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April 10, 2006

**ELECTRONIC MAIL
AND OVERNIGHT DELIVERY**
<records@wutc.wa.gov>

Ms. Carole J. Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

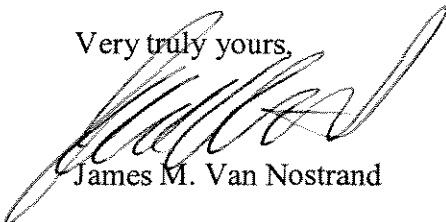
Re: Docket No. UE-06_____
Petition of PacifiCorp for an Order Approving Deferral of Certain Rate Credits
Associated with MidAmerican Energy Holdings Company's Acquisition of PacifiCorp
(Subsequent filing in Docket No. UE-051090)

Dear Ms. Washburn:

Enclosed for filing are an original and fifteen (15) copies of PacifiCorp's Petition for Accounting Order. An electronic copy of the filing will also be sent to the Commission's record center.

Thank you for your assistance.

Very truly yours,



James M. Van Nostrand

JMV:jlf
Enclosures
cc: Service List

Oregon
Washington
California
Utah
Idaho

BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of
PACIFICORP d/b/a Pacific Power
for an Order Approving Deferral of Certain
Rate Credits Associated with MidAmerican
Energy Holdings Company's Acquisition of
PacifiCorp

DOCKET NO. UE-06_____

PETITION FOR ACCOUNTING ORDER

I. INTRODUCTION

- 1 Pursuant to WAC 480-07-880(2), PacifiCorp d/b/a Pacific Power & Light Company ("PacifiCorp" or "the Company") submits this subsequent filing to comply with the Commission's Order No. 07 in Docket No. UE-051090. Ordering paragraph (4) of that Order (¶ 48, page 15) directs PacifiCorp to file a petition for an accounting order with respect to certain rate credits to be provided to PacifiCorp's Washington customers in connection with the acquisition of PacifiCorp by MidAmerican Energy Holdings Company ("MEHC").
- 2 In Order No. 07, the Commission approved MEHC's acquisition of PacifiCorp, subject to a Consolidated List of Commitments specified in a settlement agreement supported by all parties to the proceeding. In Order No. 08 issued March 10, 2006, the Commission adopted a revised Consolidated List of Commitments, including certain commitments that provided rate credits to PacifiCorp's Washington customers. Specifically, in Commitment Wa 3, MEHC and PacifiCorp agreed to provide a monthly credit to customers associated with non-fuel cost reductions in the West Valley lease (if and to the extent that the costs of West Valley are included in Washington rates). In Commitment Wa 7, MEHC and PacifiCorp agreed to provide a monthly credit associated with A&G cost savings. In both cases, these

rate credits are offsetable by a demonstration in a rate case that PacifiCorp has actually reduced the level of the specific cost item.

3 In Commitment Wa 3, MEHC and PacifiCorp agreed that “[i]f and to the extent that the costs of West Valley are included in Washington rates by Commission order, Washington’s share of the monthly rate credit will be deferred (unless included in rates in Docket No. UE-050684, PacifiCorp’s current general rate proceeding), effective as of the first month after the close of the transaction to purchase PacifiCorp, for the benefit of customers and accrue interest at PacifiCorp’s authorized rate of return.” Similarly, in Commitment Wa 7, MEHC and PacifiCorp agreed that “[b]eginning with the first month after the close of the transaction, Washington’s share of the \$0.5 million monthly rate credit will be deferred for the benefit of customers (unless included in rates in Docket No. UE-050684, PacifiCorp’s current general rate proceeding), and accrue interest at PacifiCorp’s authorized rate of return.”

4 In its Order No. 07 in Docket No. UE-051090, the Commission added the following provision to the approval of MEHC’s acquisition of PacifiCorp:

“Within 30 days after the transaction closes PacifiCorp is required to file a petition for an accounting order to establish its authority to create deferral accounts, as necessary to make effective the terms of commitment numbers Wa 3 and Wa 7, set forth in Appendix A to the Stipulation. The filing is to be made as a ‘subsequent filing’ under WAC 480-07-880 and -885.”

Ordering paragraph (4), ¶ 48, page 15. The transaction closed on March 21, 2006.

