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April 18, 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 1258**

Enclosed for filing is PacifiCorp's Amended Application for Deferred Accounting Order re MEHC Oregon Commitments 8 and 12. A copy of Exhibit A to this filing, the Notice of Amended 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 'Katherine A. McDowell', is written over a horizontal line.

Katherine A. McDowell

KAM:knp

cc: UE 170 Service List

Oregon  
Washington  
California  
Utah  
Idaho

1 BEFORE THE PUBLIC UTILITY COMMISSION  
2 OF OREGON

3 **UM 1258**

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

**AMENDED APPLICATION FOR  
DEFERRED ACCOUNTING ORDER RE:  
MEHC OREGON COMMITMENTS 8  
AND 12**

7  
8 Under ORS 757.259 and OAR 860-027-0300, PacifiCorp applies to the Public Utility  
9 Commission of Oregon (the "Commission") for an order authorizing the Company to defer  
10 certain rate credits associated with MidAmerican Energy Holdings Company's ("MEHC")  
11 acquisition of PacifiCorp. In support of this Amended Application, PacifiCorp states:

12 1. PacifiCorp is a public utility in the state of Oregon and is subject to the  
13 jurisdiction of the Commission with regard to its rates, service and accounting practices.  
14 PacifiCorp also provides retail electricity service in the states of California, Idaho, Utah,  
15 Washington and Wyoming.

16 2. This Amended Application is filed pursuant to ORS 757.259(2) which allows  
17 the Commission, upon application of a utility, to authorize deferral of certain items for later  
18 incorporation in rates.

19 3. Communications regarding this Amended Application should be addressed to:

20 Laura Beane  
21 Manager, Oregon Regulation  
22 PacifiCorp  
23 825 NE Multnomah, Suite 800  
24 Portland, OR 97232  
25 Telephone: (503) 813-5542  
26 Facsimile: (503) 813-6060  
E-mail: laura.beane@pacificorp.com

Katherine A. McDowell  
Stoel Rives LLP  
900 SW Fifth Avenue, Suite 2600  
Portland, OR 97204-1268  
Telephone: (503) 294-9602  
Facsimile: (503) 220-2480  
E-mail: kamcdowell@stoel.com

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

3	By email ( <b>preferred</b> )	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  
26

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 related to the West Valley Lease will be  
11 \$417,000 monthly on a Total Company basis and allocated among the States based upon the  
12 SSGCT allocation factor for the twelve months ending March 31, 2006. The amount of the  
13 deferred account related to the A&G Cost Savings will be \$500,000 monthly on a Total  
14 Company basis and allocated among the States based upon the SO allocation factor for the  
15 twelve months ending March 31,2006. PacifiCorp proposes to account for these costs in the  
16 following manner: Amounts related to the West Valley Lease and A&G Cost Savings will  
17 be charged to Account 400, Operating Revenues, with the credit being recorded in  
18 Account 254, Other Regulatory Liabilities. The amortization of the balance would be  
19 accomplished by debiting Account 254 and crediting Account 142, Customer Accounts  
20 Receivable. PacifiCorp will accrue interest expense on the unamortized balance at a rate  
21 equal to its weighted average cost of capital most recently approved by the Commission in  
22 UE 170.

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

26

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

3 PacifiCorp respectfully requests that in accordance with ORS 757.259 and Orders  
4 06-082 and 06-121, the Commission authorize the Company to defer, commencing as of the  
5 date of the filing of the original Application, the rate credits described in this Amended  
6 Application.

7 DATED: April 18, 2006.

8 STOEL RIVES LLP

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11 Katherine A. McDowell  
Sarah J. Adams Lien

12 Attorneys for PacifiCorp  
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# **Exhibit A**

1 BEFORE THE PUBLIC UTILITY COMMISSION  
2 OF OREGON

3 **UM 1258**

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

**NOTICE OF  
7 AMENDED APPLICATION**

8 On April 18, 2006, PacifiCorp amended its application to the Public Utility  
9 Commission of Oregon (the "Commission") for authorization to use deferred accounting to  
10 implement two MEHC commitments associated with the acquisition of PacifiCorp.

11 Specifically, the first sentence of paragraph 9 was deleted and the following sentences  
12 were added:

13 "The amount of the deferred account related to the West Valley  
14 Lease will be \$417,000 monthly on a Total Company basis and  
15 allocated among the States based upon the SSGCT allocation  
16 factor for the twelve months ending March 31, 2006. The  
17 amount of the deferred account related to the A&G Cost  
Savings will be \$500,000 monthly on a Total Company basis  
and allocated among the States based upon the SO allocation  
factor for the twelve months ending March 31, 2006."

18 This revision clarifies and adds detail to the original filing but does not change it in a  
19 substantive manner. Therefore, PacifiCorp submits that the amended filing should relate  
20 back to the date of the original filing, March 31, 2006.

21 Interested persons can obtain a copy of the Amended Application by contacting:

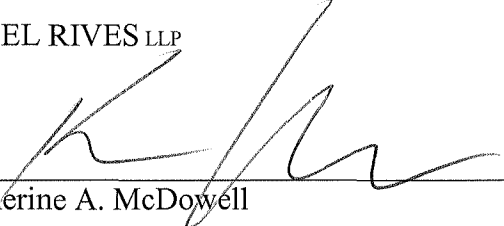
22 Katherine A. McDowell  
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1 Any person may submit to the Commission written comment on the Amended  
2 Application, in accordance with procedures prescribed by the Commission. The deadline for  
3 comments on the application is thirty days from the date of this Notice.

4 DATED: April 18, 2006.

5 STOEL RIVES LLP

6   
7 Katherine A. McDowell

8 Of Attorneys for PacifiCorp  
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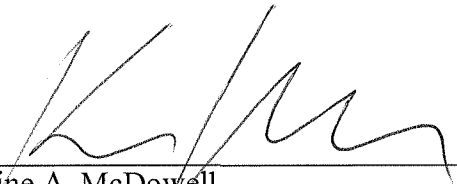
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DATED: April 18, 2006.

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