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January 24, 2001

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Office of the Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
Olympia, WA 98504-7250

Attention: Carole J. Washburn  
Executive Secretary

Re: Docket No. UE-990473 - Review of WAC 480-100

Dear Ms. Washburn:

PacifiCorp would like to thank the Commission for considering our comments regarding the proposed rule changes in the above docket. After several opportunities to provide comments at the workshops in this matter and later in response to draft proposals, we have limited our comments today to just a few remaining areas.

***Refusal of Service 480-100-123***

Changes proposed to Section (4) of the above rule would limit the use of prior obligation to no more than three times per year and would also clarify that prior obligation is applicable to residential customers only. We support both of these limitations and believe they represent a compromise between those who question the need for prior obligation and those who want to retain the status quo.

Of the six states we operate in, Washington is the only state that allows customers who have been disconnected for nonpayment to receive service and not pay the arrears. An indicator of the impact of prior obligation on the amount of write offs it generates would be the fact that Washington customers represents only 8% of the Company's total customers but Washington write offs are a disproportionate 16% of total Company write offs.

Should no restriction on the number of times prior obligation is used be desired, we recommend the Commission consider strengthening the deposit policy to require the entire deposit at the time of reconnection for those who use prior obligation, or, at a minimum, one-half the deposit before reconnection and the other half within 30 days. We would also suggest limiting Alternative to Deposit found in WAC 480-100-113(5) perhaps retaining only section (b) as an alternative to a deposit for customers who use prior obligation.

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Allowing the utility the opportunity to collect a deposit in a timely manner from customers who use prior obligation would lessen the risk that further write offs would be incurred from that same customer, thus reducing the Company's financial exposure and the subsidy paid by other customers for write offs incurred by prior obligation.

As we have stated in earlier comments, the Company would also recommend applying prior obligation to residential customers only and we strongly support the proposed rule change in this regard. We believe prior obligation was never intended for nonresidential customers and it is inequitable to expect other customers to subsidize businesses through prior obligation.

***Financial Reporting Requirements 480-100-208***

*Annual Reports* - PacifiCorp has applied to FERC to file the form 1 on a calendar year basis by June 30, which is subsequent to its release of fiscal year financial information. In addition, the Company will file by June 30 audited financial statements as of and for the year ended March 31 (fiscal year-end) of its regulated electric business. These financial statements will be in the form required by FERC. We request a change in the proposed rules to accommodate fiscal year companies. At the very least there should be appropriate extensions or waivers for companies so that they are not forced to disclose material information prior to their annual earnings release.

*Quarterly Reports* - Filing a report of actual results for Washington operations within forty-five days of the end of each quarter does not create a problem except for the last quarter of the fiscal year, ending on March 31. The last quarter information is not available for release until 90 days after the end of the fiscal year, or June 30. PacifiCorp cannot release significant financial information such as this prior to the general release. We request a change in the proposed rules to allow appropriate extensions or waivers for companies so that they are not forced to disclose material information prior to their annual earnings release.

Thank you for considering our comments. Should you have any questions, please feel free to contact me at 503-813-7408.

Sincerely,

Carole Rockney, Director  
Customer & Regulatory Liaison