



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

June 25, 2008

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

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

Attention: Vikie Bailey-Goggins
Administrator, Regulatory Operations

Re: **Docket UM 1147** – Motion for Clarification of Order No. 08-263

PacifiCorp, d.b.a. Pacific Power, encloses for filing a Motion for Clarification in the above-referenced matter.

Informal questions may be directed to Joelle Steward at (503) 813-5542.

Sincerely,

Andrea L. Kelly
Vice President, Regulation

Enclosure

Cc: UM 1147 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1147

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON

Staff Request to Open an Investigation
Related to Deferred Accounting.

PACIFIC POWER MOTION FOR
CLARIFICATION OF ORDER NO. 08-263

1 Pursuant to OAR 860-013-0031, PacifiCorp d.b.a. Pacific Power (“Company”)
2 respectfully submits this Motion for Clarification of the Public Utility Commission of
3 Oregon’s (“Commission”) Order No. 08-263, issued May 22, 2008.

4 In support of this Motion, the Company states as follows:

5 1. Order No. 08-263 sets a new interest rate to be applied to all amortized
6 deferred accounts.¹ The Commission adopted the Blended Treasury Rate plus 100 basis
7 points, to be calculated annually by January 10.²

8 2. Further, the Commission determined, “the Blended Treasury Rate in effect
9 when the Commission authorizes amortization of a deferred account shall be applied to the
10 deferred account beginning on the date of the Commission’s approval of the amortization and
11 *continuing throughout the entire period of amortization.*”³ (Emphasis added.)

12 3. However, the Commission also noted its agreement with Staff’s argument that
13 applying the new interest rate to balances in existing amortizing deferred accounts would be
14 similar to the current practice of applying a utility’s Authorized Rate of Return (“AROR”),
15 which is generally updated in a general rate case and the new AROR is applied to amortizing

¹ Docket No. UM 1147, Order No. 08-263, p. 15.

² Id. The Blended Treasury Rate must be calculated annually by January 10 using rates published on the first two Thursdays of the preceding December.

³ Id.

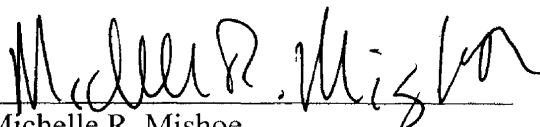
1 deferred accounts.⁴ The Commission stated, “the principle is the same: an authorized interest
2 rate for amortized deferred accounts may be adjusted at any time.”⁵

3 Requiring the interest rate in effect at the time amortization is authorized to be
4 applied for the entire amortization period, compared with the statement that an authorized
5 interest rate for amortized deferred accounts may be adjusted at any time, presents ambiguity,
6 for which the Company requests clarification. The order seems to require a change in the
7 current practice of updating the interest rate applied to amortizing deferred accounts
8 whenever there is a change in AROR by stating that the interest rate will be in effect for the
9 entire amortization period, which may exceed one year. However, the order also implies that
10 the interest rate could change at any time. PacifiCorp does not believe that the filed
11 comments of any party contemplated that the interest rate would apply to the entire
12 amortization period unless the Commission ordered an exception. Issuing a clarification of
13 how the new interest rate should be applied would enable the Company and others to better
14 ensure compliance with Order No. 08-263.

15 WHEREFORE, PacifiCorp moves that the Commission clarify Order No. 08-263 to
16 provide guidance on how the new interest rate should be applied.

DATED: June 25, 2008.

Respectfully submitted,



Michelle R. Mishoe
Legal Counsel
Pacific Power

Counsel for PacifiCorp

⁴ Order No. 08-263 at 15.

⁵ Id.

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of June, 2008, I caused to be served, via E-Mail and US Mail (to those parties who have not waived paper service), a true and correct copy of the foregoing document on the following named person(s) at his or her last-known address(es) indicated below.

