

e-FILING REPORT COVER SHEET

REPORT NAME: Compliance Report for Order No. 12-159

COMPANY NAME: Pacific Power

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water)
 RO (Other)

Report is required by: OAR
 Statute
 Order 12-159
 Other

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number: UM 1415

Key words: Oregon customer cost data for different time periods

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
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July 9, 2012

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

Public Utility Commission of Oregon
550 Capitol Street NE, Suite 215
Salem, OR 97310-2551

Attn: Filing Center

Re: Compliance Report for Order No. 12-159, Docket UM 1415

PacifiCorp d.b.a. Pacific Power hereby submits for filing its Compliance Report pursuant to Order No. 12-159 in Docket UM 1415. As required by the Commission's Directive D-1 in the Order, this report contains information on the cost of serving Oregon customers during different time periods within the year as described in the order. Workpapers will be provided on a CD via overnight delivery. The Company looks forward to working with Staff and the Commission in the on-going evaluation of potential time-varying rate structures for review.

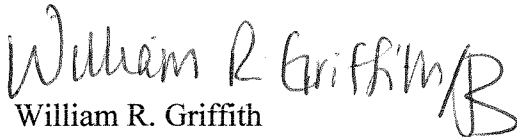
PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Please direct informal correspondence and questions regarding this filing to Bryce Dalley, Director, Regulatory Affairs & Revenue Requirement, at (503) 813-6389.

Sincerely,


William R. Griffith
Vice President, Regulation

Enclosures

cc: UM 1415 Service List

Pacific Power UM 1415 Compliance Report
Marginal Cost Data by Different Time Periods

Introduction

On May 8, 2012, the Public Utility Commission of Oregon issued Order No. 12-159 (Order) with the following directive to the electric utilities:

Within 60 days of entry of this order, we direct the electric utilities to provide the Commission with detailed information on the cost of serving Oregon customers during different time periods within the year. This cost data should be sufficiently granular to appropriately construct the specifics of both price and duration of on-peak, shoulder, and off-peak rates. The utilities are directed to develop best estimates of meaningful hourly marginal cost values, given their individual load and dispatch-cost structures, and provide this data as well.

Pacific Power (Company) submits this report in compliance with this directive. As noted in the Order, the data presented here is intended to provide the Commission with a basic understanding of costs during different time periods. For purposes of this report the Company evaluated hourly marginal energy costs for 2013, as described below, using the Generation and Regulation Initiative Decision (GRID) model. This data provides a useful and granular view of near-term Oregon marginal cost information for Pacific Power based on different time periods.

The Company will continue to evaluate the ability to apply a more detailed view of cost information at different time periods in the long-run marginal cost of service study used for ratemaking in order to allocate costs across different customer classes. The relationship between the near term view of marginal energy costs contained in this report and the long run view of marginal cost of service for setting rates will need to be further evaluated. The Company will work with Commission Staff, as noted in Directive D-2 in the Order, to review the applicability of this data and the cost of service model to promising time-varying rate structures.

Oregon Hourly Marginal Energy Cost

Hourly marginal energy costs were calculated by preparing two 2013 GRID production cost computer models. The first GRID scenario, the base case, is the same scenario used in the Company's March 21, 2012 avoided cost filing which was approved by the Commission on March 27, 2012. The second GRID scenario, the marginal energy cost scenario, is the base case with a 100 MW, 100% capacity factor, zero cost proxy resource added. The difference in the hourly costs between the base case and the marginal cost scenario is the hourly marginal energy costs.

When the 100 MW proxy resource is added in the marginal cost scenario, most costs remain constant. For example, long-term contract and short-term firm contracts remain constant. Four types of cost elements change with the addition of the 100 MW proxy resource: wholesale sales revenues, wholesale purchase expense, fuel expense (coal and gas fire resources), and wheeling expense.

The results of this analysis are presented in the following tables and figures. The hourly detail is provided in the workpapers included with the filing.

- Table 1 summarizes the hourly marginal energy costs by month for high load hours (on-peak) and low load hours (off-peak) and monthly average.
- Figure 1 graphically depicts the monthly averages by high load hours and low load hours.
- Figure 2 graphically depicts the average marginal energy cost over a week for both the winter period of November through March and the summer period of April through October.
- Figure 3 graphically depicts the average marginal energy cost over a day for both the winter and summer periods.

