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December 24, 2007

Via Electronic and US Mail

Public Utility Commission
Attn: Filing Center
550 Capitol St. NE #215
P.O. Box 2148
Salem OR 97308-2148

Re: In the Matter of OREGON PUBLIC UTILITY STAFF Requesting the
Commission direct PACIFICORP, dba PACIFIC POWER & LIGHT
COMPANY, to file tariffs establishing automatic adjustment clauses under the
terms of SB 408
Docket No. UE 177

Dear Filing Center:

Enclosed please find the original and one (1) copy of the Motion to Compel of the
Industrial Customers of Northwest Utilities (*expedited consideration requested*) in the above-
referenced matter.

Thank you for your assistance.

Sincerely yours,

/s/ Ruth A. Miller
Ruth A. Miller

Enclosure

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Motion to Compel of the Industrial Customers of Northwest Utilities (*expedited consideration requested*) upon the parties, shown below, on the official service list by causing the foregoing document to be deposited, postage-prepaid, in the U.S. Mail, and service via electronic mail.

Dated at Portland, Oregon, this 24th day of December, 2007.

/s/ Ruth A. Miller
Ruth A. Miller

CITIZENS' UTILITY BOARD OF OREGON LOWREY R BROWN JASON EISDORFER 610 SW BROADWAY STE 308 PORTLAND OR 97205 lowrey@oregoncub.org jason@oregoncub.org	DANIEL W MEEK 10949 SW 4TH AVE PORTLAND OR 97219 dan@meek.net
DEPARTMENT OF JUSTICE JASON W JONES REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 jason.w.jones@state.or.us	KAFOURY & MCDUGAL LINDA K WILLIAMS 10266 SW LANCASTER RD PORTLAND OR 97219-6305 linda@lindawilliams.net
MCDOWELL & ASSOCIATES PC KATHERINE MCDOWELL 520 SW SIXTH AVE STE 830 PORTLAND OR 97204 katherine@mcd-law.com	PACIFICORP OREGON DOCKETS OREGON DOCKETS 825 NE MULTNOMAH ST STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 177

In the Matter of)	
)	
OREGON PUBLIC UTILITY STAFF)	MOTION TO COMPEL OF THE
)	INDUSTRIAL CUSTOMERS OF
Requesting the Commission Direct)	NORTHWEST UTILITIES
)	
PACIFICORP, dba PACIFIC POWER)	<i>(expedited consideration requested)</i>
& LIGHT COMPANY,)	
)	
to File Tariffs Establishing Automatic)	
Adjustment Clauses Under the Terms of)	
SB 408.)	

Pursuant to Oregon Administrative Rules (“OAR”) §§ 860-013-0031 and 860-014-0070, and Rule 46A of the Oregon Rules of Civil Procedure (“ORCP”), the Industrial Customers of Northwest Utilities (“ICNU”) files with the Public Utility Commission of Oregon (“OPUC” or the “Commission”) this Motion to Compel (“Motion”) PacifiCorp to supplement PacifiCorp’s responses to ICNU’s first set of data requests by providing copies of the consolidated schedules for each entity included in the consolidated tax return of PacifiCorp, with lines 28 and 29 of its tax report unredacted. A copy of ICNU’s data requests, PacifiCorp’s responses, and ICNU and PacifiCorp’s subsequent letters regarding ICNU’s data requests, are included as Attachments A-C to this Motion.

Given that ICNU must submit its testimony in this proceeding by January 22, 2008, ICNU requests that this Motion be considered on an expedited basis pursuant to

OAR § 860-013-0050. Specifically, ICNU asks that PacifiCorp be required to respond to this Motion by December 31, 2007, and that Administrative Law Judge (“ALJ”) Grant or the Commission issue an order on ICNU’s Motion as quickly as possible. ICNU recognizes the inconvenience of filing this Motion during the holidays, but it is unavoidable given the current schedule in this proceeding.

I. BACKGROUND

On November 22, 2005, Commission Staff opened Docket No. UE 177, requesting the Commission to direct PacifiCorp, Portland General Electric (“PGE”), Avista Corporation (“Avista”), and Northwest Natural Gas Company (“NW Natural”) to file tariffs establishing automatic adjustment clauses under the terms of Senate Bill (“SB”) 408. SB 408 requires each utility to file an annual tax report with the Commission that identifies the amount of taxes authorized to be collected in rates and the amount of income taxes paid by the utility or its consolidated tax group in a given year. OPUC Docket No. UE 177, Order No. 07-138 at 1 (April 11, 2007). If the amounts of collection and payment differ by at least \$100,000, the Commission must adopt an automatic adjustment clause to account for the difference. Id.