Service List Docket No. UM-1147

Rates & Regulatory Affairs
Portland General Electric Company
121 SW Salmon St 1WTC0702
Portland, OR 97204
pge.opuc.filings@pgn.com

Edward A. Finklea
Cable Huston Benedict Haagensen &
Lloyd LLP
1001 SW 5th, Ste 2000
Portland, OR 97204
efinklea@cablehuston.com

Katherine Barnard (W)
Director, Regulatory Affairs
Cascade Natural Gas
P.O. Box 24464
Seattle, WA 98124
kbarnard@cngc.com

Jon T. Stoltz (W)
Sr. Vice President, Regulatory & Gas
Cascade Natural Gas
P.O. Box 24464
Seattle, WA 98124
jstoltz@cngc.com

Lowrey R. Brown (W)
Utility Analyst
Citizens' Utility Board of Oregon
610 SW Broadway, Ste 308
Portland, OR 97205
lowrey@oregoncub.org

Robert Jenks (W)
Citizens' Utility Board of Oregon
610 SW Broadway, Ste 308
Portland, OR 97205
bob@oregoncub.org

Jason Eisdorfer (W)
Energy Program Director
Citizens' Utility Board of Oregon
610 SW Broadway, Ste 308
Portland, OR 97205
jason@oregoncub.org

S. Bradley Van Cleve (W)
Davison Van Cleve PC
333 SW Taylor, Ste 400
Portland, OR 97294
mail@dvclaw.com

Allen C. Chan
Davison Van Cleve PC
333 SW Taylor, Ste 400
Portland, OR 97294
acc@dvclaw.com

Sandra D. Holmes (W)
Idaho Power Company
P.O. Box 70
Boise, ID 83703
sholmes@idahopower.com

Stephanie S. Andrus (W)
Regulated Utility & Business Section

Katherine A. McDowell (W)
McDowell & Rackner PC

Department of Justice
1162 Court St. NE
Salem, OR 97304-4096
stephanie.andrus@state.or.us

520 SW Sixth Ave, Suite 830
Portland, OR 97204
katherine@mcd-law.com

Barton L. Kline (W)
Senior Attorney
Idaho Power Company
P.O. Box 70
Boise, ID 83703
bkline@idahopower.com

Lisa F. Rackner (W)
McDowell & Rackner PC
520 SW Sixth Ave, Suite 830
Portland, OR 97204
lisa@mcd-law.com

Kimberly Perry (W)
McDowell & Rackner PC
520 SW Sixth Ave, Suite 830
Portland, OR 97204
kim@mcd-law.com

Inara K. Scott
Regulatory Affairs Manager
Northwest Natural
220 NW Second Ave.
Portland, OR 97209-3991
iks@nwnatural.com

Paula E. Pyron
Executive Director
Northwest Industrial Gas Users
4113 Wolf Berry Ct
Lake Oswego, OR 97035-1827
ppyron@mwigu.org

Rates & Regulatory Affairs
Northwest Natural
Northwest Natural
220 NW Second Ave.
Portland, OR 97209-3991
efiling@nwnatural.com

Douglas C. Tingey
Assistant General Counsel
Portland General Electric
121 SW Salmon 1WTC13
Portland, OR 97204
doug.tingey@pgn.com

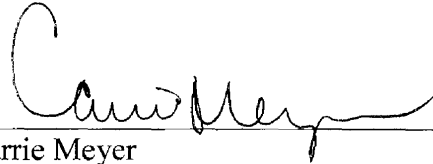
Judy Johnson
Public Utility Commission
P.O. Box 2148
Salem, OR 97308-2148
judy.johnson@state.or.us

Oregon Dockets (W)
PacifiCorp
825 NE Multnomah
Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Natalie Hocken
Vice President & General Counsel
PacifiCorp
825 NE Multnomah
Suite 2000
Portland, OR 97232
natalie.hocken@pacificorp.com

Wendy McIndoo (W)
McDowell & Rackner PC
520 SW Sixth Avenue, Suite 830
Portland, OR 97204
wendy@mcd-law.com

Michelle Mishoe (W)
Legal Counsel
Pacific Power & Light
825 NE Multnomah
Suite 1800
Portland, OR 97232
michelle.michoe@pacificorp.com

A handwritten signature in black ink, appearing to read "Carrie Meyer", is written over a horizontal line.

Carrie Meyer
Coordinator, Administrative Services