Table 1

Marginal Energy Costs		Hour Class		
Year	Month	HLH	LLH	Monthly
2013	January	\$ 32.48	\$ 23.93	\$ 28.71
	February	\$ 32.03	\$ 25.45	\$ 29.21
	March	\$ 32.07	\$ 25.36	\$ 29.11
	April	\$ 30.15	\$ 20.09	\$ 25.90
	May	\$ 30.81	\$ 16.88	\$ 24.67
	June	\$ 29.54	\$ 14.13	\$ 22.69
	July	\$ 40.73	\$ 23.31	\$ 33.05
	August	\$ 45.36	\$ 24.99	\$ 36.82
	September	\$ 40.42	\$ 22.97	\$ 32.28
	October	\$ 35.17	\$ 23.14	\$ 30.13
	November	\$ 32.76	\$ 23.33	\$ 28.57
	December	\$ 33.18	\$ 26.02	\$ 29.87
2013 Annual Average		\$ 34.60	\$ 22.47	\$ 29.27

Figure 1

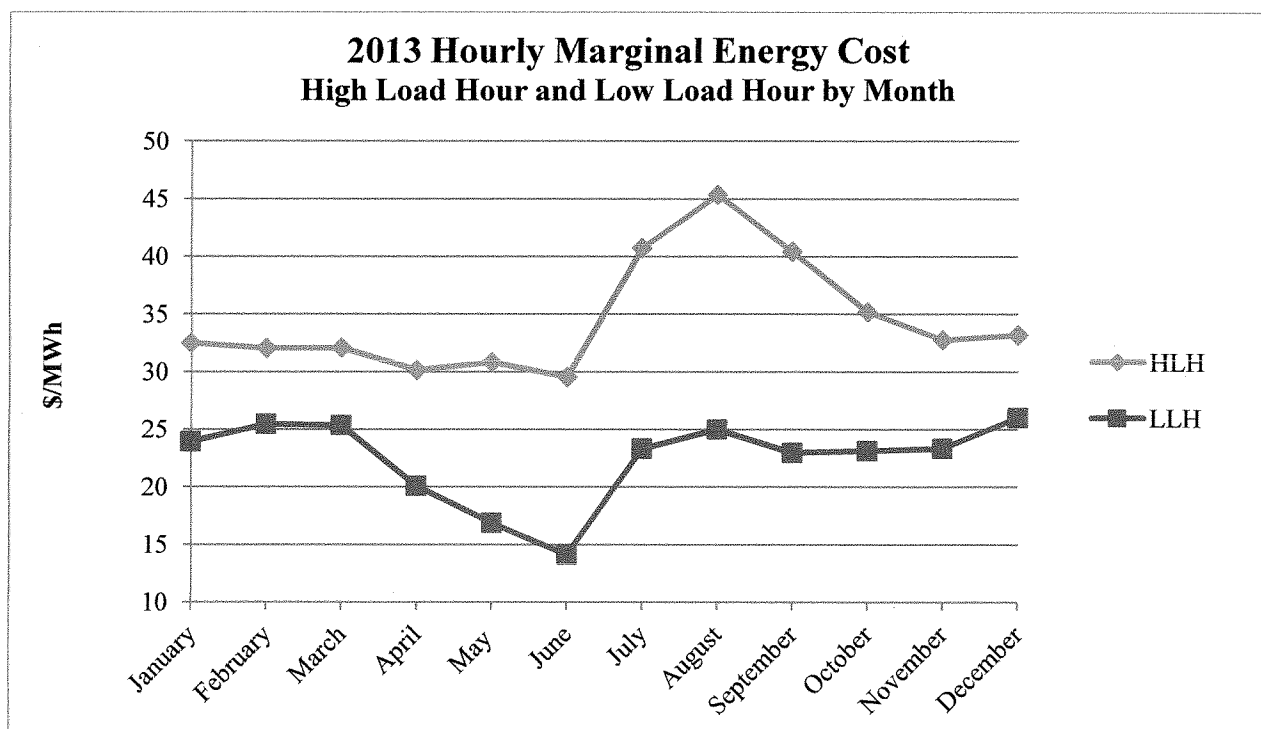


Figure 2

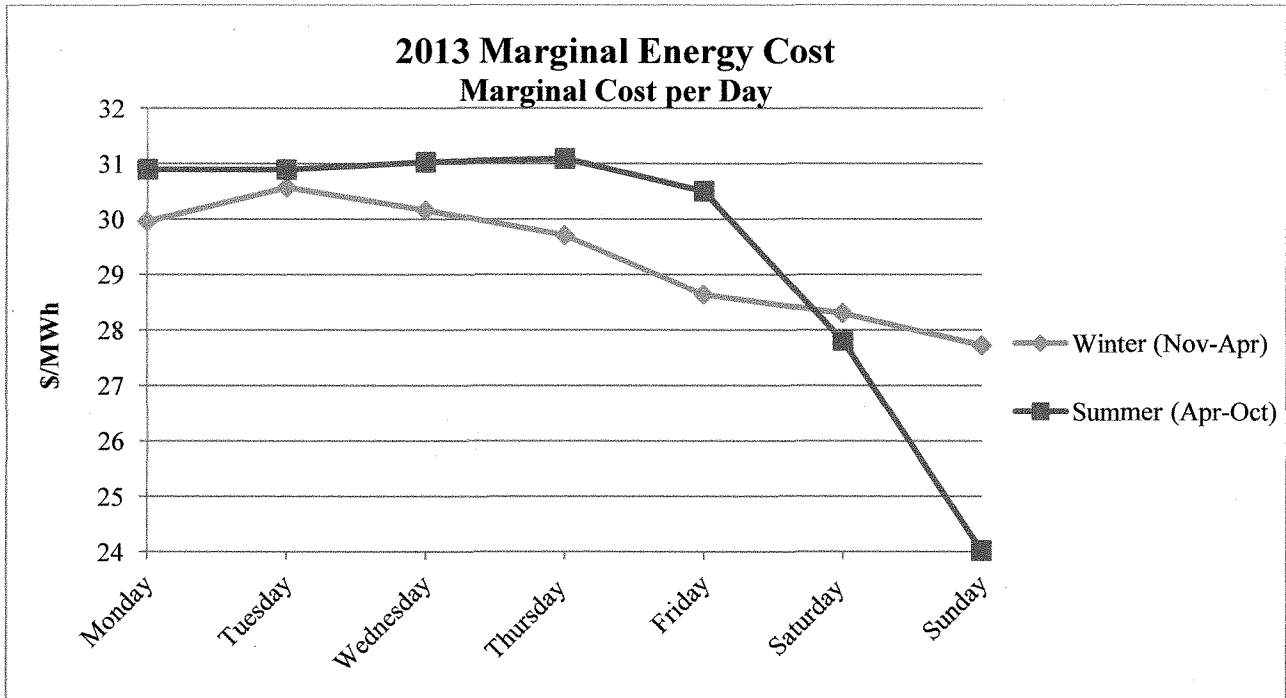
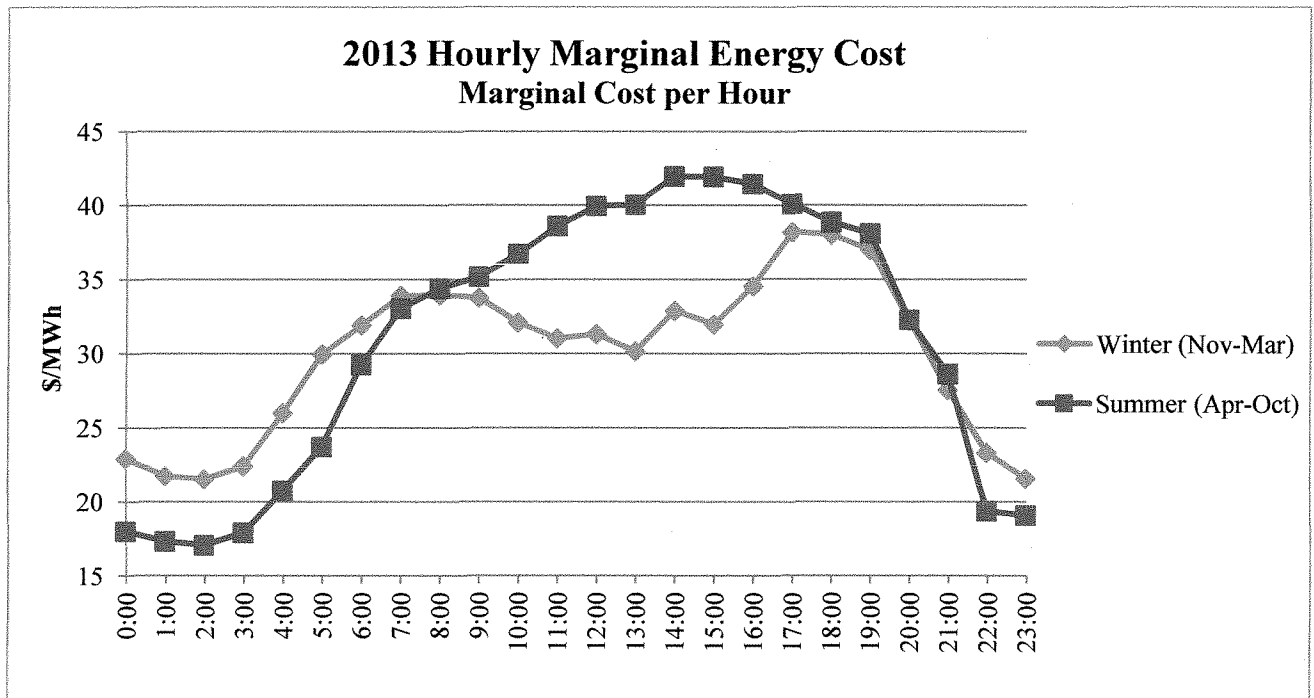