On December 8, 2005, ICNU filed a petition to intervene in this docket. The petition was granted the following day, giving ICNU full party status. On December 13, 2005, PacifiCorp, PGE, Avista and NW Natural moved for entry of an amended version of the Commission’s standard protective order. On January 25, 2006, the Commission granted the motion in part, entering an amended protective order to require a safe-room discovery mechanism for the review of confidential portions of the SB 408 tax

reports and other documents containing tax data and analysis. OPUC Docket No. UE 177, Order No. 06-033 at 4. The order provides that “the utilities may only designate the protected portions of the SB 408 tax reports and documents that contain the tax data and analysis as Highly Confidential Information.” Id. The order allows “any party [to] challenge such a heightened designation, at which time the designating utility will bear the burden of establishing that the information is properly subject to additional protection.” Id.

On October 19, 2007, PacifiCorp filed with the Commission in UE 177 its 2006 tax report and supporting work papers. The work papers include copies of pages filed with the Internal Revenue Service (“IRS”); however, significant portions of the work papers are redacted. On December 3, 2007, ICNU served its data requests on PacifiCorp. ICNU’s data requests 1.1 – 1.8, 1.11 – 1.18, and 1.19 – 1.55, seek exact copies of the unredacted pages that PacifiCorp filed with the IRS. ICNU’s data requests 1.9 and 1.56 seek complete copies of the 2005 federal income tax returns filed by ScottishPower Holdings Inc. & Subsidiaries, Berkshire Hathaway Inc. & Subsidiaries, and each subgroup that comprises Berkshire Hathaway Inc. & Subsidiaries, exactly as the returns were filed with the IRS.

On December 12, 2007, PacifiCorp responded to ICNU’s data requests. PacifiCorp responded to data requests 1.1 – 1.8, 1.11 – 1.18, and 1.19 – 1.55 by refusing to provide any additional information, stating that it “did not redact any information related to PacifiCorp or its regulated subsidiaries,” and, “[t]o the extent that ICNU demonstrates that specific redacted information is required for its review of PacifiCorp’s

PAGE 3 – ICNU’S EXPEDITED MOTION TO COMPEL

compliance filing, PacifiCorp will supplement this response as appropriate.” As to ICNU’s data requests 1.9 and 1.56, PacifiCorp responded that it “sought to provide documentation that was transparent and complete to enable a thorough examination of PacifiCorp’s compliance filing, while protecting the confidential information of unregulated third parties to the greatest extent possible.” PacifiCorp further stated that its “supporting workpapers for its tax report contain all relevant portions of the federal income tax return.” Finally, PacifiCorp again stated, “To the extent that ICNU demonstrates that specific additional information is required for its review of PacifiCorp’s compliance filing, PacifiCorp will supplement this response as appropriate.”

On December 18, 2007, in an attempt to work with counsel for PacifiCorp, ICNU narrowed its request. Counsel for ICNU sent a letter to counsel for PacifiCorp, requesting that PacifiCorp supplement its responses to ICNU’s first set of data requests by providing copies by December 24, 2007, of the consolidating schedules, with lines 28 and 29 unredacted, for each and every entity included in the consolidated tax return of PacifiCorp. Line 28 shows the taxable income before net operating loss and special deductions for each entity. Line 29 shows the net operating loss and special deductions for each entity. ICNU’s letter explained that the information “is necessary to ensure that the total taxable income used for purposes of the tax report is accurate.”

On December 21, 2007, counsel for PacifiCorp sent a response letter to counsel for ICNU, in which PacifiCorp’s counsel stated that “there is nothing contained in Lines 28 or 29 of the consolidated schedules of PacifiCorp’s unregulated affiliates that could possibly change or impact any data contained in PacifiCorp’s tax report.”

PAGE 4 – ICNU’S EXPEDITED MOTION TO COMPEL

PacifiCorp’s counsel further stated, “For this reason, and because the information requested is both highly confidential and burdensome to gather and produce, PacifiCorp objects to its production.”

ICNU submits this Motion at this time, requesting that the ALJ or the Commission order PacifiCorp to provide copies of the consolidating schedules, with lines 28 and 29 unredacted, for each entity included in the consolidated tax return of PacifiCorp. Pursuant to OAR § 860-014-0070, ICNU certifies that it has conferred with PacifiCorp prior to filing this Motion and has been unable to resolve the dispute.

II. ARGUMENT

The Commission has recognized that “[d]iscovery is a right afforded to parties in a legal proceeding by our rules and by the Oregon Rules of Civil Procedure, which we follow except where our rules differ.” Re PGE, OPUC Docket No. UE 102, Order No. 98-294 at 3 (July 16, 1998); see OAR § 860-011-0000(3). ORCP 36B(1) allows broad discovery of information “regarding any matter, not privileged, which is relevant to the claim or defense of the party seeking discovery” The Oregon courts and the Commission have interpreted this provision to mean that the information sought need not be admissible itself, as long as it is reasonably calculated to lead to the discovery of admissible evidence. Baker v. English, 324 Or. 585, 589 n.3 (1997); Re Portland Extended Area Service Region, OPUC Docket No. UM 261, Order No. 91-958 at 5 (July 31, 1991). OAR § 860-014-0070 also provides parties with the ability to submit written interrogatories or request production of documents in the form of data requests.

