

Davison Van Cleve PC

Attorneys at Law

TEL (503) 241-7242 • FAX (503) 241-8160 • mail@dvclaw.com
Suite 400
333 SW Taylor
Portland, OR 97204

June 12, 2006

Via Electronic and U.S. Mail

Public Utility Commission
Attn: Filing Center
550 Capitol St. NE #215
P.O. Box 2148
Salem OR 97308-2148

Re: In the Matter of PACIFIC POWER & LIGHT Request for a
General Rate Increase in the Company's Oregon Annual Revenues
(Klamath River Basin Irrigator Rates)
Docket No. UE 170

Dear Filing Center:

Enclosed please find the original and two copies of the Petition for Clarification of the Klamath Off-Project Water Users in Docket No. UE 170.

Please return one file-stamped copy of this document in the enclosed stamped envelope.

Thank you for your assistance.

Sincerely yours,

/s/ Anna E. Studenny
Anna E. Studenny

Enclosures

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Petition for Clarification of the Klamath Off-Project Water Users, Inc., upon the parties on the service list, shown below, by causing the same to be served by U.S. Mail, postage-prepaid, through the U.S. Mail, and/or via email to those parties with an email address.

Dated at Portland, Oregon, this 12th day of June, 2006.

/s/ Anna E. Studenny
Anna E. Studenny

**PORTLAND GENERAL ELECTRIC
RATES & REGULATORY AFFAIRS
RATES & REGULATORY AFFAIRS
121 SW SALMON ST 1WTC0702
PORTLAND OR 97204
pge.opuc.filings@pgn.com**

**COMMUNITY ACTION DIRECTORS OF OREGON
JIM ABRAHAMSON
PO BOX 7964
SALEM OR 97303-0208
jim@cado-oregon.org**

**KLAMATH WATER USERS ASSOCIATION
GREG ADDINGTON
2455 PATTERSON ST - STE 3
KLAMATH FALLS OR 97603
greg@cvcwireless.net**

**KLAMATH OFF-PROJECT WATER USERS INC
EDWARD BARTELL
30474 SPRAGUE RIVER ROAD
SPRAGUE RIVER OR 97639**

**ALEXANDER, BERKEY, WILLIAMS &
WEATHERS, LLP
CURTIS G BERKEY
2030 ADDISON STREET, SUITE 410
BERKELEY, CA 94704**

**BOEHM KURTZ & LOWRY
KURT J BOEHM
36 E SEVENTH ST - STE 1510
CINCINNATI OH 45202
kboehm@bkllawfirm.com**

**WATERWATCH OF OREGON
LISA BROWN
213 SW ASH ST - STE 208
PORTLAND OR 97204
lisa@waterwatch.org**

**CITIZENS' UTILITY BOARD OF OREGON
LOWREY R BROWN
610 SW BROADWAY - STE 308
PORTLAND OR 97205
lowrey@oregoncub.org**

**OREGON DEPARTMENT OF ENERGY
PHIL CARVER
625 MARION ST NE STE 1
SALEM OR 97301-3742
philip.h.carver@state.or.us**

**OREGON ENERGY COORDINATORS ASSOCIATION
JOAN COTE
2585 STATE ST NE
SALEM OR 97301
cotej@mwvcaa.org**

**WATERWATCH OF OREGON
JOHN DEVOE
213 SW ASH ST - STE 208
PORTLAND OR 97204
john@waterwatch.org**

**CITIZENS' UTILITY BOARD OF OREGON
JASON EISDORFER
610 SW BROADWAY STE 308
PORTLAND OR 97205
jason@oregoncub.org**

MCDOWELL & ASSOCIATES PC
SARAH J ADAMS LIEN
520 SW SIXTH AVENUE, SUITE 830
PORTLAND OR 97204
sarah@mcd-law.com

RFI CONSULTING INC
RANDALL J FALKENBERG
PMB 362
8351 ROSWELL RD
ATLANTA GA 30350
consultrfi@aol.com

