

March 1, 2007

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

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

Attention: Vikie Bailey-Goggins, Administrator
Regulatory Operations

RE: Second Compliance Filing for Order 06-172
Advice No. 07-006
Schedule 33 – Klamath Basin Irrigation and Drainage Pumping
Schedule 98 – Adjustment Associated with the Pacific Northwest Electric Power
Planning and Conservation Act

PacifiCorp hereby submits in electronic format, proposed tariff pages associated with Tariff P.U.C. OR. No. 35 of Pacific Power & Light Company applicable to electric service in the State of Oregon. A signed original letter and five (5) copies will be provided via overnight delivery. The Company respectfully requests an effective date of April 17, 2007.

Fifth Revision of Sheet No. 33-1	Schedule 33	Klamath Basin Irrigation and Drainage Pumping
First Revision of Sheet No. 33-2	Schedule 33	Klamath Basin Irrigation and Drainage Pumping
Third Revision of Sheet No. 98	Schedule 98	Adjustment Associated with the Pacific Northwest Electric Power Planning and Conservation Act

By this compliance filing, PacifiCorp proposes to implement the second year of transition rates for Klamath Basin irrigation customers as ordered by the Commission in Docket UE-170, Order 06-172 and as clarified in Order 06-440. The attached worksheet shows the Company's calculation of the target Schedule 41 base rate and the annual average percentage price change necessary to transition the Klamath Basin irrigators to that rate in seven years, the remaining length of the transition period. The tariffs have been updated with proposed rates for On-Project, Off-Project and Government irrigators, and the annual minimum charges have been increased to reflect the percentage increases applied to the corresponding base energy rates. Additionally, as instructed by the Order, the Company requests to increase the Schedule 98 BPA credit to the qualifying Schedule 33 customers by 0.08 cents per kWh.

At this time no change to Schedule 92, Klamath Rate Reconciliation Adjustment, is proposed. In UE-179, the Company's recently concluded general rate case, this April 2007 increase to Klamath irrigators was included in the ordered revenues in that docket. On an annualized basis,

a \$420,000 revenue increase to Klamath Basin irrigation customers was included in UE-179. With these proposed rates, and including changes to the annual minimum charges, the annualized price increase to these customers equals \$422,000.

It is respectfully requested that all formal correspondence and Staff requests regarding this matter be addressed to:

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

By Fax: (503) 813-6060

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

Informal inquiries may be directed to Laura Beane, Regulatory Manager at (503) 813-5542.

Sincerely,

A handwritten signature in cursive script that reads "Andrea L. Kelly" followed by a stylized flourish.

Andrea L. Kelly
Vice President, Regulation
Enclosures

PACIFIC POWER & LIGHT COMPANY
KLAMATH BASIN
IRRIGATION AND DRAINAGE PUMPING

OREGON
SCHEDULE 33
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Available

In territory served by Company in Klamath Basin, Oregon.

Applicable

For irrigation or drainage Consumers who take service at metering points where retail rates were previously charged under contract at rates specified in the 1956 United States Bureau of Reclamation Contract or the 1956 Klamath Basin Water Users Protective Association Contract and who are eligible to receive rate mitigation under ORS § 757.227.

Monthly Billing

The Monthly billing shall be the product of all metered kilowatt-hours multiplied by the following applicable cents per kilowatt-hour. All Monthly Billings shall be adjusted in accordance with Schedule 90.

On-Project (Rate Code 40)	1.126¢ per kWh for all kWh	(l)
Off-Project (Rate Code 35)	1.331¢ per kWh for all kWh	(l)
US Government (Rate Code 33TX)		
On-Peak	0.982¢ per kWh for all On-Peak kWh	(l)
Off-Peak	0.668¢ per kWh for all Off-Peak kWh	(l)

On-Peak hours are 8:00 a.m. to 8:00 p.m. Monday through Friday except legal holidays. Off-Peak hours are all other hours.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Annual Minimum Charges

The Annual Minimum Charge is based on the name plate rating in horsepower of the maximum connected motor load at each installation during a calendar year. Years of Service is the length of time for which the existing metering point has been in service under this rate schedule.

The Annual Minimum Charge is payable in consecutive monthly installments of 1/6 (one-sixth) of the annual minimum charge beginning the first month of operation until such time as the accumulated energy charges equal the annual minimum charge.