When the courts have limited the scope of discovery, restrictions typically have been directed at the use of, rather than the acquisition of, the information sought. Vaughan v. Taylor, 79 Or. App. 359, 365 (1986). The Oregon Administrative Rules do not impose any additional limitations on the scope of discoverable information. OAR §§ 860-011-0000(3), 860-014-0070.

ICNU's requests are within the scope of discoverable information in this proceeding as they are reasonably calculated to lead to the discovery of admissible evidence. ICNU only requests unredacted copies of documents that are essential for ICNU to ensure the accuracy of PacifiCorp's tax reports.

PacifiCorp's refusal to supplement its responses by providing unredacted copies defeats the purpose of SB 408, which is to allow a comparison of the taxes paid by the utilities or their consolidated tax groups with the amount of taxes the utilities are authorized to collect in rates. OPUC Docket No. UE 177, Order No. 07-138 at 1 (April 11, 2007). The Commission is required to review the utilities' tax reports to determine if the amount of taxes assumed in rates differs by at least \$100,000 from the amount of taxes paid. Id. PacifiCorp's refusal to provide exact copies of certain pages filed with the IRS prevents ICNU from verifying the accuracy of PacifiCorp's tax reports.

ICNU recognizes that the information sought is highly confidential. Its expert is very accustomed to protecting confidential information and has a long track record of participating in regulatory proceedings without any intentional or unintentional release of confidential information. ICNU is also seeking limited modification of the

protective order as the safe-room procedures further exacerbate ICNU's ability to effectively participate in this proceeding.

Additional support for ICNU's Motion is found in the Commission Staff's December 19, 2007 filed report in UE 177, entitled "Initial Findings for PacifiCorp." In that report, Staff commented that, in reviewing the supporting work papers provided by PacifiCorp, Staff also encountered substantial redactions to the tax returns for both Scottish Power and Berkshire Hathaway Inc. Despite its request to PacifiCorp for unredacted copies of those tax returns, PacifiCorp responded—just as PacifiCorp had responded to ICNU—that it would only provide specific unredacted information if Staff were to demonstrate a specific need for such information.

Staff commented in its report that it was "unnecessary for [PacifiCorp] to file its SB 408 filing under a modified protective order claiming 'highly confidential' information and then submit redacted information that hinders Staff's ability to perform a timely review." Staff further commented that it had already "modified its procedures to accommodate the highly confidential and sensitive information." Thus, Staff recommended that PacifiCorp "file unredacted work papers" In accordance with Staff's recommendation, ICNU hereby requests that PacifiCorp provide unredacted copies of the consolidating schedules so that ICNU may complete its verification of the accuracy of PacifiCorp's tax reports.

There is little question that the information ICNU is seeking is relevant. In fact, the information sought goes to the essence of why SB 408 was passed, which is to ensure that unregulated affiliate losses are properly reflected and accounted for in

PAGE 7 – ICNU'S EXPEDITED MOTION TO COMPEL

calculating the income tax liability of the regulated utility. Further, PacifiCorp's other argument that it is burdensome to produce the documents is not credible, since the documents had to be compiled in order to be redacted in the first place. Finally, it was the decision of PacifiCorp's parent to change how it filed income taxes by moving the taxpaying entity from MEHC to Berkshire. When this decision was made, it should have been recognized that this act would subject these entities to potential discovery in order to ensure that the tax report was properly prepared under SB 408 and the Commission's rules.

WHEREFORE, ICNU requests that the ALJ or the Commission grant this Motion to Compel.

Dated this 24th day of December 2007.

Respectfully submitted,

/s/ Andrew N. Harris

Melinda J. Davison

Allen C. Chan

Andrew N. Harris

Davison Van Cleve, P.C.

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Of Attorneys for Industrial Customers
of Northwest Utilities

ATTACHMENT A
ICNU'S DATA REQUESTS AND PACIFICORP'S RESPONSES

PAGE 1 – ATTACHMENT A TO ICNU'S EXPEDITED MOTION TO COMPEL

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Pacific Power
Rocky Mountain Power
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Suite 2000
Portland, Oregon 97232

December 11, 2007

DAVISON VAN CLEVE, PC

DEC 11 2007

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Ellen Blumenthal
GDS Associates, Inc.
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Corpus Christi, Texas 78418
(361) 949-1578
ellen.blumenthal@gdsassociates.com

RE: OR Docket No. UE-177
ICNU Data Requests 1-62

Please find enclosed PacifiCorp's Response to ICNU Data Requests 1-62.

