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November 7, 2007

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

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

Attention: Vikie Bailey-Goggins
Administrator, Regulatory Operations

RE: Docket UE 191 - GRID Update for PacifiCorp's 2008 TAM

Enclosed please find PacifiCorp's updated 2008 net power cost forecast. Net power costs for 2008 are forecasted at \$980.7 million total Company, versus the \$979.5 million included in the Company's July 2007 net power cost update. A summary and description of the updates and impact is provided as Exhibit A.

Attached is a confidential CD with the GRID project and net power cost report. The attached CD is subject to the protective order issued in Docket UE 191.

On November 14, 2007, PacifiCorp will file its final 2008 net power costs. That filing will include (1) a revised Exhibit PPL/101, which shows the Oregon-allocated 2008 net power costs, (2) Transition Adjustment Schedules 294 and 295, and (3) Cost-Based Supply Service Schedule 200. The tariff schedules will have an effective date of January 1, 2008.

If you have any questions, please contact Mark Widmer at (503) 813-5541 or Joelle Steward at (503) 813-5542.

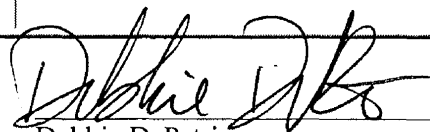
Sincerely,

Andrea Kelly
Vice President, Regulation

cc. Service List for Docket No. UE-191

I hereby certify that on this 7th day of November, 2007, I caused to be served, via E-Mail and Overnight Delivery (to those parties who have not waived paper service), a true and correct copy of the GRID Update for PacifiCorp's 2008 TAM in Docket No. UE-191-2008 Transition Adjustment Mechanism to the following:

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Debbie DePetris
 Supervisor, Regulatory Administration

**Oregon November 2007
Transition Adjustment Mechanism (TAM) Update
Adjustment Explanations**

Update 0 — July Filing Prior to Adopted Adjustments 1, 4 and 5

In its net power costs update filed in July 2007, the Company agreed to exclude the expenses of several resources when they are not economical and contract premiums in the months when call options are not exercised. The Company also agreed to adjust generation from the Carbon coal generation plant up to an 80% capacity factor. Because these adjustments depend on the dispatch of rest of the resources, they are removed from the July starting point to reset the baseline for the following updates and will be included after all of the updates have been made. The impact of this reset increases net power costs by about \$12.8 million on a total Company basis.

Update 1 — Commission Ordered EFOR

In Order No. 07-446, the Company was ordered to remove two forced outages due to management failure, and limit another to 28 days due to manufacturer's defect. This update incorporates the updated EFOR excluding those outages. The impact of this update decreases net power costs by about \$0.4 million on a total Company basis.

Update 2 — City of Hurricane Sale and Purchase

The Company entered into a pair of contracts with City of Hurricane, and purchases 1 MW and sells 2 MW, to serve the load pocket. The impact of this update decreases net power costs by about \$0.3 million on a total Company basis.

Update 3 — UAMPS Sale

The Company made a 2 MW sale to UAMPS. The impact of this update increases net power costs by about \$0.1 million on a total Company basis.

Update 4 — Updated PSCo Sales Prices

The projected annual fixed and variable costs for 2008 were updated. The impact of this update increases net power costs by about \$0.6 million on a total Company basis.

Update 5 — Updated ExxonMobil QF

ExxonMobil updated their planned operation and maintenance for CY2008. The impact of this update increases net power costs by about \$0.3 million on a total Company basis.

Update 6 — Updated Mountain Wind QF

The inception and termination dates for Mountain Wind I QF and Mountain Wind II QF were revised. The impact of this update increases net power costs by about \$0.1 million on a total Company basis.

Update 7 — Updated Schwendimen QF

The Company was notified of changes to the Schwendiman wind project relating to the inception date, contract extension, output / capacity factors and pricing. The impact of this update decreases net power costs by about \$0.3 million on a total Company basis.

Update 8 — Kennecott QF

This contract was extended to 2008. The impact of this update decreases net power costs by about \$0.5 million on a total Company basis.

Update 9 — Exclude Goodnoe Wind Project

Based on issues surrounding the timing and deliverability of the wind generation towers, it is doubtful that the Goodnoe wind project will be placed in service during 2007. Based on the Oregon used and useful statute, this plant was removed from the test period. The impact of this update increases net power costs by about \$16.6 million on a total Company basis.

