



June 1, 2006

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

Attention: Vikie Bailey-Goggins, Administrator
Regulatory and Technical Support

RE: FY 2006 Property Sales Balancing Account Report

On December 28, 2005, OPUC Staff issued a document clarifying the elements of PacifiCorp's Property Sales Balancing Account and requiring PacifiCorp to provide an annual report on the Property Sales Balancing Account on June 1 of each year for the preceding fiscal year. Enclosed for filing is PacifiCorp's FY 2006 Property Sales Balancing Account report.

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 300
Portland, OR 97232

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

Sincerely,

Andrea Kelly
Vice President, Regulation

cc: Michael Dougherty

Enclosures

**UE 170 Annual Report
Annual Property Sales Balancing Account
FYE 3/31/2006**

Transaction: Sale of Naches Hydroelectric Project

Closing date: February 2004

Payment date: November 2004

Background:

The Company initiated Docket No. UP 197 with the Oregon Public Utility Commission on August 29, 2002, requesting authorization to sell certain rights and assets associated with the Naches Hydroelectric Project to the United States Bureau of Reclamation. The Staff issued their report recommending approval of the sale subject to certain reporting and accounting conditions. The Staff recommendation was adopted and a final order was issued on November 12, 2002, Order 02-796, approving the sale.

Oregon's share of gain on sale of Naches	\$ (116,054.00)
Accrued interest - FY05	<u>(3,237.59)</u>
Accrued Naches balance @ 3/31/05	(119,291.59)
Accrued interest - FY06	<u>(10,119.48)</u>
Accrued Naches balance @ 3/31/06	<u><u>\$ (129,411.07)</u></u>