If you have any questions, please call Joelle Steward at (503) 813-5542.

Sincerely,

Joelle Steward
Manager, Regulation

Enclosures

ICNU Data Request 1.1

Two columns on FED-11 are redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.1

In completing its tax report, PacifiCorp sought to provide documentation that was transparent and complete to enable a thorough examination of PacifiCorp's compliance filing, while protecting the confidential information of unregulated third parties to the greatest extent possible.

Workpapers FED-10 through FED-14 comprise a five page consolidated schedule that reports taxable income and deductions on a company-by-company basis, including eliminations and other adjustments, to arrive at the consolidated amounts reported on page 1 of the federal Form 1120 (FED-2).

PacifiCorp did not redact any information related to PacifiCorp or its regulated subsidiaries. PacifiCorp did redact all unregulated third-party separate company information on these workpapers with the exception of Line 30, Taxable Income. Separate company taxable income or loss is necessary to support the calculation of the apportionment method federal tax floor pursuant to rule (3)(b) (TP31, TR2). No other unregulated third party information from workpapers FED-10 through FED-14 is necessary for this compliance filing.

To the extent that ICNU demonstrates that specific redacted information is required for its review of PacifiCorp's compliance filing, PacifiCorp will supplement this response as appropriate.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.2

ICNU Data Request 1.2

All information on FED-12 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.2

Please refer to the Company's response to ICNU Data Request 1.1.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.3

ICNU Data Request 1.3

All information on FED-13 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.3

Please refer to the Company's response to ICNU Data Request 1.1.

1
UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.4

ICNU Data Request 1.4

All information on FED-14 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.4

Please refer to the Company's response to ICNU Data Request 1.1.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.5

ICNU Data Request 1.5

Two columns on FED-16 are redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.5

In completing its tax report, PacifiCorp sought to provide documentation that was transparent and complete to enable a thorough examination of PacifiCorp's compliance filing, while protecting the confidential information of unregulated third parties to the greatest extent possible.

Workpapers FED-15 through FED-19 comprise a five page consolidated schedule that reports general business tax credits on a company-by-company basis, including eliminations and other adjustments, to arrive at the consolidated amounts reported on federal Form 3800 (FED-6, FED-7).

PacifiCorp did not redact any information related to PacifiCorp or its regulated subsidiaries. PacifiCorp did redact all unregulated third-party separate company information on these workpapers with the exception of Line 2 through Line 8, which provide the current year, carryforward, carryback and tentative total general business credits. While these workpapers are not used to support a specific calculation in PacifiCorp's compliance filing, certain types of federal tax credits and their treatment for the purposes of Senate Bill 408 are specifically contemplated in the permanent rules; see rule (3)(a)(A)(iii), (4)(d)(A), and ORS 757.268(13)(f). Workpapers FED-15 through FED-19 provide reviewers with clear documentation of the specific types of federal tax credits being generated and utilized by the federal consolidated group. No other unregulated third party information from workpapers FED-15 through FED-19 is necessary for this compliance filing.

To the extent that ICNU demonstrates that specific redacted information is required for its review of PacifiCorp's compliance filing, PacifiCorp will supplement this response as appropriate.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.6

ICNU Data Request 1.6

All information on FED-17 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.6

Please refer to the Company's response to ICNU Data Request 1.5.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.7

ICNU Data Request 1.7

All information on FED-18 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.7

Please refer to the Company's response to ICNU Data Request 1.5.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.8

ICNU Data Request 1.8

All information on FED-19 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.8

Please refer to the Company's response to ICNU Data Request 1.5.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.9

ICNU Data Request 1.9

Please provide a complete copy of the 2005 Federal income tax return filed by ScottishPower Holdings Inc & Subsidiaries exactly as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.9

In completing its tax report, PacifiCorp sought to provide documentation that was transparent and complete to enable a thorough examination of PacifiCorp's compliance filing, while protecting the confidential information of unregulated third parties to the greatest extent possible. PacifiCorp's supporting workpapers for its tax report contain copies of all relevant portions of the federal income tax return.

To the extent that ICNU demonstrates that specific additional information is required for its review of PacifiCorp's compliance filing, PacifiCorp will supplement this response as appropriate.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.10

ICNU Data Request 1.10

Please provide copies of all adjustments to the 2005 Federal income tax return referred to in the previous questions. Include all documentation that supports each change to the filed tax return and the additional taxes levied.

Response to ICNU Data Request 1.10

To date, no adjustments, changes, or additional taxes have been levied on the 2005 federal income tax return as filed.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.11

ICNU Data Request 1.11

Two columns on FED-25 are redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.11

In completing its tax report, PacifiCorp sought to provide documentation that was transparent and complete to enable a thorough examination of PacifiCorp's compliance filing, while protecting the confidential information of unregulated third parties to the greatest extent possible.