(Continued)

Issued:	March 1, 2007	P.U.C. OR No. 35
Effective:	With service rendered on and after April 17, 2007	Fifth Revision of Sheet No. 33-1 Canceling Fourth Revision of Sheet No. 33-1

Issued By
Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
KLAMATH BASIN
IRRIGATION AND DRAINAGE PUMPING

OREGON
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Page 2

Annual Minimum Charges (continued)

On-Project (Rate Code 40)

100 HP or over:			
For the first two Years of Service	\$19.62 per HP		(l)
After two Years of Service	No Charge		
99 HP or less			
For first five Years of Service			
First 25 HP	\$11.26 per HP		(l)
Additional HP	\$9.85 per HP		
After five Years of Service			
First 25 HP	\$5.64 per HP		
Additional HP	\$4.93 per HP		(l)

Where three-phase service is required for installations under 7½ HP, the annual minimum charge will be based on 7½ HP.

Off-Project (Rate Code 35)

For first five Years of Service			
Up to 10 HP	\$198.22 annually		(l)
More than 10 HP	\$19.19 per HP		
After five Years of Service			
Up to 10 HP	\$99.11 annually		
More than 10 HP	\$9.59 per HP		(l)

Definitions

On-Project: Irrigation or drainage pumps on project land previously served under the 1956 United States Bureau of Reclamation Contract at the per kilowatt-hour rate of 0.6¢ and identified by the rate code 40.

Off-Project: Irrigation or drainage pumps in the Upper Klamath River Basin previously served under the 1956 Klamath Basin Water Users Protective Association Contract at the per kilowatt-hour rate of 0.75¢ and identified by the rate code 35.

US Government: Irrigation or drainage pumps on project land owned by the United States Government previously served under the 1956 United States Bureau of Reclamation Contract at the rate of 0.5¢ per On-Peak kilowatt-hour and 0.3¢ per Off-Peak kilowatt-hour and identified by the rate code 33TX.

Rules and Regulations

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is part and to those prescribed by regulatory authorities.

Issued:	March 1, 2007	P.U.C. OR No. 35
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Issued By
Andrea L. Kelly, Vice President, Regulation

**PACIFIC POWER & LIGHT COMPANY
ADJUSTMENT ASSOCIATED WITH THE
PACIFIC NORTHWEST ELECTRIC POWER
PLANNING AND CONSERVATION ACT**

**OREGON
SCHEDULE 98**

All bills to qualifying residential customers shall have deducted an amount equal to the product of all kilowatt-hours of use multiplied by the following cents per kilowatt-hour.

0 – 500 kWh	1.355¢ per kWh
>500 kWh	0.568¢ per kWh

The kilowatt-hour blocks listed above are based on an average month of approximately 30.42 days. Residential kilowatt-hour blocks shall be prorated to the nearest whole kilowatt-hour based upon the number of whole days in the billing period (see Rule 10 for details).

All bills to qualifying nonresidential customers shall have deducted an amount equal to the product of all kilowatt-hours of use multiplied by the following cents per kilowatt-hour.

0.927¢ per kWh

All bills of qualifying agricultural pumping customers on Schedule 33 contained in effective tariff Or. No. 35 shall have deducted an amount equal to the product of all qualifying kilowatt-hours of use multiplied by the following:

0.575¢ per kWh

(l)

Condition of Service

The eligibility of affected Customers for the rate credit specified in this tariff is as provided by the Pacific Northwest electric Power Planning and Conservation Act, Public Law 96-501.

Special Conditions

Any farm's monthly irrigation and pumping load qualifying hereunder for each billing period shall not exceed the amount of the energy determined by the following formula:

7,161.6 kWh x days in billing period, **provided, however**, that this amount shall not exceed that farm's measured energy for the same billing period. In no instance shall any farm's total qualifying irrigation loads for any billing period exceed 222,000 kWh.

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Issued By
Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER
Klamath Transition Rate Calculation
Year 2

Price Change Date	Rate Code 40		Rate Code 35		Rate Code 33TX	
	On-Project	Off-Project	Gov't on-peak	Gov't off-peak	Gov't on-peak	Gov't off-peak
	MWH		Revenue (\$000)			
April 17, 2007	Target Sch. 41 base rate ¹	108,189	\$8,471	7.830	7.830	7.830
	Current Sch. 33 base rate ²			0.815	0.695	0.445
	Required Annual Average Rate Change			38.2%	41.3%	50.6%
	Proposed Rate Change ³			38.2%	41.3%	50.0%
	Proposed base rate ²			1.126	0.982	0.668
	MWh			55,431	869	1,515
	Revenue Change (\$000)			\$172	\$2	\$3

¹ Excluding BPA credit, Low Income Bill Payment Assistance Charge, and Public Purpose Charge. Including all other adjustment schedules. For rates effective February 28, 2007.
² Prior to application of BPA credit (where applicable), Low Income Charge, and Public Purpose Charge.
³ Increase limited to 50 percent. See ORS 757.227(3).