RFP in early 2012 for the potential acquisition of new thermal resources to fill its resource need in 2016. The resource need will be based on updated load and resource balance reflecting the results of the demand side management RFPs, front office acquisitions, the new reserve margin sensitivity analysis, and other relevant information. ICNU does not believe it would be appropriate for PacifiCorp to acquire new thermal resources before first significantly improving its acquisition of conservation resources and re-evaluating its resource needs in light of current economic conditions, which could potentially displace the need to acquire a higher cost thermal resource in 2016. In other words, PacifiCorp should first be required to demonstrate that it has successfully changed its approach to acquiring cost effective conservation resources. Therefore, ICNU is not opposed to the Commission adopting the Revised Action Plan if the parties are provided an opportunity in an RFP proceeding to review whether PacifiCorp has taken all reasonable efforts, including acquiring cost effective conservation in all areas of its service territory, to avoid the need to build more expensive, new resources.

ICNU appreciates the opportunity to comment on the Revised Action Plan. We hope these revisions will lead to a slowdown of the high, regular rate increases PacifiCorp's customers have been incurring.

Sincerely yours,

/s/ Irion A. Sanger

Irion A. Sanger

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Comments on behalf of the Industrial Customers of Northwest Utilities upon the parties, on the service list, by causing the same to be sent via electronic mail.

Dated at Portland, Oregon, this 17th day of January, 2012.

Sincerely yours,

/s/ Sarah A. Kohler

Sarah A. Kohler

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