

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 170

In the Matter of)	
)	
PACIFIC POWER & LIGHT (dba PacifiCorp))	ORDER
)	
Request for a General Rate Increase in the)	
Company's Oregon Annual Revenues)	
(Klamath River Basin Irrigator Rates).)	

DISPOSITION: ORDER CLARIFIED

On June 12, 2006, Klamath Off-Project Water Users, Inc. (KOPWU) filed a Petition for Clarification (Petition) of the Public Utility Commission of Oregon's (Commission) Order No. 06-172 (Order). In that order, we established transitional electric rates for agricultural irrigation and pumping customers of PacifiCorp in the Upper Klamath River Basin. On July 3, 2006, Commission Staff (Staff) filed a response to KOPWU's petition. Staff discussed KOPWU's questions with PacifiCorp, and PacifiCorp agrees with and supports Staff's response.

KOPWU Petition and Staff Response

KOPWU asks for clarification regarding the process by which the Commission will establish the annual adjustment to the transition rates, including the base rates to be used when calculating that adjustment. KOPWU provides five specific points for clarification. Staff filed a response, providing a proposed answer to each of KOPWU's inquiries.

We find that Staff's response to each of KOPWU's questions is consistent with the language and purpose of the Order. In addition, we find that Staff's response, taken in conjunction with the Order, provides sufficient information to allow Off-Project customers to understand how the Commission will establish annual adjustments to the Off-Project transition rates.

Accordingly, we adopt Staff's response as our own to KOPWU's petition, and provide the following clarification to all five inquiries:

(1) Is a filing required to initiate the annual adjustment to Klamath irrigators' transition rates?

Yes, a filing should be made on or about March 1 of each year. See Order at 17 (directing PacifiCorp to file tariffs consistent with the Order); OAR 860-022-0015 (utility

must file tariffs containing changes in rates at least 30 days before the effective date of such changes).

(2) If a filing is required, what party should make the filing?

As with the April 14, 2006 filing, PacifiCorp should make a compliance filing that is also an advice filing in order to comply with the Order. *See* Order at 17; Petition at 3.

(3) What is the base rate for Off-Project customers that the Commission used to calculate the first-year transition rate for Off-Project customers?

The base rate that the Commission used to calculate the first year transition rate of Off-Project customers was 0.75 cents/kWh – the contract rate for KOPWU customers. *See* Order at 21-23 (the base rate is the current gross rate).

(4) What is the base rate that the Commission will use in the future to make the annual adjustment to the transition rate in subsequent years?

The base rate for Off-Project customers to calculate next year's transition rate will be 0.991 cents/kWh – the rate currently in effect for Off-Project customers. Order at 24 (Year One base rate is 0.991 cents/kWh). Likewise, in subsequent years, the Commission will use the rate currently in effect (*i.e.*, the contemporaneous rate) for Off-Project customers to calculate the annual adjustment to their rate for the upcoming year. *Id.* at 21-23 (the base rate is the current gross rate).

(5) What process will the Commission follow to approve and implement the new transition rates each year?

The Commission will use the same process that it uses for any other advice filing. *See* Order at 17 (directing PacifiCorp to file tariffs consistent with the Order). PacifiCorp will file an advice filing along with work papers necessary to show that the rate change is in compliance with the Order. OAR 860-022-0015 (timing of filing); OAR 860-022-0025 (content of filing). The Commission may authorize the rates as shown in the advice filing without a full procedural schedule that provides for written testimony and comments. *See* Petition at 3.

ORDER

IT IS ORDERED that the Klamath Off-Project Water Users' Application for Clarification is GRANTED to the extent described above.

Made, entered, and effective AUG 02 2006 .



Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.