

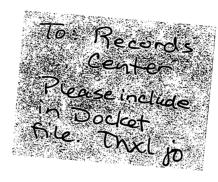
## STATE OF WASHINGTON

## WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250 (360) 664-1160 • TTY (360) 586-8203

January 24, 2006

D. Douglas Larson Vice President, Regulation PacifiCorp 825 N.E. Multnomah, Suite 800 Portland, OR 97232



STALE OF WASH.
UTIL. AND TRANSP.
COMMISSION

RECORDS WAYSERED

Subject: Compliance with Merger Stipulations # 10 and # 20 in Docket No. UE-981627.

Dear Mr. Larson:

On October 14, 1999, the commission approved the merger between PacifiCorp and ScottishPower in its Fifth Supplemental Order Accepting Stipulations, Approving Transaction, and Granting Securities Issuance Exemption, in Docket No. UE-981627. The commission's Order required PacifiCorp to make certain compliance filings, including filings to establish network performance standards (Merger Stipulation #10, regarding baselines to the network performance standards and Stipulation #20, regarding corrective measures and improvement of the five worst performance circuits).

On June 3, 2003, in compliance with Merger Stipulation # 10, PacifiCorp filed its proposed network performance baselines for Standards 1 and 2, SAIDI and SAIFI, respectively, which the commission accepted in its Eighth Supplemental Order Accepting Compliance Filing to Establish Network Performance Baselines (July 10, 2003). On September 17, 2003, PacifiCorp filed its proposed network performance baseline for Standard 3, MAIFI, which the commission accepted in its Ninth Supplemental Order Accepting Compliance Filing to Establish Network Performance Baselines (October 15, 2003).

With two Advice Notes No. 04-08 of dates December 28, 2004, and July 28, 2005, PacifiCorp submitted two compliance filings, showing the delivery of network performance standards pursuant to the Merger Stipulations # 10 and #20 during the

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Company's Fiscal Year 2004 (4/1/2003 - 3/31/2004) and Fiscal Year 2005 (4/1/2004 - 3/31/2005). Both filings have been reviewed by commission staff. The commission acknowledges that the Company has delivered both Merger Stipulations.

The commission's lead person in this effort is Graciela Etchart, a member of the commission's Energy Section staff. Her contact number is 360-664-1310.

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Sincerely,

Carole J. Washburn Executive Secretary