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October 1, 2002

VIA FACSIMILE AND U.S. MAIL

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

Re: Docket No. UE-020417 (consolidated with UE-991832)

Dear Ms. Washburn:

This is in regards to the Third Supplemental Order issued by the Commission on September 27, and to clarify PacifiCorp's intentions with respect to the matters discussed in that Order.

The issue concerns the timing of PacifiCorp's filing for rate recovery of any deferred amounts. In that regard, the Third Supplemental Order states as follows:

We emphasize in this connection that we expect PacifiCorp to follow through on its commitment to file its Purchased Cost Adjustment, or similar rate recovery plan, in the very near future. We note that PacifiCorp's prefiled direct testimony and exhibits in this docket, its request for deferral accounting, are due to be filed by October 18, 2002. (Order, ¶ 20)

If PacifiCorp does not follow through in a timely fashion on its commitment to file its proposal for recovery, we may then entertain a motion, or act on our own motion, to dismiss the Petition. (Order, ¶ 21)

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As stated at the August 6, 2002 prehearing conference, PacifiCorp proposes to address the rate recovery issue as part of its October 18 filing. (See transcript pages 49-50, 55-57) PacifiCorp agreed with the Staff suggestion that the scope of the filing would include as a “third general area . . . the recovery mechanism for recovering these costs that are placed in the deferred accounts, however that mechanism would occur.” (Tr. 50) The filing date for this testimony was set for October 18. (Tr. 63) Although PacifiCorp had originally proposed in its Petition to file a proposed recovery mechanism by September 30, 2002 (Petition, ¶ 25), based on the discussion at the August 6 prehearing conference, the rate recovery proposal was shifted to become a part of the October 18 filing.

Presumably this October 18 filing date satisfies the Commission’s direction in the Third Supplemental Order that the proposal for rate recovery be filed “in the very near future.” (Order, ¶ 20) Given the inter-relationship between the other issues to be included in that filing and the proposal for rate recovery, it seems reasonable to follow the course outlined at the August 6 prehearing conference and make a simultaneous filing addressing all these issues, on October 18. If our understanding is incorrect, however, and October 18 does not satisfy the Commission’s requirement of a rate recovery filing “in the very near future,” please advise the undersigned and PacifiCorp will endeavor to prepare such a filing in advance of October 18.

Thank you for your assistance.

Very truly yours,

James M. Van Nostrand

cc: Administrative Law Judge Dennis J. Moss
Service List