

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application)	
of)	DOCKET UE-051090
)	
MIDAMERICAN ENERGY)	ORDER 08
HOLDINGS COMPANY AND)	
PACIFICORP, d/b/a PACIFIC)	
POWER & LIGHT COMPANY)	ORDER GRANTING STIPULATED
)	MOTION TO AMEND ORDER 07
For an Order Authorizing Proposed)	
Transaction)	
.....)	

MEMORANDUM

- 1 On February 22, 2006, the Commission entered in this proceeding Order No. 07—
Order Approving and Adopting Settlement Stipulation. Order No. 07 approved
and adopted a Stipulation among MidAmerican Energy Holdings Company
("MEHC") and PacifiCorp d/b/a Pacific Power & Light Company ("PacifiCorp")
(jointly "Applicants"), Staff of the Washington Utilities and Transportation
Commission ("Staff"), the Public Counsel Section of the Office of the Attorney
General ("Public Counsel"), Industrial Customers of Northwest Utilities
("ICNU"), and the Energy Project. The Stipulation included, as Appendix A, a
Consolidated List of Commitments comprising 53 commitments Applicants made
in all six jurisdictions, 26 commitments Applicants made that are specific to
Washington, and a set of ring-fencing provisions that will be operative in all
jurisdictions.

- 2 Paragraph 8 of the Stipulation provides for a "most favored state" process that
gives the Commission an opportunity to consider and adopt in Washington any
commitments or conditions to which the applicants agree, or with which the
applicants are required to comply in other jurisdictions.

3 In paragraph 49 of Order No. 07, the Commission expressly retained jurisdiction over this matter for purposes of implementing the “most favored state” treatment provided by paragraph 8 of the Stipulation. Paragraph 49 provides:

The Commission retains jurisdiction to effectuate the terms of this Order including to make effective the terms of paragraph 8 of the Stipulation, which provides for “most favored state” treatment of any post-order commitments made by the Applicants in any state in which PacifiCorp does business.

4 On March 7, 2006, the parties conferred for purposes of implementing the “most favored state” process. When the parties developed the Stipulation, they had the benefit of the commitments agreed upon by Applicants in approval proceedings in the states of Utah, Oregon, Idaho and California.¹ Wyoming was the only state where a settlement was reached after the parties had filed their Stipulation in Washington. As part of the “most favored state” process the parties considered and agreed to adopt in Washington various commitments from the stipulation entered into by the Applicants in Wyoming. In addition, the parties considered the orders issued by the commissions in the other jurisdictions, and the covenants, commitments and conditions included in such orders. The parties agreed to adopt in Washington various covenants, commitments and conditions from the orders issued by the commissions in the other jurisdictions.

5 On March 8, 2006, the parties submitted a Motion asking the Commission to amend Order No. 7 by revising Appendix A of the Stipulation to include the additional agreed upon covenants, commitments and conditions arising from the “most favored state” process. These additional agreed upon items consist of the following:

- Wa 27, which pertains to the Commission’s jurisdiction to determine the prudence of PacifiCorp’s wholesale power transactions.
- Wa 28, which commits PacifiCorp to file with the Commission a proposed plan to develop and implement an

¹ See paragraph 11 of Order and paragraph 8 of the Stipulation.

acceptable alternative to the former Network Performance Standard related to Momentary Average Interruption Frequency Index (“MAIFI”).

- Wa 29, which pertains to the demonstration required of PacifiCorp in the event PacifiCorp obtains a loan from its parent company or any affiliated company.

In addition, commitment Wa 7(b) was revised to correct the reference to the index code used for purposes of the A&G “Stretch Goal.”

6 As an attachment to their Motion, the parties submitted a new Consolidated List of Commitments that contains these additional items. By their Motion, the parties asked that this Consolidated List be substituted as a replacement of the Commitments included as Appendix A to the Stipulation approved and adopted in Order No. 07. The parties represent that with the additional commitments included in the Consolidated List, the transaction continues to meet the public interest standard under WAC 480-143-170 and otherwise meets the requirements of RCW 80.12.020 for approval in Washington.

7 The Commission finds that the additional commitments included in the Consolidated List reasonably implement the “most favored state” process under the Stipulation and concludes they should be included as conditions for approval of the proposed transaction.

ORDER

THE COMMISSION ORDERS THAT:

- 8 (1) The parties’ Stipulated Motion to Amend Order No. 7 in this docket is granted.
- 9 (2) Order No. 07 in this proceeding is amended to the extent necessary to reflect that the Consolidated List of Commitments included as Attachment 2 to the Stipulated Motion, which is appended to and made a

part of this Order, replaces the Consolidated List of Commitments included as Appendix A to the Stipulation approved and adopted in Order No. 07.

- 10 (3) The Application filed by MEHC and PacifiCorp on July 15, 2005, as amended by the terms of the Stipulation and the Consolidated List of Commitments, is consistent with the public interest and is approved.
- 11 (4) The Commission retains jurisdiction to effectuate the terms of this and prior orders entered in this proceeding.

DATED at Olympia, Washington, and effective this 9th day of March, 2006.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner

NOTICE TO PARTIES: This is a final order of the Commission. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-07-850, or a petition for rehearing pursuant to RCW 80.04.200 or RCW 81.04.200 and WAC 480-07-870.

**REVISED APPENDIX A TO STIPULATION APPROVED BY
ORDER NO. 07, ENTERED IN DOCKET NO. UE-051090
ON FEBRUARY 22, 2006**