5 In Docket No. UE-050684, PacifiCorp’s pending general rate proceeding, various parties proposed that the rate credits arising from Commitments Wa 3 and Wa 7 be reflected in rates as part of the Commission’s rate order in that proceeding, which would make deferral of such credits unnecessary. The Commission has not yet issued its order in that proceeding,

so it is not known whether deferral of these credits is necessary. If the Commission's rate order in that proceeding does not reflect such credits in setting rates, PacifiCorp seeks authority, pursuant to WAC 480-07-370(b) and in accordance with Order No. 07 in Docket No. UE-051090, to defer the rate credits as of April 1, 2006, the beginning of the first month after the close of the MEHC acquisition of PacifiCorp, for future incorporation in PacifiCorp's rates.

II. BACKGROUND

6 PacifiCorp is an electrical company and a public service company in the state of Washington under RCW 80.04.010, and is subject to the jurisdiction of the Commission with respect to its rates, services, and accounting practices. PacifiCorp also provides retail electricity service in the states of California, Idaho, Oregon, Wyoming, and Utah.

7 This Petition is filed pursuant to RCW 80.01.040(3), which authorizes the Commission to regulate in the public interest the rates, service, facilities, and practices of electrical companies; RCW 80.04.090, which authorizes the Commission to prescribe the forms of account to be kept by public service companies; and WAC 480-100-203, pertaining to the accounting requirements applicable to electric utilities in the state of Washington.

8 Communications regarding this Petition should be addressed to:

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In addition, PacifiCorp respectfully request that all data requests regarding this matter be addressed to:

By email (preferred)	datarequest@pacificorp.com
By regular mail	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 800 Portland, OR 97232
By facsimile	(503) 813-6060

III. THE REQUESTED ACCOUNTING TREATMENT

9 The amount of the deferred account related to the West Valley Lease (Commitment Wa 3) will be \$417,000 monthly on a Total Company basis¹ and allocated among the States based upon the SSGCT allocation factor for the twelve months ending 3/31/2006. The amount of the deferred account related to the A&G Cost Savings (Commitment Wa 7) will be \$500,000 monthly on a Total Company basis and allocated among the States based upon the SO allocation factor for the twelve months ending 3/31/2006. *See Appendix 2 to Consolidated List of Commitments, Table 2.* PacifiCorp proposes to account for these costs in the following manner: Amounts related to the West Valley Lease and A&G Cost Savings will be charged to Account 400, Operating Revenues, with the credit being recorded in Account 254, Other Regulatory Liabilities. The amortization of the balance would be accomplished by debiting Account 254 and crediting Account 142, Customer Accounts

¹ This figure reflects the value of the credit associated with Commitment Wa 3 under the assumption that West Valley is fully included in rates in Docket No. UE-050684, the Company's pending general rate proceeding.

Receivable. PacifiCorp will accrue interest expense on the unamortized balance at a rate equal to its weighted average cost of capital most recently approved by the Commission in Docket No. UE-050684.

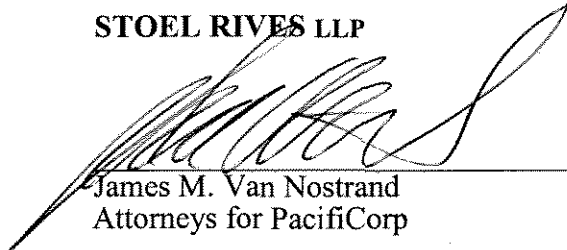
10 PacifiCorp does not request a determination of ratemaking treatment of these rate credits at this time and instead proposes to address amortization of these revenues in PacifiCorp's next Washington general rate case.

IV. CONCLUSION

11 To the extent such authorization is necessary following the Commission's decision in PacifiCorp's pending general rate case, Docket No. UE-050684, PacifiCorp requests in this subsequent filing in Docket No. UE-051090 to defer the above-referenced rate credits as of April 1, 2006, the beginning of the first month after the close of the MEHC acquisition of PacifiCorp.

DATED: April 10, 2006.

STOEL RIVES LLP



James M. Van Nostrand
Attorneys for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing document upon the parties of record in Docket No. UE-051090 by first-class mail and electronic mail, addressed to said parties/attorneys' addresses as shown below:

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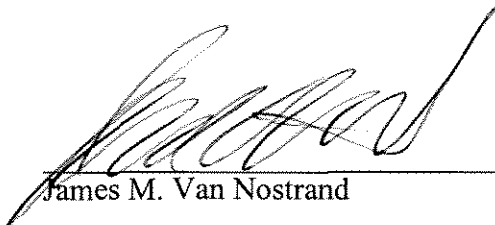
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DATED: April 10, 2006.



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