



Pacific Power | Utah Power
Rocky Mountain Power
825 NE Multnomah
Portland, Oregon 97232

June 2, 2006

VIA ELECTRONIC FILING

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 Accounting Order Approving Deferral of Environmental
Remediation Costs

Dear Ms. Washburn:

Enclosed for filing are an original and two (2) copies of PacifiCorp's Petition for an Accounting Order Approving Deferral of Environmental Remediation Costs. An electronic copy of the filing will also be sent to the Commission's record center.

Communications regarding this petition should be addressed to:

Melissa Seymour
Manager, Regulation
PacifiCorp
825 NE Multnomah, Suite 300
Portland, OR 97232
Melissa.seymour@pacificorp.com

Natalie L. Hocken
Assistant General Counsel
PacifiCorp
825 NE Multnomah, Suite 1800
Portland, OR 97232
Natalie.hocken@pacificorp.com

In addition, PacifiCorp requests that all data requests regarding this petition be addressed to:

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

By Facsimile: (503) 813-6060

By regular mail: Data Request Response Center
PacifiCorp
825 N.E. Multnomah, Suite 300
Portland, OR 97232

Please direct any informal questions to Shay LaBray at 503-813-6176. Thank you for your assistance.

Sincerely,

Andrea Kelly / MA

Andrea L. Kelly
Vice President, Regulation

Enclosures

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of
PACIFICORP d/b/a Pacific Power & Light
for an Accounting Order Approving Deferral
of Environmental Remediation Costs

DOCKET NO. UE-06 _____

**PETITION OF PACIFICORP FOR
ACCOUNTING ORDER**

Pursuant to Order No. 1 in Docket UE-031658 governing the accounting treatment of environmental expenditures, PacifiCorp d/b/a Pacific Power & Light (“PacifiCorp” or “the Company”), petitions the Washington Utilities and Transportation Commission (“Commission”) for an accounting order authorizing the Company to begin deferral of the estimated expense for environmental remediation work at the Utah Metals site, effective as of the filing date of this petition. In support of this petition, PacifiCorp states:

1. PacifiCorp is an electrical company and public service company in the state of Washington pursuant to RCW 80.04.010 and is subject to the jurisdiction of the Commission with regard to its rates, service and accounting practices. PacifiCorp also provides retail electricity service in the states of Oregon, California, Idaho, Utah, and Wyoming. PacifiCorp’s address is: 825 NE Multnomah, Portland, Oregon 97232.

2. 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 80.040.090 which authorizes the Commission to prescribe the forms of accounts 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.

3. Communications regarding this petition should be addressed to:

Melissa Seymour
Manager, Regulation
PacifiCorp
825 NE Multnomah, Suite 300
Portland, OR 97232
E-mail: melissa.seymour@pacificorp.com

Natalie L. Hocken
Assistant General Counsel
PacifiCorp
825 NE Multnomah, Suite 1800
Portland, OR 97232
E-mail: natalie.hocken@pacificorp.com

In addition, PacifiCorp requests that all data requests regarding this petition be addressed to:

By email (preferred) datarequest@pacificorp.com

By regular mail
Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 300
Portland, OR 97232

By facsimile (503) 813-6060

4. The Company anticipates that expenses of approximately \$3.5 million will be incurred on a total company basis for environmental remediation costs related to the Utah Metals and Union Pacific Railroad property. As the timing of the remediation work is uncertain, the Company is only seeking an accounting order authorizing deferral of these expenses and does not request a determination of ratemaking treatment at this time and instead proposes to address amortization and recovery of these costs in a future ratemaking proceeding. Pursuant to Order No. 01, Docket No. UE-031658, the level of environmental remediation costs allocable to Washington and subject to the requested accounting treatment shall be consistent with the inter-jurisdictional cost allocation methodology then in effect for the Company.

5. The Utah Metals facility is a metals salvage yard located in Salt Lake City, Utah and is a third party provider of decommissioning and salvage services. The East end of the

facility is owned by Union Pacific Railroad from whom Utah Metals leases the land. From approximately 1956 through 1984, Utah Power sent transformers to the site for decommissioning and salvage. During the decommissioning of the transformers, PCB oil contaminated the concrete at the Utah Metals facility and the soil on Union Pacific Railroad property. These contaminated areas are on the Environmental Protection Agency's ("EPA") National Priorities List and were investigated by the State of Utah under contract with EPA in February 2006. Utah Metals continues to operate the metals salvage operations on their property and plans to for the foreseeable future.


6. PacifiCorp proposes to account for the regulatory asset by debiting Account 182.3, Other Regulatory Assets, and crediting Account 253, Other Deferred Credits. The requested accounting treatment has no impact to rate base used to determine revenue requirement.

7. PacifiCorp submits that it incurs environmental remediation expenses as a legitimate cost of operating as a public utility in the state of Washington. These costs relate to the Company's environmental remediation program activities and are generally undertaken to fulfill obligations imposed by state and federal environmental agencies.

WHEREFORE, PacifiCorp respectfully requests an order of the Commission authorizing it to establish and defer its costs related to the Utah Metals site environmental remediation program.

DATED: June 1, 2006.

Respectfully submitted,



Natalie L. Hocken
Assistant General Counsel, PacifiCorp