

McDowell & Rackner PC



KATHERINE A. MCDOWELL
Direct (503) 595-3924
katherine@mcd-law.com

October 1, 2007

VIA ELECTRONIC FILING

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

Re: Docket No. UM 1276

Enclosed is a revised spreadsheet attachment to PacifiCorp's CIM/pp proposal. Based upon conversations with Staff, PacifiCorp has changed one cell (M29 in the first sheet and M28 in the second sheet) previously hardcoded to a formula, and added one footnote to the first sheet. A copy of this filing has been served on all parties to this proceeding as indicated on the attached service list.

Very truly yours,



Katherine A. McDowell

Enclosure

cc: Service List

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in Docket UM 1276 on the following named person(s) on the date indicated below by email and first-class mail addressed to said person(s) at his or her last-known address(es) indicated below.

Susan K. Ackerman
susan.k.ackerman@comcast.net

Lowrey R. Brown
Citizens' Utility Board of Oregon
lowrey@oregoncub.org

Judy Johnson
Public Utility Commission of Oregon
PO Box 2148
Salem OR 97308-2148
jduy.johnson@state.or.us

Melinda J. Davison
Davison Van Cleve PC
mail@dvclaw.com

John Demoss
turbineone@earthlink.net

Jason Eisdorfer
Citizens' Utility Board of Oregon
jason@oregoncub.org

Randall J. Falkenberg
RFI Consulting Inc.
consultrfi@aol.com

Ann English Gravatt
Renewable Northwest Project
ann@rnp.org

J. Richard George
Portland General Electric
121 SW Salmon St 1WTC1301
Portland, OR 97204
richard.george@pgn.com

Ann L. Fisher
AF Legal & Consulting Services
PO Box 25302
Portland OR 97298-0302
energlaw@aol.com

Natalie Hocken
PacifiCorp
natalie.hocken@pacificorp.com

Robert Jenks
Citizens' Utility Board of Oregon
bob@oregoncub.org

Idaho Power Company
John R. Gale
rgale@idahopower.com

Robert D. Kahn
NW Independent Power Producers
rkahn@nippc.org

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Sandra D. Holmes
sholmes@idahopower.com

Barton L. Kline
bkline@idahopower.com

Karl Bokenkamp
kbokenkamp@idahopower.com

Lisa D. Nordstrom
lnordstrom@idahopower.com

Gregory W. Said
gsaid@idahopower.com

Lisa F. Rackner
McDowell & Rackner PC
lisa@mcd-law.com

Michael T. Weirich
Department of Justice
Regulated Utility & Business Section
1162 Court St NE
Salem, OR 97301-4096
michael.weirich@doj.state.or.us

DATED: October 1, 2007.

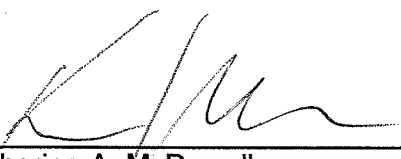
Michelle R. Mishoe
Pacific Power & Light
michelle.mishoe@pacificcorp.com

Oregon Dockets
PacifiCorp
oregondockets@pacificcorp.com

Rates & Regulatory Affairs
Portland General Electric
121 SW Salmon St 1WTC1301
Portland, OR 97204
pge.opuc.filings@pgn.com

John W. Stephens
Esler Stephens & Buckley
stephens@eslerstephens.com

Steven Weiss
Northwest Energy Coalition
steve@nwenergy.org



Katherine A. McDowell
Of Attorneys for PacifiCorp

Long-Term Tolling Example (With AFPPA)

Allowed Earnings Rate:	
Pre-Tax:	13.38%
After-Tax:	8.16%
AFPPA Rate:	7.80%
Debt Rate:	6.00%
MW:	100
Demand Charge (\$/kW-mo.):	\$ 9.00
<i>Does not escalate, but also payable during project construction</i>	

