

# McDowell & Rackner PC



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February 6, 2009

## VIA ELECTRONIC FILING AND U.S. MAIL

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

**Re: Docket No. UE 177(2)**

Enclosed for filing in Docket UE 177(2) are an original and five copies of corrected page 6 of the Joint Explanatory Brief which was originally filed on February 5, 2009. This replacement page is being filed to correct Line 5, which should have stated "\$20.1 million," as it does in the replacement page, rather than "\$20.2 million." A copy of this filing has been served on all parties to this proceeding as indicated on the enclosed service list.

Very truly yours,

A handwritten signature in black ink, appearing to read "Amie Jamieson".

Amie Jamieson

Enclosure

cc: Service List

1 as necessary to reflect the Commission's ruling on the Company's Motion for Clarification  
2 pending in Docket UM 1147. Stipulation ¶¶ 16.

3 **D. Total SB 408 Surcharge.**

4 The total surcharge, including both the residual 2006 and total 2007 SB 408 state and  
5 federal tax surcharge, will be approximately \$20.1 million or 2.2 percent. Stipulation ¶¶ 15.  
6 The SB 408 local tax surcharge will be \$147,844, plus interest. Stipulation ¶¶ 15. The 2006  
7 and 2007 SB 408 surcharges for state and federal taxes will be implemented through  
8 Schedule 102, Pacific Power's Income Tax Adjustment tariff. Stipulation ¶¶ 15. The proposed  
9 surcharge will be allocated by customer rate schedule on an equal cents per kilowatt-hour  
10 basis, as required by OAR 860-022-0041(8)(d). Stipulation ¶¶ 15. The local tax adjustment  
11 reflected in the Revised 2007 Tax Report will be implemented through Schedule 103, Pacific  
12 Power's Multnomah County Business Income Tax tariff. Stipulation ¶¶ 15. Upon approval of  
13 the Stipulation, Pacific Power will make a compliance filing to reflect revised Schedules 102  
14 and 103 with an effective date of June 1, 2009. Stipulation ¶¶ 15.

15 **E. The Stipulation Will Result in Just and Reasonable Rates.**

16 The Stipulation represents a reasonable compromise of positions among the Parties  
17 and will result in just and reasonable rates. Staff conducted a thorough audit of Pacific  
18 Power's 2007 Tax Report, convened a workshop and conducted discovery on the tax report,  
19 and had many informal discussions with PacifiCorp regarding the tax report. Staff's audit  
20 resulted in proposed recalculations to which Pacific Power agreed and performed in the  
21 Revised 2007 Tax Report. The 2007 SB 408 surcharge contained in the Stipulation was  
22 calculated in the Revised 2007 Tax Report. As a result, the 2007 SB 408 surcharge falls  
23 within a "range of reasonableness" for resolution of the 2007 Tax Report. *See Re US West,*  
24 *Docket UM 773, Order No. 96-284 at 31 (Nov. 1, 1999).*

25 In addition, the surcharge is consistent with SB 408, OAR 860-022-0041, and  
26 Commission precedent on utility tax reports. First, the surcharge fulfills SB 408's intent that

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**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing document in Docket UE 177 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.

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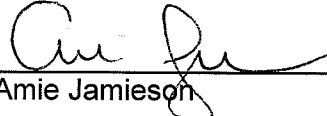
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DATED: February 6, 2009

  
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Amie Jamieson

Of Attorneys for PacifiCorp