Figure 3



CERTIFICATE OF SERVICE

I hereby certify that on July 9, 2012, I caused to be served, via E-Mail and/or US Mail (to those parties who have not waived paper service), a true and correct copy of the foregoing document on the following named person(s) at his or her last-known address(es) indicated below.

Service List Docket No. UM-1415

Kurt J. Boehm (W) (C)
Boehm Kurtz & Lowry
36 E. Seventh St., Suite 1510
Cincinnati OH 45202
kboehm@bkllawfirm.com

Michael L. Kurtz (W) (C)
Boehm Kurtz & Lowry
36 E. Seventh St., Suite 1510
Cincinnati OH 45202
mkurtz@bkllawfirm.com

OPUC Dockets
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 400
Portland, OR 97205
dockets@oregoncub.org

G. Catriona McCracken (C)
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 400
Portland, OR 97205
catriona@oregoncub.org

Jess Kincaid (W)
Community Action Partnership of Oregon
P.O. Box 7964
Salem, OR 97301
jess@caporegon.org

Barbara R. Alexander (W) (C)
Consumer Affairs Consultant
83 Wedgewood Dr.
Winthrop ME 04364
barbalex@ctel.net

S. Bradley Van Cleve (W) (C)
Davison Van Cleve PC
333 SW Taylor, Suite 400
Portland, OR 97204
mail@dvclaw.com

Alana Chavez-Langdon (W)
Ecotality, Inc.
4 Embarcadero Center, Suite 3720
San Francisco, CA 94111
achevez@ecotality.com

Nona Soltero (W)
Fred Meyer Stores/Kroger
3800 SE 22nd Ave.
Portland, OR 97202
Nona.soltero@fredmeyer.com

Christa Beary (W)
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
cbeary@idahopower.com

Lisa D. Nordstrom (W) (C)
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
lnordstrom@idahopower.com

Lisa F. Rackner (W) (C)
McDowell & Rackner PC
520 SW 6th Ave Ste 830
Portland, OR 97201
lisa@mcd-law.com

Mary Wiencke (W)
Pacific Power
825 NE Multnomah St., Suite 1800
Portland, OR 97232
Mary.wiencke@pacificorp.com

Oregon Dockets (W)
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Doug Kuns Rates&Regulatory Affairs (W)
Portland General Electric
121 SW Salmon St 1WTC0702
Portland, OR 97204
pge.opuc.filings@pgn.com

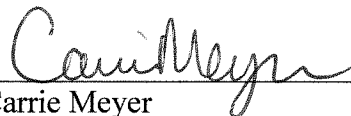
Douglas C. Tingey (W) (C)
Portland General Electric
121 SW Salmon St 1WTC13
Portland, OR 97204
doug.tingey@pgn.com

George Compton (W) (C)
Public Utility Commission of Oregon
P.O. Box 2148
Salem, OR 97308-2148
George.compton@state.or.us

Jason W. Jones (W) (C)
Department of Justice
Assistant Attorney General
1162 Court St NE
Salem ,OR 97301-4096
jason.w.jones@state.or.us

Donald W. Schoenbeck (W) (C)
Regulatory & Cogeneration Services, Inc.
900 Washington St., Suite 780
Vancouver, WA 98660-3455
dws@r-c-s-inc.com

Barry T. Woods (W)
Smart Grid Oregon/Ecotality Counsel
5608 Grand Oaks Dr.
Lake Oswego, OR 97035
woods@sustainableattorney.com



Carrie Meyer
Coordinator, Regulatory Operations