All \$000

Year	Demand Payments ⁽¹⁾	Start of Year Balance	AFPPA	End of Year Balance	Principal Receipts	Gross Return @13.38% Receipts	Net Return @8.16% Receipts	Total Pre-Tax Receipts	Pre-Tax Incentive Receipt vs. Payment Difference	Levelized Pre-Tax Incentive
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (5) + (6)	(9) = (8) - (1)	(10)
1	\$10,800	\$148,660	\$11,595	\$160,256	\$0	\$0	\$0	\$0	(\$10,800)	\$7,214
2	\$10,800	\$160,256	\$12,500	\$172,756	\$0	\$0	\$0	\$0	(\$10,800)	\$7,214
3	\$10,800	\$172,756	\$13,475	\$186,231	\$0	\$0	\$0	\$0	(\$10,800)	\$7,214
4	\$10,800	\$186,231		\$179,333	\$6,897	\$24,451	\$14,915	\$31,348	\$20,548	\$7,214
5	\$10,800	\$179,333		\$172,436	\$6,897	\$23,528	\$14,352	\$30,426	\$19,626	\$7,214
6	\$10,800	\$172,436		\$165,538	\$6,897	\$22,605	\$13,789	\$29,503	\$18,703	\$7,214
7	\$10,800	\$165,538		\$158,641	\$6,897	\$21,683	\$13,227	\$28,580	\$17,780	\$7,214
8	\$10,800	\$158,641		\$151,743	\$6,897	\$20,760	\$12,664	\$27,658	\$16,858	\$7,214
9	\$10,800	\$151,743		\$144,846	\$6,897	\$19,837	\$12,101	\$26,735	\$15,935	\$7,214
10	\$10,800	\$144,846		\$137,949	\$6,897	\$18,915	\$11,538	\$25,812	\$15,012	\$7,214
11	\$10,800	\$137,949		\$131,051	\$6,897	\$17,992	\$10,975	\$24,890	\$14,090	\$7,214
12	\$10,800	\$131,051		\$124,154	\$6,897	\$17,069	\$10,412	\$23,967	\$13,167	\$7,214
13	\$10,800	\$124,154		\$117,256	\$6,897	\$16,147	\$9,850	\$23,044	\$12,244	\$7,214
14	\$10,800	\$117,256		\$110,359	\$6,897	\$15,224	\$9,287	\$22,122	\$11,322	\$7,214
15	\$10,800	\$110,359		\$103,461	\$6,897	\$14,301	\$8,724	\$21,199	\$10,399	\$7,214
16	\$10,800	\$103,461		\$96,564	\$6,897	\$13,379	\$8,161	\$20,276	\$9,476	\$7,214
17	\$10,800	\$96,564		\$89,667	\$6,897	\$12,456	\$7,598	\$19,354	\$8,554	\$7,214
18	\$10,800	\$89,667		\$82,769	\$6,897	\$11,533	\$7,035	\$18,431	\$7,631	\$7,214
19	\$10,800	\$82,769		\$75,872	\$6,897	\$10,611	\$6,473	\$17,508	\$6,708	\$7,214
20	\$10,800	\$75,872		\$68,974	\$6,897	\$9,688	\$5,910	\$16,585	\$5,785	\$7,214
21	\$10,800	\$68,974		\$62,077	\$6,897	\$8,765	\$5,347	\$15,663	\$4,863	\$7,214
22	\$10,800	\$62,077		\$55,179	\$6,897	\$7,843	\$4,784	\$14,740	\$3,940	\$7,214
23	\$10,800	\$55,179		\$48,282	\$6,897	\$6,920	\$4,221	\$13,817	\$3,017	\$7,214
24	\$10,800	\$48,282		\$41,385	\$6,897	\$5,997	\$3,658	\$12,895	\$2,095	\$7,214
25	\$10,800	\$41,385		\$34,487	\$6,897	\$5,075	\$3,096	\$11,972	\$1,172	\$7,214
26	\$10,800	\$34,487		\$27,590	\$6,897	\$4,152	\$2,533	\$11,049	\$249	\$7,214
27	\$10,800	\$27,590		\$20,692	\$6,897	\$3,229	\$1,970	\$10,127	(\$673)	\$7,214
28	\$10,800	\$20,692		\$13,795	\$6,897	\$2,307	\$1,407	\$9,204	(\$1,596)	\$7,214
29	\$10,800	\$13,795		\$6,897	\$6,897	\$1,384	\$844	\$8,281	(\$2,519)	\$7,214
30	\$10,800	\$6,897		\$0	\$6,897	\$461	\$281	\$7,359	(\$3,441)	\$7,214
Sum	\$324,000				\$186,231	\$336,314	\$205,152	\$522,545	\$198,545	\$216,425
NPV @8.16%	\$119,771				\$58,766	\$141,008	\$86,015	\$199,776	\$80,005	\$80,005
NPV @6.00%	\$148,660									

⁽¹⁾ Demand payments assumed at 50% of total payments

Long-Term Tolling Example (With AFPPA)

Allowed Earnings Rate:	
Pre-Tax:	13.38%
After-Tax:	8.16%
AFPPA Rate:	7.80%
Debt Rate:	6.00%
MW:	100
Demand Charge (\$/kW-mo.):	\$ 9.00
<i>Does not escalate, but also payable during project construction</i>	

