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March 31, 2006

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VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

**Re: In the Matter of Application of PACIFIC POWER & LIGHT (d/b/a PacifiCorp) for
an Accounting Order
Docket No. UM _____**

Enclosed for filing is PacifiCorp's Application for Deferred Accounting Order re MEHC Oregon Commitments 8 and 12. A copy of Exhibit A to this filing, the Notice of Application, has been served on all parties to PacifiCorp's previous general rate case, docketed as UE 170.

Very truly yours,

A handwritten signature in black ink, appearing to read 'S. Adams Lien', is written over a light blue horizontal line.

Sarah J. Adams Lien

SJL:knp

cc: UE 170 Service List

1 In addition, PacifiCorp respectfully requests that all formal correspondence and data
2 requests regarding this matter be addressed to:

3	By email (preferred)	datarequest@pacificorp.com
4	By regular mail	Data Request Response Center
5		PacifiCorp
6		825 NE Multnomah, Suite 800
		Portland, OR 97232
		(503) 813-6060

7 4. In Order 06-082, amended by Order 06-121, the Oregon Commission
8 approved MEHC’s acquisition of PacifiCorp. As a part of this order, the Commission
9 approved a Stipulation, the terms of which provided certain rate credits to Oregon customers.
10 Specifically, in Oregon Commitment 8, MEHC and PacifiCorp agreed to provide a monthly
11 credit of \$417,000 to customers associated with non-fuel cost reductions in the West Valley
12 lease. In Oregon Commitment 12, MEHC and PacifiCorp agreed to provide a monthly credit
13 of \$0.5 million associated with A&G cost savings. In both cases, these rate credits are
14 offsetable by a demonstration in a rate case that PacifiCorp has actually reduced the level of
15 the specific cost item.

16 5. In Oregon Commitment 8, MEHC and PacifiCorp agreed that “Beginning
17 with the first month after the close of the transaction to purchase PacifiCorp, Oregon’s share
18 of the monthly rate credit will be deferred for the benefit of customers and accrue interest at
19 PacifiCorp’s authorized rate of return.” Similarly, in Oregon Commitment 12, MEHC and
20 PacifiCorp agreed that “Beginning with the first month after the close of the transaction,
21 Oregon’s share of the \$0.5 million monthly rate credit will be deferred for the benefit of
22 customers and accrue interest at PacifiCorp’s authorized rate of return.”

23 6. In Order 06-121, the Commission added the following provision to the
24 approval of MEHC’s acquisition of PacifiCorp: “PacifiCorp shall file a petition for an
25 accounting order to establish its authority to create deferral accounts, as necessary to make
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1 effective the terms of Oregon Commitments 8 and 12, set forth in Exhibit 1 to the
2 Stipulation.”

3 7. Pursuant to ORS 757.259 and Orders 06-082 and 06-121, PacifiCorp proposes
4 to defer the rate credits as of April 1, 2006, the beginning of the first month after the close of
5 the MEHC acquisition of PacifiCorp, for future incorporation in PacifiCorp’s rates.

6 ORS 757.259(2)(e) allows the deferral of utility expenses or revenues where necessary to
7 minimize the frequency of rate changes or the fluctuation of rate levels or to match
8 appropriately the costs borne by and benefits received by ratepayers. The revenues for which
9 PacifiCorp seeks deferral meet the requirement of subsection (2)(e).

10 9. The amount of the deferred account will be \$917,000 monthly. PacifiCorp
11 proposes to account for these costs in the following manner: Amounts related to the West
12 Valley Lease and A&G Cost Savings will be charged to Account 400, Operating Revenues,
13 with the credit being recorded in Account 254, Other Regulatory Liabilities. The
14 amortization of the balance would be accomplished by debiting Account 254 and crediting
15 Account 142, Customer Accounts Receivable. PacifiCorp will accrue interest expense on the
16 unamortized balance at a rate equal to its weighted average cost of capital most recently
17 approved by the Commission in UE 170.

18 10. PacifiCorp does not request a determination of ratemaking treatment of these
19 rate credits at this time and instead proposes to address amortization of these revenues in
20 PacifiCorp’s pending Oregon rate case, UE 179.

21 11. A copy of the Notice of Application and a list of persons served with the
22 Notice are attached to this Application as Exhibit A.

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1 PacifiCorp respectfully requests that in accordance with ORS 757.259 and Orders
2 06-082 and 06-121, the Commission authorize the Company to defer, commencing as of the
3 date of this filing, the rate credits described in this Application.

4 DATED: March 31, 2006.

5 STOEL RIVES LLP

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7 _____
8 Katherine A. McDowell
9 Sarah J. Adams Lien

10 Attorneys for PacifiCorp
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STOEL RIVES LLP
900 SW Fifth Avenue, Suite 2600, Portland, OR 97204
Main (503) 224-3380 Fax (503) 220-2480

Exhibit A

1 BEFORE THE PUBLIC UTILITY COMMISSION
2 OF OREGON

3 UM _____

4 In the Matter of PACIFIC POWER &
5 LIGHT (d/b/a PacifiCorp) Application for
an Accounting Order

NOTICE OF APPLICATION

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7 On March 31, 2006, PacifiCorp applied to the Public Utility Commission of Oregon
8 (the "Commission") for authorization to use deferred accounting. Pursuant to ORS 757.259,
9 PacifiCorp proposes to defer for later recovery in rates certain rate credits associated with
10 MidAmerican Energy Holdings Company's acquisition of PacifiCorp. The granting of the
11 Application will not authorize a change in rates, but will permit the Commission to consider
12 allowing such deferred amounts in rates in a subsequent proceeding. Interested persons can
13 obtain a copy of Application by contacting:

14 Katherine A. McDowell
15 Stoel Rives LLP
16 900 SW Fifth Avenue, Suite 2600
Portland, OR 97204
Telephone: (503) 294-9602

17 Any person may submit to the Commission written comment on the Application, in
18 accordance with procedures prescribed by the Commission. The deadline for comments on
19 the application is April 25, 2006.

20 DATED: March 31, 2006.

21 STOEL RIVES LLP

22 

23 Katherine A. McDowell
24 Sarah J. Adams Lien

25 Of Attorneys for PacifiCorp
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CERTIFICATE OF SERVICE

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I hereby certify that I served a true and correct copy of the foregoing document on the parties of record from PacifiCorp's last general rate case, Docket UE 170, on the date indicated below by email and first-class mail, addressed to said parties at his or her last-known address(es) indicated below.

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DATED: March 31, 2006.

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