

You are invited to comment to the UTC:

- in person at the October 21, 2010, public hearing in Yakima (see front cover for details) or contact the commission
- via UTC Web form: utc.wa.gov/comment
- by e-mail at: comments@utc.wa.gov
- in writing at:

UTC

P.O. Box 47250
Olympia, WA 98504-7250

- by phone: **1-888-333-WUTC (9882)**
- by fax: 1-360-586-1150

Please reference Docket Number UE-100749.

Public Counsel

The public is represented by the Public Counsel Section of the Washington Attorney General's Office.

You may contact the Public Counsel in writing at:

Public Counsel

Assistant Attorney General
800 5th Avenue, Suite 2000
Seattle, WA 98104-3188

e-mail: utility@atg.wa.gov

For more information about Public Counsel, visit:

www.atg.wa.gov/utilities.aspx

For more information or to contact Pacific Power, please call us toll free at **1-800-221-7070** or write to:

Pacific Power

825 NE Multnomah, Suite 2000
Portland, OR 97232

Need help managing electric expenses?

Pacific Power offers special services, bill assistance and time payment plans for customers experiencing financial difficulties. For questions about payment plan eligibility or if you are experiencing difficulty making payments, please call **1-888-221-7070**.

Notice of proposed rate increase

On May 4, 2010 Pacific Power filed a general rate case request with the Washington Utilities and Transportation Commission (UTC) requesting an electric rate increase of \$56.7 million or 21 percent. The increase is due, in part, to rising power costs due to the expiration of several long-term below-market power purchase contracts and fuel contracts. These contracts have benefited our customers for many years but as they expire, the Company needs to replace them at current market prices. The increase would also recover costs associated with investments in the electrical system we use to reliably serve our customers. A more detailed explanation of the proposed rate increase is included on the inside of this notice.

The UTC will be reviewing our request. If approved, changes would go into effect April 2011. You have the opportunity to comment on this filing.

Public comment hearing

Pacific Power customers have the opportunity to comment to the UTC in numerous ways, including in person at a public hearing.

Thursday, October 21, 2010

5:30 to 7 p.m.

Yakima Valley Community College

Parker Room

1015 S. 16th Avenue

Yakima, Washington



Let's turn the answers on.



What would the requested rate increase pay for?

If approved, the increase would recover the rising cost of serving customers. This request includes, but is not limited to the following, approximately:

- \$30.8 million for investments in the electrical system (including transmission, distribution, hydro, wind, steam and other generation facilities)
- \$17.7 million for increased power costs
- \$3.2 million for increased property and other taxes
- \$2.5 million for increased return on investment
- \$2.5 million increase for other costs (including depreciation, operations, maintenance, administrative and general expenses)

Summary of proposed rate increases

Overall increase in dollars \$56.7 million
Overall increase percent 21%

Type of service	Schedule(s)	Average Increase
Residential	16	21%
Commercial Industrial		
Small General Service	24	21%
Medium General Service	36	21%
Large General Service	48	21%
Public Streetlighting	All	5%

Pacific Power also has proposed to increase the monthly residential basic charge from \$6.00 to \$9.00.

General rate case information

A general rate case is the regulatory proceeding which gives the UTC an opportunity to examine a utility's operations and costs to determine if the proposed rates are fair, just and reasonable. This process lets the UTC conduct a detailed review of a utility's revenues, profits, expenses, and investments in plant and equipment, in order to establish an approved revenue requirement.

The UTC staff, Pacific Power, Public Counsel Section of the Attorney General's Office, and other parties will participate. New rates would go into effect at the completion of the UTC's investigation, which may take up

to 11 months. Based on the outcome of its investigation, the UTC has the authority to approve rates that are higher or lower than Pacific Power's request.

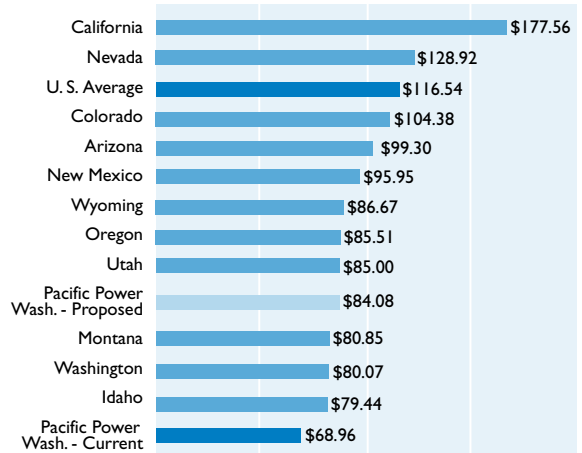
Effects on residential customers

Based on the overall increase discussed, the following chart shows the increases for a residential customer using electric service at 1,000 kwh and 1,300 kwh per month:

	Current	Proposed
Basic charge per month	\$6.00	\$9.00
@ 1,000 kwh:		
Average rate per kwh	6.90¢	8.41¢
Total bill	\$68.96	\$84.08
@ 1,300 kwh:		
Average rate per kwh	7.16¢	8.68¢
Total bill	\$93.11	\$112.86

A typical Pacific Power residential customer uses 1,300 kwh per month. The basic charge covers related costs of service including the cost of meters, service drops, meter reading and billing for residential customers.

U. S. Average Residential Monthly Electric Bills for 1,000 kwh (As of January 1, 2010)



Source: Edison Electric Institute Typical Bills and Average Rates Report, Winter 2010. The UTC does not consider electric rates charged by other utilities in setting rates.