



July 28, 2005

Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive, SW
Olympia, WA 98504-7250

Attention: Carol Washburn
Executive Secretary

Re: Advice No. 04-08 – Compliance Filing in Docket No. UE-981627
ScottishPower/PacifiCorp Merger Commitments

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SECRETARY
JUL 29 2005

Pursuant to WAC 480-09-340 and RCW 80.28.050 and -060, PacifiCorp (d.b.a., Pacific Power & Light Company) submits for filing an original and sixteen (16) copies of the compliance filing made pursuant to the above docket.

The purpose of this filing is to submit to the Commission for acknowledgement PacifiCorp's delivery of Performance Standard 2 and the remaining years of Performance Standard 4 as discussed in Stipulation Condition #10. This condition was included in the Stipulation reached in the above docket whereby all parties recommended that the Commission approve the Application in this docket (subject to the conditions listed in the Stipulation). The network performance baselines, against which improvement percentages were applied, were approved by the Commission in the Eighth and Ninth Supplemental Orders Accepting Compliance Filing to Establish Network Performance Baseline dated July 10, 2003 and October 16, 2003, respectively. PacifiCorp provided a compliance filing on December 27, 2004 addressing its delivery of Performance Standards 1 (SAIDI, average customer sustained outage duration), 3 (MAIFI, average customer momentary outage events) and 5 (80% supply restoration). The December 27, 2004 compliance filing also provided information regarding the Company's achievement of improvements for Program Years 1 and 2 for Performance Standard 4 (worst-performing feeders), pursuant to Stipulation #20.

Performance Standards 2 (SAIFI) Background

Stipulation Condition #10 indicated that the Company, Commission Staff and Public Counsel would work together to establish the baselines related to network performance standards. The specific network standards requiring agreed baselines are Performance Standard 1, which pertains to duration of outages, or System Average Interruption Duration Index (SAIDI); Performance Standard 2, which pertains to frequency of outages, or System Average Interruption



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Frequency Index (SAIFI); and Performance Standard 3, which pertains to the frequency of momentary outages, or Momentary Average Interruption Frequency Index (MAIFI).

The Company initiated the Performance Standards Program by implementing more rigorous processes for data collection and management of outage events, including an improved automated outage management system (CADOPS and Prosper/US Systems). The Company initiated network improvement measures simultaneous to evaluating and establishing its pre-merger performance baseline. These efforts led to setting merger commitment targets in July, 2003, for SAIDI and SAIFI (or Performance Standard ("PS") 1 and PS2), followed by MAIFI (PS3) in October, 2003, all of which were to be delivered by March 31, 2005.

Based upon this agreement, the Company developed targets for each of its operating areas, continued to construct and reengineer facilities as appropriate, and communicated ongoing progress toward achieving the delivery of its Performance Standards.

Performance Standards 2 (SAIFI) Fiscal Year 2005 Performance

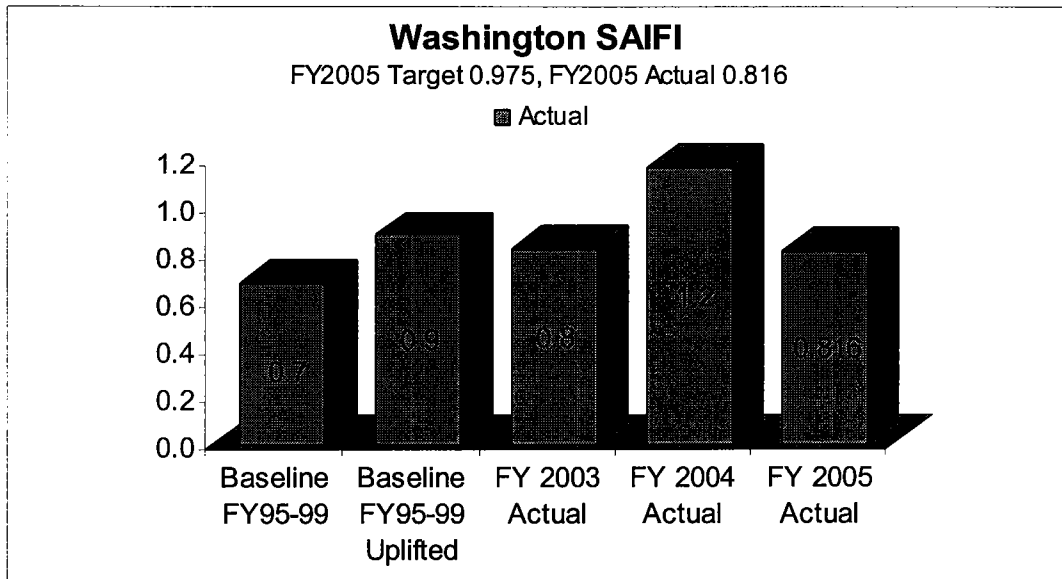
By its calculations, during Fiscal Year 2005, the Company met the following Merger Commitment Targets, as shown in tabular form in Figure 1.