All \$000

Year	Demand Payments ⁽¹⁾	Start of Year Balance	AFPPA	End of Year Balance	Principal Receipts	Gross Return @13.38% Receipts	Net Return @8.16% Receipts	Total Pre-Tax Receipts	Pre-Tax Incentive Receipt vs. Payment Difference	Levelized Pre-Tax Incentive
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (5) + (6)	(9) = (8) - (1)	(10)
1	\$10,800	\$148,660	\$11,595	\$160,256	\$0	\$0	\$0	\$0	(\$10,800)	\$7,214
2	\$10,800	\$160,256	\$12,500	\$172,756	\$0	\$0	\$0	\$0	(\$10,800)	\$7,214
3	\$10,800	\$172,756	\$13,475	\$186,231	\$0	\$0	\$0	\$0	(\$10,800)	\$7,214
4	\$10,800	\$186,231		\$179,333	\$6,897	\$24,451	\$14,915	\$31,348	\$20,548	\$7,214
5	\$10,800	\$179,333		\$172,436	\$6,897	\$23,528	\$14,352	\$30,426	\$19,626	\$7,214
6	\$10,800	\$172,436		\$165,538	\$6,897	\$22,605	\$13,789	\$29,503	\$18,703	\$7,214
7	\$10,800	\$165,538		\$158,641	\$6,897	\$21,683	\$13,227	\$28,580	\$17,780	\$7,214
8	\$10,800	\$158,641		\$151,743	\$6,897	\$20,760	\$12,664	\$27,658	\$16,858	\$7,214
9	\$10,800	\$151,743		\$144,846	\$6,897	\$19,837	\$12,101	\$26,735	\$15,935	\$7,214
10	\$10,800	\$144,846		\$137,949	\$6,897	\$18,915	\$11,538	\$25,812	\$15,012	\$7,214
11	\$10,800	\$137,949		\$131,051	\$6,897	\$17,992	\$10,975	\$24,890	\$14,090	\$7,214
12	\$10,800	\$131,051		\$124,154	\$6,897	\$17,069	\$10,412	\$23,967	\$13,167	\$7,214
13	\$10,800	\$124,154		\$117,256	\$6,897	\$16,147	\$9,850	\$23,044	\$12,244	\$7,214
14	\$10,800	\$117,256		\$110,359	\$6,897	\$15,224	\$9,287	\$22,122	\$11,322	\$7,214
15	\$10,800	\$110,359		\$103,461	\$6,897	\$14,301	\$8,724	\$21,199	\$10,399	\$7,214
16	\$10,800	\$103,461		\$96,564	\$6,897	\$13,379	\$8,161	\$20,276	\$9,476	\$7,214
17	\$10,800	\$96,564		\$89,667	\$6,897	\$12,456	\$7,598	\$19,354	\$8,554	\$7,214
18	\$10,800	\$89,667		\$82,769	\$6,897	\$11,533	\$7,035	\$18,431	\$7,631	\$7,214
19	\$10,800	\$82,769		\$75,872	\$6,897	\$10,611	\$6,473	\$17,508	\$6,708	\$7,214
20	\$10,800	\$75,872		\$68,974	\$6,897	\$9,688	\$5,910	\$16,585	\$5,785	\$7,214
21	\$10,800	\$68,974		\$62,077	\$6,897	\$8,765	\$5,347	\$15,663	\$4,863	\$7,214
22	\$10,800	\$62,077		\$55,179	\$6,897	\$7,843	\$4,784	\$14,740	\$3,940	\$7,214
23	\$10,800	\$55,179		\$48,282	\$6,897	\$6,920	\$4,221	\$13,817	\$3,017	\$7,214
24	\$10,800	\$48,282		\$41,385	\$6,897	\$5,997	\$3,658	\$12,895	\$2,095	\$7,214
25	\$10,800	\$41,385		\$34,487	\$6,897	\$5,075	\$3,096	\$11,972	\$1,172	\$7,214
26	\$10,800	\$34,487		\$27,590	\$6,897	\$4,152	\$2,533	\$11,049	\$249	\$7,214
27	\$10,800	\$27,590		\$20,692	\$6,897	\$3,229	\$1,970	\$10,127	(\$673)	\$7,214
28	\$10,800	\$20,692		\$13,795	\$6,897	\$2,307	\$1,407	\$9,204	(\$1,596)	\$7,214
29	\$10,800	\$13,795		\$6,897	\$6,897	\$1,384	\$844	\$8,281	(\$2,519)	\$7,214
30	\$10,800	\$6,897		\$0	\$6,897	\$461	\$281	\$7,359	(\$3,441)	\$7,214
Sum	\$324,000				\$186,231	\$336,314	\$205,152	\$522,545	\$198,545	\$216,425
NPV @8.16%	\$119,771				\$58,768	\$141,008	\$86,015	\$199,776	\$80,005	\$80,005
NPV @6.00%	\$148,660									

⁽¹⁾ Demand payments assumed at 50% of total payments