CABLE HUSTON BENEDICT HAAGENSEN & LLOYD LLP
EDWARD A FINKLEA
1001 SW 5TH - STE 2000
PORTLAND OR 97204
efinklea@chbh.com

DEPARTMENT OF JUSTICE
DAVID HATTON
REGULATED UTILITY & BUSINESS SECTION
1162 COURT ST NE
SALEM OR 97301-4096
david.hatton@state.or.us

PUBLIC UTILITY COMMISSION
JUDY JOHNSON
PO BOX 2148
SALEM OR 97308-2148
judy.johnson@state.or.us

DEPARTMENT OF JUSTICE
JASON W JONES
REGULATED UTILITY & BUSINESS SECTION
1162 COURT ST NE
SALEM OR 97301-4096
jason.w.jones@state.or.us

BOEHM, KURTZ & LOWRY
MICHAEL L KURTZ
36 E 7TH ST STE 1510
CINCINNATI OH 45202-4454
mkurtz@bklawfirm.com

OREGON NATURAL RESOURCES COUNCIL
JIM MCCARTHY
PO BOX 151
ASHLAND OR 97520
jm@onrc.org

DANIEL W MEEK ATTORNEY AT LAW
DANIEL W MEEK
10949 SW 4TH AVE
PORTLAND OR 97219
dan@meek.net

PUBLIC UTILITY COMMISSION
BILL MCNAMEE
PO BOX 2148
SALEM OR 97308-2148
bill.mcnamee@state.or.us

HOOPA VALLEY TRIBE FISHERIES DEPT
MICHAEL W ORCUTT
PO BOX 417
HOOPA CA 95546
director@pcweb.net

NANCY NEWELL
3917 NE SKIDMORE ST
PORTLAND OR 97211
ogec2@hotmail.com

OREGON NATURAL RESOURCES COUNCIL
STEVE PEDERY
5825 NORTH GREELEY AVENUE
PORTLAND OR 97214
sp@onrc.org

OFFICE OF THE REGIONAL SOLICITOR
STEPHEN R PALMER
2800 COTTAGE WAY - RM E-1712
SACRAMENTO CA 95825

MORISSET, SCHLOSSER, JOZWIAK & MCGAW
THOMAS P SCHLOSSER
801 SECOND AVE - STE 1115
SEATTLE WA 98104-1509
t.schlosser@msaj.com

DEPARTMENT OF JUSTICE
JANET L PREWITT
1162 COURT ST NE
SALEM OR 97301-4096
janet.prewitt@doj.state.or.us

PORTLAND GENERAL ELECTRIC
DOUGLAS C TINGEY
121 SW SALMON 1WTC13
PORTLAND OR 97204
doug.tingey@pgn.com

PACIFIC COAST FEDERATION OF FISHERMEN'S ASSOC
GLEN H SPAIN
PO BOX 11170
EUGENE OR 97440-3370
fish1ifr@aol.com

PACIFIC POWER & LIGHT
PAUL M WRIGLEY
825 NE MULTNOMAH STE 800
PORTLAND OR 97232
paul.wrigley@pacificorp.com

ALEXANDER, BERKEY, WILLIAMS & WEATHERS LLP
SCOTT W WILLIAMS
2030 ADDISON STREET, SUITE 410
BERKELEY, CA 94704

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 170

In the Matter of)	
)	
PACIFIC POWER & LIGHT)	KLAMATH OFF-PROJECT WATER
(dba PACIFICORP))	USERS, INC.'S PETITION FOR
)	CLARIFICATION
)	
Request for a General Rate Increase in the)	
Company's Oregon Annual Revenues)	
(Klamath River Basin Irrigator Rates).)	
)	

The Klamath Off-Project Water Users, Inc. ("KOPWU") requests clarification of the Public Utility Commission of Oregon's ("OPUC" or the "Commission") Order No. 06-172, establishing one-year "transition" electric rates for agricultural irrigation and pumping customers of PacifiCorp (or the "Company") in the Upper Klamath River Basin. KOPWU requests that the Commission clarify the procedure that will govern the "annual adjustment" to the transition rates for PacifiCorp's Klamath Basin irrigation customers and the method that the Commission will use to calculate those rates.