Figure 1: PS2 Merger Commitment FY2005 Performance

Performance Standard (required improvement)	Target	Current	Note
PS2 – SAIFI (10%)	0.975	0.816	Delivered in FY2005

- PS2: Reduce average sustained outage frequency during underlying performance by 10%.
 - Merger Commitment Target: 0.975 events.
 - Actual FY2004 Performance: 0.816 events.

Figure 2: PS2 FY2005 Performance



Performance Standards 4 (Worst Performing Circuits) Background

Stipulation Condition #20 established a method for annually selecting, improving and measuring the five worst performing circuits in the state. As a result of developing baseline uplifts, as agreed upon by Staff and Public Counsel, the Company calculated baseline circuit performance. With these baselines and subsequent measurements, it has delivered substantially more than the 20% improvement in circuit performance indicators (CPI) for Program Years 1 and 2.

Performance Standards 4 (Worst Performing Circuits) Fiscal Year 2004 Performance

By its calculations, during Fiscal Year 2005, the Company met the following PS4 Program Year Targets, as shown in tabular form in Figure 2.

PS4: Improve performance on state's 5 worst-performing feeders by 20%.

- Program Year 3 Merger Commitment Target: 118 CPI Score
- Program Year 3 Actual FY2005 Performance: 74 CPI Score
- Program Year 4 Merger Commitment Target: 120 CPI Score
- Program Year 4 Actual FY2005 Performance: 118 CPI Score
- Program Year 5 Merger Commitment Target: 187 CPI Score
- Program Year 5 Actual FY2005 Performance: 92 CPI Score

Listed below is the performance of the Worst Performing Circuits selected for the last three years of the program. (Worst Performing Circuits can begin to be measured for improvement as soon as modifications are made to the system, but since the metric incorporates three years of history, may require as many as 5 years from the time they are selected to ensure they have improved appropriately.)

Figure 4: PS4 Program Years 1 & 2 Worst-Performing Feeders FY2004 Performance

ID Yr	Circuit ID	Circuit Name	Baseline CPI	Uplifted CPI	Current CPI	Improved %
3	5W150	PINE STREET	90	243	130	
3	5W50	TAUMARSON FEEDER	91	152	32	
3	5Y120	HILLSIDE	110	80	93	
3	5Y273	18TH AVE	25	35	10	
3	5Y302	BONNEVIEW	143	229	105	
		Year 3 Circuit Average		148	74	50%
4	4W22	WINDWARD	92	74	202	
4	5W342	POMEROY	100	192	30	
4	5Y202	HARRAH	109	145	199	
4	5Y316	WANETA	113	140	64	
4	5Y351	EUCLID	195	198	93	
		Year 4 Circuit Average		150	118	21%
5	5W16	RESER ROAD	133	258	31	
5	5Y441	EAST VALLEY	195	258	271	
5	5Y444	WRIGHT	50	258	85	
5	5Y352	JEFFERSON	110	190	40	
5	5W124	TOUCHET	108	203	34	
		Year 5 Circuit Average		233	92	60%

Summary

During Fiscal Year 2005 (4/1/2004-3/31/2005) the Company met its final Performance Standard merger commitments. The Company is requesting Commission acknowledgement of the achievement of PS2 (SAIFI) in addition to the acknowledgement of the improvement commitments for Program Years 3 through 5 for PS4 (Worst Performing Feeders), pursuant to Stipulation #20.

The Company believes that with this compliance filing that all Performance Standards Program elements have been successfully delivered during the five year merger commitment period, as stipulated by the Company, Commission Staff and Public Counsel.

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PacifiCorp
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It is respectfully requested that all formal correspondence and Staff requests regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com

By fax: (503) 813-6060

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 800
Portland, OR 97232

Please direct any informal questions to Heidemarie Caswell at 503-813-6216.

Sincerely,

A handwritten signature in black ink that reads "D. Douglas Larson /p.r.". The signature is written in a cursive style.

D. Douglas Larson
Vice President, Regulation

cc: Public Counsel