Workpapers FED-23 through FED-32 comprise a ten page consolidated schedule that reports renewable electricity, refined coal, and Indian coal production tax credits on a company-by-company basis, including eliminations and other adjustments, to arrive at the consolidated amounts reported on federal Form 8835 (FED-8, FED-9).

PacifiCorp did not redact any information related to PacifiCorp or its regulated subsidiaries. PacifiCorp did redact all unregulated third-party separate company information on these workpapers with the exception of Line 10 and Line 30, which report the total current year credits. These workpapers have been provided to support the adjustments to federal taxes paid (TP24) specifically contemplated in the permanent rules; see rule (3)(a)(A)(iii), (4)(d)(A), and ORS 757.268(13)(f). The workpapers also support the amount of renewable electricity production tax credits reported in the federal standalone calculation (TP27-4). No other unregulated third party information from workpapers FED-23 through FED-32 is necessary for this compliance filing.

To the extent that ICNU demonstrates that specific redacted information is required for its review of PacifiCorp's compliance filing, PacifiCorp will supplement this response as appropriate.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.12

ICNU Data Request 1.12

All information on FED-26 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.12

Please refer to the Company's response to ICNU Data Request 1.11.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.13

ICNU Data Request 1.13

All information on FED-27 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.13

Please refer to the Company's response to ICNU Data Request 1.11.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.14

ICNU Data Request 1.14

All information on FED-28 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.14

Please refer to the Company's response to ICNU Data Request 1.11.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.15

ICNU Data Request 1.15

Two columns on FED-29 are redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.15

Please refer to the Company's response to ICNU Data Request 1.11.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.16

ICNU Data Request 1.16

All information on FED-30 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.16

Please refer to the Company's response to ICNU Data Request 1.11.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.17

ICNU Data Request 1.17

All information on FED-31 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.17

Please refer to the Company's response to ICNU Data Request 1.11.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.18

ICNU Data Request 1.18

All information on FED-32 is redacted. Please provide an exact copy of this page as it was filed with the Internal Revenue Service.

Response to ICNU Data Request 1.18

Please refer to the Company's response to ICNU Data Request 1.11.

ICNU Data Request 1.19

Two columns on AZ-6 are redacted. Please provide an exact copy of this page as it was filed with the State of Arizona.

Response to ICNU Data Request 1.19

In completing its tax report, PacifiCorp sought to provide documentation that was transparent and complete to enable a thorough examination of PacifiCorp's compliance filing, while protecting the confidential information of unregulated third parties to the greatest extent possible. PacifiCorp's supporting workpapers for its tax report contain copies of all relevant portions of the state income tax returns.

The following information was necessary to complete the state calculations required by the permanent rules for PacifiCorp's compliance filings.

- > State tax liabilities per the returns (TP22).
- > State standalone and consolidated apportionment data (TP25, TP36, TP37).
- > State standalone adjustments to federal taxable income (TP29).
- > State standalone tax credits (TP29).
- > Standalone and consolidated Oregon Business Energy Tax Credits (TP32).

PacifiCorp did not redact any information related to PacifiCorp or its regulated subsidiaries. PacifiCorp did redact all unregulated third-party separate company information on these workpapers.

To the extent that ICNU demonstrates that specific redacted information is required for its review of PacifiCorp's compliance filing, PacifiCorp will supplement this response as appropriate.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.20

ICNU Data Request 1.20

Two columns on AZ-8 are redacted. Please provide an exact copy of this page as it was filed with the State of Arizona.

Response to ICNU Data Request 1.20

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.21

ICNU Data Request 1.21

Two columns on CA-9 are redacted. Please provide an exact copy of this page as it was filed with the State of California.

Response to ICNU Data Request 1.21

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.22

ICNU Data Request 1.22

Two columns on CA-10 are redacted. Please provide an exact copy of this page as it was filed with the State of California.

Response to ICNU Data Request 1.22

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.23

ICNU Data Request 1.23

All information on CA-11 is redacted. Please provide an exact copy of this page as it was filed with the State of California.

Response to ICNU Data Request 1.23

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.24

ICNU Data Request 1.24

All information on CA-12 is redacted. Please provide an exact copy of this page as it was filed with the State of California.

Response to ICNU Data Request 1.24

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.25

ICNU Data Request 1.25

Most of the information on CA-13 is redacted. Please provide an exact copy of this page as it was filed with the State of California.

Response to ICNU Data Request 1.25

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.26

ICNU Data Request 1.26

Please provide an exact copy of CA-14 as it was filed with the State of California.
Do not redact any of the information.

Response to ICNU Data Request 1.26

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.27

ICNU Data Request 1.27

Please provide an exact copy of CA-15 as it was filed with the State of California.
Do not redact any of the information.

Response to ICNU Data Request 1.27

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.28

ICNU Data Request 1.28

Please provide an exact copy of CA-16 as it was filed with the State of California.
Do not redact any of the information.

