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May 9, 2005

The Honorable Michael Grant
The Honorable Tracie Kirkpatrick
550 Capitol Street
Salem, Oregon 97308-2148

RE: Pacific Power & Light's Request for a General Rate Increase in the
Company's Oregon Annual Revenues
Docket No. UE-170

Dear Judges Grant and Kirkpatrick:

The Klamath Water Users Association ("KWUA") hereby files this letter as a substitute for filing Opening Testimony in the UE 170 proceeding at this time. KWUA hereby preserves the right to file testimony in this proceeding at a later time. On February 18, 2005, Judge Michael Grant issued an order in this proceeding creating a separate docket to address issues raised by PacifiCorp's general rate filing as they impact irrigation customers in the Klamath River Basin. A schedule has been established in that docket, UE 171, to address legal issues concerning service to irrigation customers in the Klamath River Basin. Legal issues must be resolved prior to addressing any technical issue that would be necessary to determine if PacifiCorp's rate proposal for irrigation customers in this docket is lawful.

KWUA has retained Donald W. Schoenbeck of Regulatory and Cogeneration Services to testify on technical cost of service issues affecting KWUA members and all irrigation customers of PacifiCorp in Oregon. KWUA has propounded data requests to discover facts necessary to support its positions. Given the status of the legal issues in UE 171, however, there is no point in KWUA's forwarding detailed technical testimony at this time because the Commission has not ruled on the fundamental legal issues in UE 171.

Therefore, KWUA is not presenting testimony at this time on cost of service, rate spread, or rate design issues impacting service to KWUA members and other irrigation customers of PacifiCorp under its tariff filed in this proceeding. KWUA will be prepared

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to submit such testimony after the Commission makes its rulings in UE 171, if after the rulings it is still necessary to pursue those issues¹. When the hearing schedule was established in UE 171, it was contemplated that technical issues regarding rate setting for Klamath Basin irrigation customers of PacifiCorp would be addressed at a later time in this proceeding if the Commission's decision necessitates resolving such technical issues.

KWUA requests that the ALJ confirm through a letter or other ruling that all technical issues surrounding rates proposed by PacifiCorp to be charged irrigation customers in the Klamath River Basin will be addressed at a later time in this docket if such issues need to be resolved after the Commission issues its ruling in UE 171.

Thank you for your consideration.

Very truly yours,



Edward A. Finklea

EAF/nh

cc: Attached Service List

¹ As articulated in its Response to PacifiCorp's Motion for Summary Disposition it is KWUA's position that PacifiCorp's proposal in this docket, if implemented, would violate an express condition of the utility's license to operate hydroelectric facilities on the Klamath River pursuant to federal license issued by the Federal Energy Regulatory Commission for Project No. 2082.

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