

BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

In the Matter of the Petition) DOCKET NO. _____
of PACIFICORP Seeking an)
Accounting Order.) PETITION OF PACIFICORP

PacifiCorp (or "the Company") files this petition pursuant to the provisions of WAC § 480-09-420, RCW §§ 80.01.040 and 80.04.090, and Order Paragraph No. 2 in the Washington Utilities and Transportation Commission's ("WUTC" or the "Commission") Decision and Order issued April 13, 1994, in Docket No. UE-940466. PacifiCorp seeks an accounting order from the Commission determining the proper manner for recording of net proceeds from Company sales of air emission allowances.

I.

BACKGROUND

On April 13, 1994, the Commission issued its Decision and Order in Docket UE-940466 Granting PacifiCorp blanket authorization for sales of surplus air emission allowances under RCW 80.12.020. PacifiCorp committed to filing no later than May 13, 1994, a petition for an accounting order directing the proper accounting treatment for any air emission allowance sales. The Commission ordered the Company to submit such an accounting petition in Order Paragraph No. 2 of the April 13, 1994 order. On May 13, 1994, the Company filed an accounting petition.

Since the date of its original filing, PacifiCorp has engaged in further discussions with Commission Staff and public

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1 Counsel regarding the appropriate amortization period from
2 allowance sales. Based upon these discussions, PacifiCorp has
3 filed a petition to withdraw its original filing requesting a
4 five-year amortization period and replace it with this petition
5 requesting a fifteen-year amortization period.

6 II.

7 RELIEF REQUESTED.

8 PacifiCorp proposes for accounting purposes, to
9 record all gains from air emission allowance sales in the year
10 the sales agreement was executed in Account 411.8, Gains from
11 Disposition of Allowances. PacifiCorp contends that this
12 accounting treatment of gains from air emission allowance sales
13 is just, reasonable and in the public interest. For ratemaking
14 purposes, PacifiCorp proposes to amortize gains from allowance
15 sales over a fifteen-year period with deferral of taxes to
16 match the amortization period, and with consideration in rate
17 base for the unamortized gain balance. This ratemaking
18 treatment will be reported in the Commission Basis Semi-Annual
19 Results of Operations Report.

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1 III.

2 SERVICE OF COMMUNICATIONS

3 All correspondence or communications regarding this
4 petition should be addressed to:

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6 Asst. Vice President, Regulation
7 PacifiCorp
8 1200 Public Service Building
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10 Portland, OR 97204
11 Tel. (503) 464-5065
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13 with a copy to:

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16 Suite 2300
17 900 SW Fifth Avenue
18 Portland, OR 97204-1268
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21 WHEREFORE, PacifiCorp respectfully requests that the
22 Commission:

- 23 1. Issue an accounting order: 1) requiring PacifiCorp to
24 record all gains from air emission allowance sales in
25 the year the sales agreement was executed in Account
26 411.8, Gains from Disposition of Allowances; 2) for
ratemaking purposes, permitting PacifiCorp to
amortize gains from allowance sales over a
fifteen-year period with deferral of taxes to match

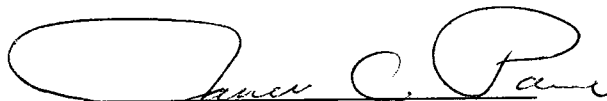
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1 the amortization period, and with consideration in
2 rate base for the unamortized gain balance; and
3 3) requiring PacifiCorp to report this ratemaking
4 treatment in the Commission Basis Semi-Annual Results
5 of Operations Report.

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DATED: July 12, 1994

Respectfully submitted,



James C. Paine
Katherine A. McDowell
Of Attorneys for PacifiCorp