



YAKIMA
COUNTY
DEVELOPMENT
ASSOCIATION

August 13, 2004

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

FAX 509-575-1508

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

Re: PacifiCorp General Rate Case, Docket UE-032065

Dear Commissioners:

509-575-1140

Over the next couple months you will be evaluating PacifiCorp's 13.5% electric rate increase request. Our organization hopes the Utilities and Transportation Commission deliberates carefully before making a final decision on this rate case. As a business development organization, the Yakima County Development Association recognizes that this rate increase will have a negative impact on businesses in the region.

Yakima, Washington 98907-1387

We balance this concern with the thought that it is equally important to have a financially solid electric utility that can provide reliable quality service to its customers. PacifiCorp has enjoyed an excellent customer service track record over the past twenty years. Keeping this service and reliability commitment intact will be a big challenge for the company though.

P. O. Box 1387

Like most businesses across the United States, PacifiCorp's operating costs are increasing. Domestic security issues, rising employee health insurance premiums and other cost factors are pressuring the company's operating margins. Without a corresponding increase in revenue, which is largely regulated by the UTC, we are concerned about PacifiCorp's ability to reinvest adequately in its power plants and transmission facilities.

Serious cost cutting initiatives over the past decade have indeed helped PacifiCorp keep rates low and service quality high. These efficiencies have largely been realized at this point, and we do not believe the company can easily continue to lower or contain costs without sacrificing customer service or reliability.

Beyond the importance of reliability and customer service, we also want the UTC to consider that PacifiCorp's rates are lower than they were sixteen years ago, and that the company has been an excellent corporate citizen in Yakima for almost 100 years.

Please weigh some of the factors we have raised in this letter as you evaluate PacifiCorp's rate increase request. While there is no question that an electric rate increase has some degree of short-term negative impact on businesses in Yakima County, there is also no doubt that a financially healthy electric utility favorably impacts our Valley's economic development fortunes.

Sincerely,

Mike Broadhead
Board Chairman