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April 27, 2012

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

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

Attn: Filing Center

**RE: UE 233 – Response to CUB and OICIP’s Objection to Petition to Intervene**

PacifiCorp, d.b.a. Pacific Power (“Company”), encloses for filing its Response to CUB and OICIP’s Objection to Petition to Intervene in the above-referenced docket. As indicated on the attached certificate of service, a copy of this filing is being served on all parties on the service list.

If you have questions about this filing, please contact Bryce Dalley, Director, Regulatory Affairs and Revenue Requirement, at (503) 813-6389.

Sincerely,

A handwritten signature in black ink that reads "William R. Griffith" followed by a stylized monogram "WR".

William R. Griffith  
Vice President, Regulation

Enclosure

cc: Service List – UE 233

## CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document, in Docket UE 233, on the date indicated below by email, addressed to said parties at his or her last-known address(es) indicated below.

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DATED: April 27, 2012



Erika Platano  
Coordinator, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 233  
PHASE II**

In the Matter of

IDAHO POWER COMPANY

Request for a General Rate Revision.

PacifiCorp’s Response to CUB and  
OICIP’s Objection to Petition to  
Intervene

1           PacifiCorp, d/b/a Pacific Power (Company), respectfully submits this response to the  
2 objections to the Company’s petition to intervene filed by the Citizens’ Utility Board of  
3 Oregon (CUB) and the Oregon Industrial Customers of Idaho Power (OICIP) on April 24,  
4 2012.<sup>1</sup> CUB and OICIP object to the Company’s petition to intervene primarily because of  
5 unfounded fears that the Company is seeking, in this docket, a predetermination of the  
6 prudence of its investments in Jim Bridger Unit 3, which are currently before the  
7 Commission in the Company general rate case, docket UE 246.

8           The Company does not intend to seek a predetermination of the prudence of its  
9 investments in Jim Bridger Unit 3. In fact, it is exactly this result that the Company seeks to  
10 avoid. In its supplemental testimony, CUB made it clear that it was advocating for a new  
11 interpretation of the prudence standard, one that would apply in future proceedings to all  
12 electric utilities in Oregon:

13                   In making its decision the Commission should be aware that the  
14 amount of money at stake for Oregon customers in this docket is  
15 negligible—only \$27,500 on an annual basis. Thus, Idaho Power  
16 will not suffer significant financial difficulties due to a  
17 disallowance of these investments, nor is the Company’s credit  
18 rating likely to be downgraded. ***In fact, CUB’s concern over this***  
19 ***docket is less about the money than it is about the precedent that***

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<sup>1</sup> OAR 860-001-0300(6) states that a “petitioner may file a reply to an objection within 7 days of service of the objection.”

1            *the Commission's Order could set.* The Commission has an  
2 opportunity here to send a message to Idaho Power, *and to all*  
3 *other electric utilities*, that continued investment in coal-fired  
4 electric generation plants must be supported by analysis showing  
5 that the investments are cost-effective in the context of all the  
6 investment needed in the plant and that it would not be more  
7 reasonable to invest in alternative resources. The Commission can  
8 also demonstrate through the order issued in this docket that  
9 companies that fail to provide the required analysis will not be  
10 rewarded for their lack of due diligence and imprudent behavior.  
11 In an era of increasingly costly regulations for coal plants, *this*  
12 *requirement should be the new norm.*<sup>2</sup>

13            Although the Company knew that the prudence of Idaho Power's investment in Jim  
14 Bridger Unit 3 was at issue in this docket, the Company did not know that CUB would be  
15 arguing for a new interpretation of the prudence standard until it read CUB's supplemental  
16 testimony, which was filed on April 13, 2012, but not posted on the Commission's website  
17 until April 16, 2012. PacifiCorp filed its petition to intervene on April 19, 2012, as quickly  
18 as possible after reading CUB's testimony. CUB is advocating for a new and unique  
19 interpretation of the prudence standard that it asserts should be the "new norm" for Idaho  
20 Power and "all other electric utilities." If the Commission accepts CUB's interpretation of  
21 the standard in this docket, then this interpretation could become Commission precedent,  
22 applicable to all future cases. The Company petitioned to intervene in this docket because it  
23 could be the Company's only opportunity to submit argument regarding the legal standard  
24 that would ultimately apply in other proceedings.

25            The Company intends to submit briefs concerning the correct interpretation of the  
26 prudence standard only. The Company does not intend to apply the standard to any specific  
27 facts, or to seek a predetermination of any factual issues in the Company's pending general  
28 rate case. The Company's participation in this docket will not unreasonably burden the

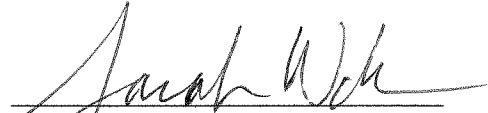
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<sup>2</sup> CUB/200, Feighner-Jenks/15-16 (emphasis added).

- 1 record, delay the proceedings, or broaden the issues. The Company therefore respectfully
- 2 requests that the Commission grant the Company's petition to intervene.

DATED: April 27, 2012

Respectfully submitted,



Sarah Wallace  
Senior Counsel  
PacifiCorp, d/b/a Pacific Power