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April 20, 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
Docket No. UE 170 RECON

Dear Filing Center:

Enclosed please find the original and two copies of the clean version of Exhibit 600, introduced at the hearing that occurred on April 19, 2006, of the Industrial Customers of Northwest Utilities in the above-referenced docket.

Sincerely,

/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 Exhibit 600 of the Industrial Customers of Northwest Utilities upon the parties on the service list by causing the same to be mailed, postage-prepaid, through the U.S. Mail.

Dated at Portland, Oregon, this 20th day of April, 2006.

/s/ Anna E. Studenny
Anna E. Studenny

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DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

October 7, 2005

Dear participants to AR 499:

I am in receipt of the AR 499 order, and I have two sets of comments about it.

My **first comment** is about two legal questions that we discussed that are not covered by the order. ALJ Kathryn Logan did not include these questions because, at this point, there is no dispute about them. The two questions are:

1. May the Commission use forecast data for the automatic adjustment clause?; and
2. Can the tax adjustment result in either a rate increase or decrease?

With respect to the first question, I do not recall an agreement as to whether the Commission has legal authority to use forecast data. Some may say it can; others may disagree. I thought the agreement among those who attended the September 28 workshop was that, whether or not the PUC has authority to use forecast data, it should use only historic data. In other words, the agreement was not about the law; it was about the policy the Commission should follow.

As for the second question, it is possible that we may have different ideas as to how SB 408 may result in either a rate increase or decrease, but I recall that we all agreed that it could. In other words, unlike the first question, we based our agreement on the law.

If my recollections are correct, then ALJ Logan's order covers all of the necessary legal issues. I believe her order is correct, but I would like to know if anyone disagrees.

My **second comment** is about the areas of agreement we reached at the September 28 workshop. There were two that I think we should memorialize:

1. The October 2005 and 2006 reports are for the sole purpose of determining whether there is a trigger for the automatic adjustment clause, not to support a rate change; and
2. The Commission may use historic data for the automatic adjustment clause.

If my first comment regarding the two legal questions is correct, then I suggest we can add two more statements to the areas of agreement, which I am numbering as 3 and 4:

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3. Even if the Commission may use forecast data for the automatic adjustment clause, it should, as a matter of policy, use only historic data; and

4. A tax adjustment may result in either a rate increase or rate decrease.

Because these areas of agreement indicate which SB 408 issues need to be briefed and which do not, it is important that the record be clear as to the agreements.

Please let me know whether you agree with me that the three legal issues in ALJ Logan's order are all we need to brief. Also, please provide any comments you may have about the way I have characterized our agreements. If we concur on the areas of agreements, I will file them on behalf of the participants.

I request your responses on or before October 19.

Sincerely,

/s/Paul A. Graham

Paul A. Graham

Attorney-in-Charge

Regulated Utility & Business Section

cc: ALJ Kathryn Logan

PAG:nal/GENO0392