Update 10 — Exclude Pioneer Ridge QF

The Pioneer Ridge qualifying facility is in default and was removed because it is not expected to be in operation during the test year. The impact of this update decreases net power costs by about \$2.5 million on a total Company basis.

Update 11 — Clay Basin Gas Storage

The Company has made the decision to utilize Clay Basin Gas Storage to optimize the value of gas transactions. The impact of this update decreases net power costs by about \$1.3 million on a total Company basis.

Update 12 — Lake Side Pipeline Charges

This update incorporates the cost increase of natural gas transmission for the Lakeside combined cycle combustion turbine. The impact of this update increases net power costs by \$0.3 million on a total Company basis.

Update 13 — Short Term Firm Transactions

This update incorporates short term firm transactions that the Company entered as of October 31, 2007. The impact of this update decreases net power costs by \$5.9 million on a total Company basis.

Update 14 — Official Forward Price Curve

This update incorporates the Company's forward price curves as of October 31, 2007. The impact of this update decreases net power costs by \$5.4 million on a total Company basis.

Update 15 — Gas Swaps

This update incorporates gas swap transactions that the Company entered as of October 31, 2007 and the marked to market at the forward price curves as of

October 31, 2007. The impact of this update decreases net power costs by about \$4.6 million on a total Company basis.

Update 16 — Re-shaped Hydro, plus Douglas Wells Lands Right

This update incorporates a new contract with Douglas PUD to purchase an additional 4.5% share of the Wells project for 7 months commencing March 1, 2008. The adjustment also reshapes hydro generation based on the October 31, 2007 Official Forward Price Curve. The impact of this adjustment increases net power costs by \$0.1 million on a total Company basis.

Update 17 — Fuel Costs

This update incorporates coal price increases at various plants. The impact of this update increases net power costs by \$2.7 million on a total Company basis.

Update 18 — System Balancing Impact of All Adjustments

This update recalculates net power costs based on the inclusion of updates zero through 17. The impact of this update increases net power costs by \$1.7 million on a total Company basis.

Update 19 — Commission Ordered Short-Term Trading Margin

This update includes short-term trading margin as adopted by the Commission. The impact of this adjustment reduces net power costs by \$3.1 million on a total Company basis.

Adopted Update 1 — Uneconomic CT Operation

This update removes the West Valley CT from the test year as previously adopted by the Company. The impact of this adjustment reduces net power costs by \$1.1 million on a total Company basis.

Adopted Update 4 — Call Options

This update removes various call options as previously adopted by the Company. The impact of this adjustment reduces net power costs by \$5.1 million on a total Company basis.

Adopted Update 5 — Carbon at 80% Capacity Factor

This update adjusts Carbon generation as previously adopted by the Company. The impact of this adjustment reduces net power costs by \$3.7 million on a total Company basis.

EXHIBIT A

Oregon TAM Update November 7, 2007

All numbers are on a total company basis

CY2008 NPC, July 2007 Filing **\$979,465,225**

CY2008 NPC, Final Updates

Update

0	July Filing Prior to Adopted Adjustments 1, 4 and 5	12,761,801
1	Commission Ordered EFOR	(390,241)
2	City of Hurricane Sale and Purchase	(254,499)
3	UAMPS Sale	129,252
4	Updated PSCo Sales Prices	646,276
5	Updated ExxonMobil QF	269,878
6	Updated Mountain Wind QF	108,909
7	Updated Schwendimen QF	(335,763)
8	Kennecott QF	(520,023)
9	Exclude Goodnoe	16,614,707
10	Exclude Pioneer Ridge QF	(2,458,275)
11	Clay Basin Gas Storage	(1,250,350)
12	Lake Side Pipeline Charges	299,513
13	Short Term Firm Transactions	(5,938,085)
14	Official Forward Price Curve	(5,435,880)
15	Gas Swaps	(4,615,798)
16	Re-shaped Hydro, plus Douglas Wells Lands Right	142,943
17	Fuel Costs	2,730,310
18	System balancing impact of all adjustments =	1,770,639
19	Short Term Trading Margin	(3,079,647)

Total Adjustments from July Filing = \$11,195,668

CY2008 NPC, prior to adopted adjustments 1, 4 and 5 \$990,660,893

Adopted

1	Uneconomic CT Operation	(1,147,205)
4	Call Options	(5,128,355)
5	Carbon at 80% C.F.	(3,684,949)

Total Adjustments from updated = (\$9,960,509)

CY2008 Final NPC = \$980,700,383