



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

April 06, 2009

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Attention: David W. Danner
Executive Director and Secretary

RE: UE-09 PacifiCorp's Petition for Waiver of Certain Affiliated Interest Filing Requirements

Dear Mr. Danner:

Enclosed for filing are an original and twelve (12) copies of PacifiCorp's Petition for a Waiver of Certain Affiliated Interest Filing Requirements. An electronic copy of the filing will also be sent to the Commission's record center.

Communications regarding this petition should be addressed to:

Washington Dockets
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
Washingtondockets@pacificorp.com

Michelle Mishoe
PacifiCorp
825 NE Multnomah, Suite 1800
Portland, OR 97232
Michelle.Mishoe@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 NE Multnomah, Suite 2000
Portland, OR 97232

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Please direct any informal inquiries to Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,

A handwritten signature in black ink that reads "Andrea Kelly" followed by a stylized flourish or initials.

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,
Petitioner

DOCKET NO. UE- _____
PacifiCorp’s Petition for Waiver of Certain
Affiliated Interest Filing Requirements

1. Pursuant to WAC 480-07-110(1) and WAC 480-07-370(b), PacifiCorp, d.b.a Pacific Power (“Company”) petitions (“Petition”) the Washington Utilities and Transportation Commission (“Commission”) for a waiver of certain filing requirements related to the Company’s affiliated interest relationship with Constellation Energy Commodities Group, Inc. (“Constellation”). In support of this Petition, the Company states:

2. PacifiCorp is an electric company and public service company in the State of Washington within the meaning of RCW 80.04.010, and is subject to the Commission’s jurisdiction with respect to its prices and terms of electric service to retail customers in Washington. PacifiCorp provides electric service to approximately 130,000 retail customers in Washington.

3. PacifiCorp’s name and address:

PacifiCorp Washington Dockets
825 NE Multnomah, Ste 2000
Portland, OR 97232
Washington.Dockets@PacifiCorp.com

Michelle R. Mishoe
Legal Counsel
825 NE Multnomah. Ste 1800
Portland, OR 97232
Phone: (503) 813-5977
Fax: (503) 813-7252
michelle.mishoe@pacificorp.com

4. The Company is an indirect subsidiary of MidAmerican Energy Holdings Company (“MEHC”). On September 19, 2008, MEHC entered into an agreement to

acquire Constellation Energy Group. Constellation Energy Commodities, Inc. is a subsidiary of the Constellation Energy Group. On December 17, 2008, MEHC and Constellation Energy Group jointly terminated the acquisition agreement. As part of the termination, MEHC received approximately 20 million shares of Constellation Energy Group common stock, representing an approximate 9.99 percent interest. In January 2009, MEHC sold 2.7 million common stock shares, thereby reducing MEHC's common stock interest to approximately 8.64 percent. Prior to February 8, 2009, MEHC sold an additional 2.4 million shares, reducing MEHC's common stock interest to approximately 7.45 percent. Constellation Energy Group is a publicly-traded company with diverse operations, including, among other things, wholesale power sales and financial transactions.

5. On April 03, 2009, the Company submitted a filing of its International Swap Dealers Association Master Agreement and Amendment Number One to the International Swap Dealers Association Master Agreement ("ISDA") with Constellation pursuant to RCW 80.16.020 and WAC 480-100-245. The ISDA operates as a master agreement that generally allows the Company and Constellation to conduct business with each other if so chosen. The ISDA itself does not represent an exchange of cash flows, goods or services, rather, individual transactions are entered into under the umbrella of the ISDA so that both the Company and Constellation can avail themselves of certain protections afforded through use of a master agreement. The ISDA governs a wide variety of financial transactions including, among other things, swaps and options; it also includes transactions in physical energy pursuant to the terms of a Power Annex that was added by Amendment Number One. Before opting to transact with Constellation under the ISDA

in any particular instance, the Company first seeks bids or otherwise reviews the applicable markets to determine whether the Constellation price and product is desirable. These individual transactions that are then entered into should the parties agree to transact are known as Confirmations.

6. The Company has been transacting business with Constellation under a master agreement since December 2001, conducting hundreds of transactions each year for products including, among other things, physical and financial transactions in energy, ancillary services and capacity. For example, the Company transacted with Constellation under the ISDA under various pricing mechanisms approximately 1800 times in 2008. Additionally, the Company enters into transactions with Constellation within short time frames, often day-ahead or through spot purchases. Physical transactions are priced according to market-based rate tariffs approved by the Federal Energy Regulatory Commission and are exempt from the notice requirements contained in WAC 480-100-245. The Company also purchases other products pursuant to pricing mechanisms other than pursuant to FERC-approved tariffs, or that do not meet any exceptions to filing requirements for affiliate interest transactions.

7. WAC 480-100-245 requires utilities to file verified copies of contracts with affiliated interests with the Commission prior to execution. Filing for approval of individual transactions under the master agreement would be cumbersome and inefficient, potentially requiring hundreds of individual filings. Additionally, making prior filings for all individual transactions will result in significant lost opportunities for customers by placing the Company at a competitive disadvantage in procuring such physical and financial products. For example, some transactions take place within hours

or minutes of reaching an agreement. Prior filings for these individual transactions would likely result in losing the opportunity to participate in the transaction. The Company respectfully requests a waiver of the prior filing requirements for individual transactions. To ensure adequate review of the transactions, the Company proposes to report these transactions in its annual affiliated interest report.

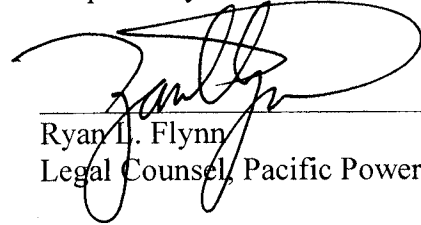
8. WAC 480-07-110(1) allows the Commission to grant a waiver of its rules if consistent with the public interest using the standard of whether the application of the rule at issue would impose undue hardship on the requesting entity and whether the effect of applying the rule would be contrary to the underlying purposes of the rule. Granting the Company a waiver of the requirement to file prior notice of individual transactions with Constellation is in the public interest and would relieve the Company of hardship because such filings would be numerous and administratively burdensome. The Company would include Constellation in its annual affiliated interest report submitted as required by WAC 480-100-264, which would serve the purpose of reporting on all the Company's affiliated interests.

9. Alternatively, if the Commission does not allow the requested waiver, the Company respectfully requests that the Commission expressly find that prior filing for individual transactions is not necessary under the ISDA filed April 03, 2009.

10. For these reasons, the Company respectfully requests that the Commission grant a waiver of the WAC 480-100-245 filing requirements for individual transactions with Constellation. The Commission may grant a modification of its rules "if consistent with the public interest, the purposes underlying the regulation, and applicable statutes." WAC 480-07-110(1). The Company's Petition meets these standards.

DATED: this 3 day of April, 2009.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ryan H. Flynn", is written over a horizontal line.

Ryan H. Flynn
Legal Counsel, Pacific Power

Counsel for PacifiCorp