DISCUSSION

In Order No. 06-172, the Commission established electric rates for Klamath irrigation and pumping customers that will be in effect from April 17, 2006, to April 16, 2007. The Order sets out a method for determining the transition rate for Off-Project customers that appears to be based on the difference between: 1) the current base rate under the Off-Project Agreement; and 2) an "average Schedule 41 base rate" that the Commission determined currently is 6.98 cents per kWh. The Commission stated that the transition rate will be subject to

an “annual adjustment” over a seven-year transition period to reflect changes in PacifiCorp’s average Schedule 41 base rate:

We recognize that the Schedule 41 base rate is not a fixed target. While that current rate is 6.98 cents per kWh, there is no guarantee that the rate will remain constant during the seven-year transition period. Indeed, in its recent rate filing, PacifiCorp proposes to increase the Schedule 41 rates by almost 20 percent. Consequently, any change to Schedule 41 rates will require the adoption, at the next annual adjustment to the Klamath irrigators’ rate, of a new transition rate aimed at moving the irrigators to the new rate Schedule 41 at the end of the seven-year period.

Order No. 06-172 at 24 (internal citations and footnotes omitted).

The Commission stated that any new transition rate must not exceed 50%, but the Order does not describe the procedure by which the Commission will determine the annual adjustment to the transition rate. It is unclear, under these circumstances, whether the Commission will initiate the annual adjustment to the Klamath transition rates or the adjustment will require PacifiCorp or another party to make a filing. Furthermore, it is unclear whether the annual adjustment will consist of a “mechanical” revision to the tariff rate each year or if the Commission intends to hold a hearing or provide the opportunity for comment.

The Order also does not specifically address how the Commission will calculate the annual adjustment to the transition rate in the future. As described above, it appears that the Commission used the current base rate under the Off-Project Agreement as the starting point for determining the first-year transition rate for Off-Project customers, but KOPWU requests that the Commission clarify whether this is the case. The Order does not address the base rate for Off-Project customers that the Commission will use to establish the second-year (2007-2008) transition rate for Off-Project customers or the base rate that the Commission will use in

subsequent annual adjustments. KOPWU believes that clarification of these points is important to allow Off-Project customers to understand how the Commission will establish the Off-Project transition rates and the magnitude of rate increases that Off-Project customers can expect in the future.

KOPWU therefore requests that the Commission grant this Petition to clarify:

- 1) Whether a filing is required to initiate the annual adjustment to Klamath irrigators' transition rates;
- 2) If a filing is required, what party should make the filing;
- 3) The base rate for Off-Project customers that the Commission used to calculate the first-year transition rate for Off-Project customers;
- 4) The base rate that the Commission will use in the future to make the annual adjustment to the transition rate in subsequent years; and
- 5) What process the Commission will follow to approve and implement the new transition rates each year.

KOPWU believes that it would be appropriate to establish the annual adjustment to the transition rate through an annual tariff filing by PacifiCorp. Furthermore, KOPWU believes that the Commission could approve the annual adjustment to the transition rates without a full contested case process, unless an interested party requested such a process.

CONCLUSION

For the reasons stated above, KOPWU requests that the Commission clarify the aspects of Order No. 06-172 identified in this Petition.

Dated this 12th day of June, 2006.

Respectfully submitted,

/s/ Melinda J. Davison

Melinda J. Davison

Matthew Perkins

Davison Van Cleve, P.C.

333 S.W. Taylor, Suite 400

Portland, OR 97204

(503) 241-7242 phone

(503) 241-8160 facsimile

mail@dvclaw.com

Attorneys for Klamath

Off-Project Water Users, Inc.