

October 15, 2010

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

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

Attention: Filing Center

Re: In the Matter of Automatic Adjustment Clause Filings Under ORS 757.268, Docket UE 177—PacifiCorp 2009 Tax Report Filing

Pursuant to ORS 757.268 and OAR 860-022-0041, PacifiCorp encloses with this letter its highly confidential tax report for 2009. The enclosed tax report is being filed under seal pursuant to Protective Order No. 06-033 (2006). Under the terms of Protective Order No. 06-033, PacifiCorp will also make its highly confidential 2009 Tax Report and supporting workpapers available to Qualified Intervenors in the Portland and Salem safe rooms by Friday, October 22, 2010. The highly confidential information contained in the report is privileged under state law and protected from disclosure under ORS 757.268(11) and ORS 192.502(9).

The tax report discloses the difference between the amount of state, federal, and local taxes paid and properly attributed to the regulated operations of the utility and the amount of taxes authorized to be collected in PacifiCorp's rates for calendar year 2009, which PacifiCorp calculated based on the requirements of ORS 757.268 and OAR 860-022-0041. These calculations show that, for calendar year 2009, the amount of state, federal, and local taxes paid and properly attributed to the regulated operations of the utility was \$29,347,278 more than the amount of taxes authorized to be collected in PacifiCorp's rates as determined pursuant to ORS 757.268 and OAR 860-022-0041. With interest, this amount would result in an approximate 3.1 percent increase over present rates including the current SB 408 surcharge.

Based on PacifiCorp's tax reports previously submitted, the state, federal, and local taxes paid and properly attributed to the regulated operations of the utility was \$4,478,824 more than the amount of taxes authorized to be collected in PacifiCorp's rates for calendar year 2007; and \$1,448,453 more than the amount of taxes authorized to be collected in PacifiCorp's rates for calendar year 2008.

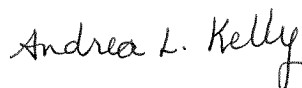
In each of the three years contained in the highly confidential tax report, the amount of taxes reflected in PacifiCorp's rates differed from the amount of taxes paid by \$100,000 or more. Under ORS 757.268(4) and OAR 860-022-0041(8), the Commission previously established an automatic adjustment clause under ORS 757.210 for the difference between taxes paid and collected on or after January 1, 2006.

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PacifiCorp will file tariff sheets effective June 1, 2011, in compliance with the Commission's order on the 2009 Tax Report.

Questions on this filing should be directed to Joelle Steward at (503) 813-5542.

Very truly yours,

A handwritten signature in cursive script that reads "Andrea L. Kelly".

Andrea L. Kelly
Vice President, Regulation

Enclosures (under seal)
cc: Service List (without enclosures)

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that I served a true and correct copy of the foregoing document in
3 Docket UE 177 on the following named person(s) on the date indicated below by email and
4 first-class mail addressed to said person(s) at his or her last-known address(es) indicated
5 below. Highly Confidential material will be available in the Safe Rooms pursuant to Order
6 No. 06-033.

7 CUB – OPUC Dockets
8 Citizens' Utility Board Of Oregon
9 610 SW Broadway Ste 400
Portland OR, 97205
Dockets@oregoncub.org

Robert Jenks
Citizens' Utility Board
610 SW Broadway Ste 400
Portland OR, 97205
bob@oregoncub.org

10 G. Catriona McCracken
11 Citizens' Utility Board
12 610 SW Broadway Ste 400
Portland OR, 97205
Catriona@oregoncub.org

Gordon R. Feighner
Citizens' Utility Board
610 SW Broadway Ste 400
Portland OR, 97205
Gordon@oregoncub.org

13 Daniel W. Meek
14 Daniel W. Meek Attorney at Law
15 10949 SW 4th Ave
Portland OR 97219
dan@meek.net

Melinda J. Davison
Davison Van Cleve, PC
333 SW Taylor, Suite 400
Portland, OR 97204
mail@dvclaw.com

16 Jesse E. Cowell
17 Davison Van Cleve, PC
18 333 SW Taylor, Suite 400
Portland, OR 97204
jec@dvclaw.com

Jason W. Jones
Department of Justice
Regulated & Utility Business Section
1162 Court Street NE
Salem, OR 97301-4096
jason.w.jones@state.or.us

19 Linda K. Williams
20 Kafoury & McDougal
21 10266 SW Lancaster Rd.
Portland, OR 97219-6305
Linda@lindawilliams.net

22 DATED: October 15, 2010

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24 
25 Amie Jamieson

26 Of Attorneys for PacifiCorp