Response to ICNU Data Request 1.28

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.29

ICNU Data Request 1.29

Please provide an exact copy of CA-17 as it was filed with the State of California.
Do not redact any of the information.

Response to ICNU Data Request 1.29

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.30

ICNU Data Request 1.30

Please provide an exact copy of CA-18 as it was filed with the State of California.
Do not redact any of the information.

Response to ICNU Data Request 1.30

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.31

ICNU Data Request 1.31

Two columns on CA-20 are redacted. Please provide an exact copy of this page as it was filed with the State of California.

Response to ICNU Data Request 1.31

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.32

ICNU Data Request 1.32

Two columns on CA-22 are redacted. Please provide an exact copy of this page as it was filed with the State of California.

Response to ICNU Data Request 1.32

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.33

ICNU Data Request 1.33

Two columns on CO-8 are redacted. Please provide an exact copy of this page as it was filed with the State of Colorado.

Response to ICNU Data Request 1.33

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.34

ICNU Data Request 1.34

Two columns on CO-9 are redacted. Please provide an exact copy of this page as it was filed with the State of Colorado.

Response to ICNU Data Request 1.34

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.35

ICNU Data Request 1.35

Please provide an exact copy of ID-7 as it was filed with the State of Idaho. Do not redact any of the information.

Response to ICNU Data Request 1.35

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.36

ICNU Data Request 1.36

Please provide an exact copy of ID-8 as it was filed with the State of Idaho. Do not redact any of the information.

Response to ICNU Data Request 1.36

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.37

ICNU Data Request 1.37

Please provide an exact copy of ID-10 as it was filed with the State of Idaho. Do not redact any of the information.

Response to ICNU Data Request 1.37

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.38

ICNU Data Request 1.38

Please provide an exact copy of ID-12 as it was filed with the State of Idaho. Do not redact any of the information.

Response to ICNU Data Request 1.38

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.39

ICNU Data Request 1.39

Please provide an exact copy of ID-14 as it was filed with the State of Idaho. Do not redact any of the information.

Response to ICNU Data Request 1.39

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.40

ICNU Data Request 1.40

Please provide an exact copy of ID-16 as it was filed with the State of Idaho. Do not redact any of the information.

Response to ICNU Data Request 1.40

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.41

ICNU Data Request 1.41

Please provide an exact copy of MT-6 as it was filed with the State of Montana.
Do not redact any of the information.

Response to ICNU Data Request 1.41

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.42

ICNU Data Request 1.42

Please provide an exact copy of MT-8 as it was filed with the State of Montana.
Do not redact any of the information.

Response to ICNU Data Request 1.42

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.43

ICNU Data Request 1.43

Please provide an exact copy of NM-6 as it was filed with the State of New Mexico. Do not redact any of the information.

Response to ICNU Data Request 1.43

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.44

ICNU Data Request 1.44

Please provide an exact copy of NM-8 as it was filed with the State of New Mexico. Do not redact any of the information.

Response to ICNU Data Request 1.44

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.45

ICNU Data Request 1.45

Please provide an exact copy of OR-9 as it was filed with the State of Oregon. Do not redact any of the information.

Response to ICNU Data Request 1.45

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.46

ICNU Data Request 1.46

Please provide an exact copy of OR-12 as it was filed with the State of Oregon.
Do not redact any of the information.

Response to ICNU Data Request 1.46

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.47

ICNU Data Request 1.47

Please provide an exact copy of OR-14 as it was filed with the State of Oregon.
Do not redact any of the information.

Response to ICNU Data Request 1.47

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.48

ICNU Data Request 1.48

Please provide an exact copy of OR-17 as it was filed with the State of Oregon.
Do not redact any of the information.

Response to ICNU Data Request 1.48

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.49

ICNU Data Request 1.49

Please provide an exact copy of OR-18 as it was filed with the State of Oregon.
Do not redact any of the information.

Response to ICNU Data Request 1.49

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.50

ICNU Data Request 1.50

Please provide an exact copy of UT-7 as it was filed with the State of Utah. Do not redact any of the information.

Response to ICNU Data Request 1.50

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.51

ICNU Data Request 1.51

Please provide an exact copy of UT-9 as it was filed with the State of Utah. Do not redact any of the information.

Response to ICNU Data Request 1.51

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.52

ICNU Data Request 1.52

Please provide an exact copy of UT-11 as it was filed with the State of Utah. Do not redact any of the information.

Response to ICNU Data Request 1.52

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.53

ICNU Data Request 1.53

Please provide an exact copy of UT-13 as it was filed with the State of Utah. Do not redact any of the information.

Response to ICNU Data Request 1.53

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.54

ICNU Data Request 1.54

Please provide an exact copy of UT-15 as it was filed with the State of Utah. Do not redact any of the information.

