

May 16, 2000

GEORGE M. GALLOWAY
Direct Dial
(503) 294-9306
gmgalloway@stoel.com

Filed via Fax and Email

Ms. Carole J. Washburn, Secretary
Washington Utilities & Transportation Commission
1300 S Evergreen Park Drive, SW
PO Box 47250
Olympia, WA 98504-7250

**Re: Application of PacifiCorp re Sale of Centralia
WUTC Docket No. UE-991262 [and related No. UE-991255; UE-991409]**

Dear Ms. Washburn:

On April 28, 2000, PacifiCorp requested an order conference with respect to the Second and Fourth Supplemental Orders in the above proceeding to seek clarification on the Commission's methodology for calculating and sharing the gain. The Commission granted this request and scheduled this conference for tomorrow, May 16, 2000. In preparation for this conference, PacifiCorp and advisors to the Commission held preliminary discussions at which PacifiCorp received the clarification it sought. Consequently, PacifiCorp has concluded that the scheduled order conference need not be held.

Attached is an example of the application of the Commission's gain sharing methodology using the estimated numbers as contained in the original filing. PacifiCorp will apply this same methodology to the final gain calculation once the final numbers are known, and will provide the final calculation to the Commission for review and audit.

PacifiCorp appreciates the Commission's willingness to schedule the order conference and to assist PacifiCorp in understanding the Commission's intentions.

Very truly yours,

George M. Galloway

GMG:dc

Encls.

cc w/encls: Service List