

December 1, 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 UE 200 – Renewable Adjustment Clause
December 1 Update

PacifiCorp d.b.a. Pacific Power submits this letter to satisfy Section 6(e), Filing Update, in the Stipulation adopting the Renewable Adjustment Clause (RAC) in UM 1330, approved by Order 07-572.

Section 6(e) in the Stipulation states, in part:

Filing Update: If any of the cost elements as described in Section 6(b) of an eligible resource cannot be verified by the final round of testimony in an annual RAC proceeding, a Utility will make an update filing in the proceeding within eight months of the date of the initial filings, or by December 1, to reflect the then-current, prudently-incurred actual resource costs, or forecasted where appropriate.

The final round of testimony in the current RAC proceeding was the Company's rebuttal filing on August 22, 2008. Exhibit PPL/304 in that filing shows the actual capital costs as of July 31, 2008, of the resources that were in service prior to this date.¹ These resources were Leaning Juniper, Marengo, Blundell Bottoming Cycle, Goodnoe Hills and Marengo II. Since these actual capital costs were in the record, and were approved in Order No. 08-548, no update is required for these resources pursuant to Section 6(e) above.

Glenrock and Seven Mile Hill, which were also approved for inclusion in rates by Commission Order 08-548, were under construction at the time of the rebuttal filing. Exhibit PPL/304 reflects the projected costs of these resources. Construction continues on these wind resources at this time, therefore actual costs are not available. At the time these resources go into service, the

¹ Operation and maintenance costs for the resources, which are forecasted pursuant to Section 6(b) in the RAC Stipulation in UM 1330, were subsequently revised pursuant to the Partial Stipulation in UE 200, which was approved by the Commission in Order 08-548.

Company will file for deferred accounting as provided for in Section 6(f) in the UM 1330 Stipulation. Section 6(f) states that deferred accounting can be used

...to allow an opportunity for recovery of the cost differences between the projected costs in the record and the updated prudently incurred cost elements described in Section 6(b) if: (a) such cost elements are higher than the projected costs in the record; or (b) if actual capital costs cannot be verified until after December 1.

The deferred accounting the Company will request for Glenrock and Seven Mile Hill will reflect the cost differences between the projected capital costs included in the Company's compliance filing in this docket and the actual capital costs. The compliance filing will reflect the projected costs for Glenrock and Seven Mile Hill as shown in Exhibit PPL/304 and modified by the Partial Stipulation for operations and maintenance expense, with adjustments to Glenrock as ordered by Commission Order No. 08-548. The actual capital costs will be provided after the resources are placed into service and the costs can be verified in the Company's accounting system.

Questions on this filing may be directed to Joelle Steward, Regulatory Manager, at (503) 813-5542.

Sincerely,

A handwritten signature in black ink that reads "Andrea L. Kelly" followed by a stylized monogram or flourish.

Andrea L. Kelly
Vice President, Regulation

Cc: UE 200 Service List

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of December, 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.

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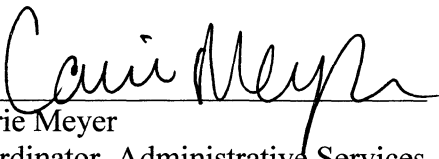
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