State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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Governor

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Lieutenant Governor

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Director

To: Public Service Commission

From: The Office of Consumer Services
              Michele Beck
              Cheryl Murray

Date: March 14, 2013

Subject: Docket 13-035-21 PacifiCorp's Semi-Annual Hedging Report

REDACTED

On February 15, 2013, PacifiCorp (Company) filed with the Public Service Commission (Commission) its confidential Semi-Annual Hedging Report (Report).

On March 18, 2013, the Division of Public Utilities (Division) filed comments on the Report in response to a Commission issued Action Request. The Division provides background on the processes (Stipulation and Collaborative Process) that led to the agreement that the Company would file a hedging report semi-annually. Based on its review of the Report the Division concludes that, "As of the date of this report, the Company is in compliance with the current hedging guidelines".

The Office of Consumer Services (Office) has also reviewed the Report and the information provided in Attachments A – E and concurs with the Division that the Company is in compliance with its current hedging guidelines.

The Office notes that there has been [Begin Confidential]   [End Confidential] in Net Power Costs (NPC) for each year of the [Begin Confidential]   [End Confidential] in the February 15, 2013 Semi-Annual Hedging Report, as reported in Confidential Figure 1 of Attachment E. This [Begin Confidential]   [End Confidential] between October 31, 2012 and February 15, 2013. Although a detailed analysis of the factors affecting changes in the NPC will be undertaken as part of the Company's next General Rate Case, it would be of value for the Company to include a brief discussion in each Semi-Annual Hedging Report of the major factors contributing to changes (up or down) that have occurred in the NPC since the previous report.

The Office recommends that the Commission require the Company to add a brief discussion regarding changes in net power costs that have occurred since the previous Report.