



Christine O. Gregoire

ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

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October 2, 2001

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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

Re: PacifiCorp Prudence Review
Docket No. UE-991832

Dear Ms. Washburn:

In its Third Supplemental Order in Docket No. UE-991832, the Commission approved a general rate case Stipulation among PacifiCorp, Commission Staff, Public Counsel, the Industrial Customers of Northwest Utilities, the NW Energy Coalition and the Energy Project. One provision of the Stipulation required the parties to commence a process to examine the prudence of all power resource acquisitions made by PacifiCorp since its then-previous general rate case in Washington (Cause No. U-86-02). That examination was to be completed by October 1, 2001 with a Joint Report to follow from the parties to the Commission as to the prudence of those resource acquisitions. The resources to be included in the prudence examination were the Craig, Hayden, Cholla, Hermiston, Foote Creek and James River generating units.

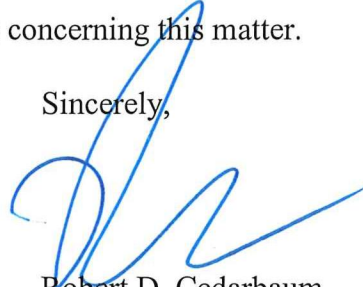
I have been authorized to inform you that the prudence examination required by the Stipulation has been completed, and that PacifiCorp and Staff are now engaged in preparing the Joint Report. They expect to complete and file the Joint Report with the Commission no later than November 1, 2001.

I have also been authorized by Public Counsel, ICNU, and the Energy Project to advise you that they have been kept informed of this process but, due to time constraints, have not participated actively in the prudence examination and will not participate in preparation of the Joint Report. The NW Energy Coalition also has not participated in the prudence examination and has yet to inform me, despite my inquiry, whether or not they will comment on the Joint Report.

Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
October 1, 2001
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Please contact me should you have any questions concerning this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'RDC', is written over the word 'Sincerely,'.

Robert D. Cedarbaum
Senior Counsel

RDC: tjj
cc: Parties of record