

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 UE 170

4 In the Matter of

5 PACIFIC POWER & LIGHT COMPANY
6 (dba PacifiCorp)

7 Request for a General Rate Increase in the
8 Company's Oregon Annual Revenues

9 Klamath River Basin Irrigation Rates

STAFF RESPONSE TO KOPWU PETITION
FOR CLARIFICATION

10 **INTRODUCTION**

11 The following is Staff's response to the questions raised by the Klamath Off-Project
12 Water Users Association ("KOPWU") in its Petition for Clarification ("Petition"). Staff has
13 discussed these questions with PacifiCorp and PacifiCorp agrees with and supports these Staff
14 responses.

15 **RESPONSE**

16 In its Petition, KOPWU asks the Commission for clarification on the following five
17 issues:

- 18 (1) Is a filing is required to initiate the annual adjustment to Klamath irrigators'
19 transition rates;
- 20 (2) If a filing is required, what party should make the filing;
- 21 (3) What is the base rate for Off-Project customers that the Commission used to
22 calculate the first-year transition rate for Off-Project customers;
- 23 (4) What is the base rate that the Commission will use in the future to make the
24 annual adjustment to the transition rate in subsequent years; and
- 25 (5) What process will the Commission follow to approve and implement the
26 new transition rates each year?

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Consistent with Staff's understanding of Commission Order No. 06-172 (the "Order"), Staff believes that the answers to KOPWU's questions are as follows:

- (1) Yes. A filing should be made on or about March 1 of each year. *See* Order No. 06-172 at 17 (directing PacifiCorp to file tariffs consistent with the Order); OAR 860-022-0015 (utility must file tariffs containing changes in rates at least 30 days before the effective date of such changes).
- (2) As with the April 14, 2006 filing, PacifiCorp should make a compliance filing that is also an advice filing in order to comply with the Order. Order No. 06-172 at 17; *see also* Petition at 3 ("KOPWU believes that it would be appropriate to establish the annual adjustment to the transition rate through an annual tariff filing by PacifiCorp.").
- (3) The Base Rate that the Commission used to calculate the first year transition rate of Off-Project customers was 0.75 cents/kWh—the contract rate for KOPWU customers. *See* Order No. 06-172 at 21-23 (the base rate is the current gross rate).
- (4) The Base Rate for Off-Project customers to calculate next year's transition rate will be 0.991 cents/kWh—the rate currently in effect for Off-Project customers. *Id.* at 24 (Year One base rate is 0.991 cents/kWh). Likewise, in subsequent years, the Commission would use the rate currently in effect at that time (*i.e.*, the contemporaneous rate) for Off-Project customers to calculate the annual adjustment to their rate for the upcoming year. *Id.* at 21-23 (base rate is the current gross rate).

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2 (5) The Commission will use the same process that it uses for any other advice
3 filing. *See* Order No. 06-172 at 17 (directing PacifiCorp to file tariffs
4 consistent with the Order). The Company will file an advice filing along
5 with the workpapers necessary to show that the rate change is in compliance
6 with the Order. OAR 860-022-0015 (timing of filing); OAR 860-022-0025
7 (content of filing). Unless the Commission designates the case as a major
8 proceeding pursuant to a party's motion under OAR 860-014-0023, the
9 Commission may authorize the rates as shown in the advice filing without a
10 full procedural schedule that provides for written testimony and comments.
11 OAR 860-014-0023; *see* Petition at 3 ("KOPWU believes that the
12 Commission could approve the annual adjustment to the transition rates
13 without a full contested case process, unless an interested party requested
14 such a process.").

15 DATED this 3rd day of July 2006.

16 Respectfully submitted,

17 HARDY MYERS
18 Attorney General

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20 Jason W. Jones, #00059
21 Assistant Attorney General
22 Of Attorneys for Staff of the Public Utility
23 Commission of Oregon
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CERTIFICATE OF SERVICE

I certify that on July 3, 2006, I served the foregoing upon the parties in this proceeding by electronic mail and/or by mailing a true, exact and full copy by regular mail, postage prepaid, or by hand-delivery/shuttle mail.

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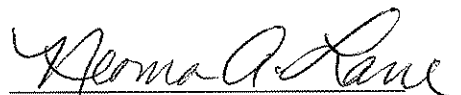
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