Response to ICNU Data Request 1.54

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.55

ICNU Data Request 1.55

Please provide an exact copy of UT-17 as it was filed with the State of Utah. Do not redact any of the information.

Response to ICNU Data Request 1.55

Please refer to the Company's response to ICNU Data Request 1.19.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.56

ICNU Data Request 1.56

Please provide a complete and exact copy of the 2006 federal income tax return filed by Berkshire Hathaway Inc. & Subsidiaries with the Internal Revenue Service. Include a complete and exact copy of the 2006 federal income tax returns filed for each subgroup that comprises Berkshire Hathaway Inc. & Subsidiaries as reflect on FED-16.

Response to ICNU Data Request 1.56

In completing its tax report, PacifiCorp sought to provide documentation that was transparent and complete to enable a thorough examination of PacifiCorp's compliance filing, while protecting the confidential information of unregulated third parties to the greatest extent possible. PacifiCorp's supporting workpapers for its tax report contain copies of all relevant portions of the federal income tax return.

To the extent that ICNU demonstrates that specific additional information is required for its review of PacifiCorp's compliance filing, PacifiCorp will supplement this response as appropriate.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.57

ICNU Data Request 1.57

Refer to FED-16. Please explain what "LIFE" consolidation means.

Response to ICNU Data Request 1.57

“Life Consolidation” on workpaper FED-16 refers to consolidated tax return adjustments related to Berkshire Hathaway Inc.’s life insurance companies.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.58

ICNU Data Request 1.58

Please define the "1120-PC Subgroup" as shown on FED-16.

Response to ICNU Data Request 1.58

The "1120-PC Subgroup" makes reference to a sub-consolidation of Berkshire Hathaway Inc.'s property/casualty companies.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.59

ICNU Data Request 1.59

Were pages FED-21 through FED-22 filed with the Internal Revenue Service? If the answer is yes, for what purpose were they filed with the IRS? If the answer is no, please explain why they were prepared.

Response to ICNU Data Request 1.59

Workpapers FED2-1 through FED2-22 are relevant portions of PacifiCorp's standalone proforma federal income tax return which is ultimately consolidated with and filed under Berkshire Hathaway Inc. and Subsidiaries. PacifiCorp's standalone proforma federal income tax return is not separately filed with the Internal Revenue Service.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.60

ICNU Data Request 1.60

In which subgroup (i.e., 1120 or 1120-PC) is PacifiCorp included on page FED-16?

Response to ICNU Data Request 1.60

PacifiCorp is included in the "1120 Subgroup."

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.61

ICNU Data Request 1.61

Please define the "1120 Subgroup" referenced on FED-16 and provide a list of all entities included therein.

Response to ICNU Data Request 1.61

The "1120 Subgroup" makes reference to a sub-consolidation of Berkshire Hathaway Inc.'s non-property/casualty companies.

UE-177/PacifiCorp
December 11, 2007
ICNU 1st Set Data Request 1.62

ICNU Data Request 1.62

Please define the "1120-PC Subgroup" referenced on FED-16 and provide a list of all entities included therein.

Response to ICNU Data Request 1.62

"1120-PC Subgroup" is defined in the Company's response to ICNU Data Request 1.58. Please refer to the Company's Highly Confidential response to OPUC Data Request 11 which provides a list of all members filing in the federal consolidated tax return of Berkshire Hathaway Inc. and Subsidiaries, although not broken down between "1120 Subgroup" and "1120-PC Subgroup."

ATTACHMENT B

ICNU'S DECEMBER 18, 2007 LETTER TO PACIFICORP

Davison Van Cleve PC

TEL (503) 241-7242 • FAX (503) 241-8160 • mail@dvclaw.com

Suite 400
333 SW Taylor
Portland, OR 97204

Allen C. Chan

December 18, 2007

Via Electronic Mail

Katherine A. McDowell
McDowell & Rackner PC
520 SW 6th Ave. Suite 830
Portland, OR 97204

Re: UE 177 Documents

Dear Ms. McDowell:

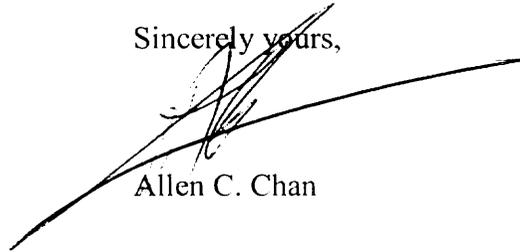
In PacifiCorp's response to the Industrial Customer's of Northwest Utilities ("ICNU") First Set of Data Requests, PacifiCorp refused to provide ICNU with certain unredacted documents. PacifiCorp stated, however, that it would supplement its responses to "the extent ICNU demonstrates that specific redacted information is required for its review of PacifiCorp's compliance filing[.]" See PacifiCorp Response to ICNU Data Request 1.1.

