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STOEL RIVES LLP
UTIL. AND TRANSP.
CORPORATION

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December 1, 2000

HAND-DELIVERED

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Re: Joint Application of PacifiCorp and PacifiCorp, Washington, Inc.

Dear Ms. Washburn:

Attached for filing are an original and nineteen (19) copies of the Joint Application of PacifiCorp and PacifiCorp, Washington, Inc. for various approvals necessary to implement a restructuring of PacifiCorp ("the Company") into six separate state electric companies, a generation company and a service company.

This filing follows discussions that the Company has initiated in past weeks with its regulators in a number of states concerning important challenges facing the Company, its regulators and its customers. This filing is made in an effort to bring some greater focus to those discussions.

As explained in the enclosed prefiled direct testimony of Messrs. MacRitchie, Wright and Furman, the Company is proposing this restructuring because it has concluded that its existing structure and interjurisdictional cost allocation process is a source of risk and uncertainty that is not in the long-term best interests of its customers or its shareholders.

PacifiCorp is mindful that the proposed restructuring is a major step for the Company and its customers. It expects a lengthy and thorough review by the Commission, and understands that it will not be able to move forward absent a consensus of all six of the state commissions that regulate it. The Company acknowledges that the materials included in the attached filing are not sufficient to provide the Commission with all of the information it will require to assess the impact of the proposed restructuring on the Company's customers in Washington. As indicated in the enclosed prefiled testimony, the Company intends to make at least two supplemental filings as information is developed.

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The successful resolution of interjurisdictional issues will require compromise among the regulatory commissions in the six states in which the Company operates. PacifiCorp made an initial filing at this time with respect to its proposed restructuring because it believes that a consensus will most likely emerge if the Company engages all of these commissions in a review of a number of important issues at approximately the same time.

The Company hopes to continue to engage state commissioners, their staffs and other interested parties in a dialogue concerning the restructuring so that each state can provide input on its ultimate shape. The Company understands that each commission will likely wish to design its own process and timing for moving forward with a review of its Application. To that end, the Company respectfully requests that the Commission schedule a prehearing conference with regard to this Application as soon as practicable.

Thank you for your assistance.

Very truly yours,

PacifiCorp

By 

James M. Van Nostrand
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Attorneys for PacifiCorp

cc: Simon ffitch, Office of Public Counsel
Melinda Davison, ICNU