It is essential to ICNU's review of PacifiCorp's tax report that PacifiCorp provide the consolidating schedule (i.e., the pages that show each of the entities included in the consolidated return separately) with lines 28 and 29 unredacted. Line 28 shows the taxable income before net operating loss and special deductions for each entity. Line 29 shows the net operating loss deduction and special deductions for each entity. This information is necessary to ensure that the total taxable income used for purposes of the tax report is accurate.

Please supplement your responses to ICNU's First Set of Data Requests by providing copies of the consolidating schedules for each and every entity included in the consolidated tax return of the taxpayer with this information unredacted by no later than December 24, 2007. As you know, time is of the essence in this case.

Please let us know if you have any questions.

Sincerely yours,



Allen C. Chan

ATTACHMENT C

PACIFICORP'S DECEMBER 21, 2007 LETTER TO ICNU

PAGE 1 – ATTACHMENT C TO ICNU'S EXPEDITED MOTION TO COMPEL

DAVISON VAN CLEVE, P.C.
333 S.W. Taylor, Suite 400
Portland, OR 97204
Telephone: (503) 241-7242

McDowell & Rackner PC



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

December 21, 2007

VIA ELECTRONIC MAIL

Allen Chan
Davison Van Cleve PC
333 SW Taylor, Suite 400
Portland, OR 97204

Re: Request for UE 177 Documents on 12/18/07

Dear Allen,

This responds to your letter of December 18, 2007, in which ICNU requested that PacifiCorp provide the federal income tax consolidating schedules with Lines 28 and 29 unredacted. You state that this information is "necessary to ensure that the total taxable income used for purposes of the tax report is accurate." We appreciate this clarification of your position so that we can better explain the calculations underlying the tax report and the information necessary for the audit and verification of PacifiCorp's tax report.

In summary, SB 408 focuses on actual taxes paid. The data relevant to the audit of PacifiCorp's tax report, therefore, pertains to tax liability, not to taxable income or allocation of losses or deductions. In other words, SB 408 does not address the taxes a utility should have paid or contemplate auditing of taxable income figures from filed tax returns. Instead, it addresses only the taxes a utility actually paid. As a result, there is nothing contained in Lines 28 or 29 of the consolidating schedules of PacifiCorp's unregulated affiliates that could possibly change or impact any data contained in PacifiCorp's tax report. For this reason, and because the information requested is both highly confidential and burdensome to gather and produce, PacifiCorp objects to its production.

ICNU has asked for information from Lines 28 and 29 from the federal income tax consolidating schedules to verify PacifiCorp's taxable income numbers from Line 30 (which PacifiCorp provided in its workpapers). Lines 28 and 29 address net operating losses and special deductions.

As explained in our response to ICNU Data Request 1.1, the only instance where federal taxable income itself (Line 30) could be deemed necessary for the audit or verification of PacifiCorp's tax report is pursuant to rule (3)(b), the apportionment method "floor." PacifiCorp explained the nexus and operation of the apportionment method "floor" during our December 4, 2007 meeting in the Portland safe room. The apportionment method "floor" serves to limit the

Allen Chan
December 21, 2007
Page 2

lowest possible outcome of the apportionment method to the standalone tax liability of the utility less the imputed negative tax of all loss companies in the federal consolidated group.

In the case of PacifiCorp's 2006 tax report, the apportionment method floor was lower than the apportionment method result, so the floor was not implicated by this filing.

Even if the apportionment method floor was implicated in this filing, however, the floor is calculated using taxable income, not taxable income before net operating losses and special deductions as requested by ICNU. The apportionment method floor calls for the imputed negative tax associated with all federal income tax losses of entities in the utility federal taxpayer group. "Income tax losses" as defined in rule (2)(d) "means the negative taxable income of an entity in the federal taxpayer or unitary group, excluding the current deduction of tax depreciation on public utility property and federal investment tax credits related to public utility property." This rule specifically refers to taxable income (Line 30), not taxable income before net operating losses and special deductions (Lines 28-29). Thus, in no instance is the information ICNU requested on Lines 28 and 29 of the tax return relevant to an audit of PacifiCorp's SB 408 tax report.

Your letter requests the consolidating schedules showing Lines 28 and 29 "for each and every entity" in the consolidated returns of PHI and Berkshire Hathaway. In response to Staff Data Requests, PacifiCorp has provided information showing the entities that file on a consolidated basis with Berkshire Hathaway. There are hundreds of such entities. Providing "each and every entity's" consolidating schedules would be burdensome and time-consuming. This information is also highly confidential and, as explained above, irrelevant to a proper audit of PacifiCorp's tax report.

Please contact me if you would like to discuss these issues further.

Very truly yours,

A handwritten signature in black ink, appearing to read "Katherine" followed by "for".

Katherine A. McDowell

cc: Andrea Kelly