



Pacific Power |
Rocky Mountain Power
825 NE Multnomah
Portland, Oregon 97232

September 28, 2006

VIA ELECTRONIC FILING

Ms. Carole J. Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: DO NOT REDOCKET: Docket No. UE-061440
Advice No. 06-006
Schedule 191 – System Benefits Charge Adjustment

Dear Ms. Washburn:

Pursuant to RCW 80.28.050 and 80.28.060 and the Commission's Rules and Regulations, PacifiCorp (d.b.a. Pacific Power & Light Company) submitted for filing the following proposed tariff sheet. The filing was assigned Docket No. UE-061440.

The Company originally requested less than the 30 day statutory notice for this filing to allow this rate change to take effect at the same time as the BPA adjustment to minimize the number of rate changes its customers will experience. On September 26, 2006, PacifiCorp filed a revision to the BPA tariff requesting a change to the effective date of the tariff from October 1, 2006 to November 1, 2006. PacifiCorp is requesting a similar tariff change in this filing in order to align the effective dates. Therefore, the Company respectfully requests that proposed Schedule 191 become effective on November 1, 2006.

Sixth Revision of Sheet No. 191 Schedule 191 System Benefits Charge Adjustment

The Company proposes a reduction in the annual collection rate from \$6.7 to \$4.5 million for ongoing operation of existing programs, for the proposed Home Energy Savings incentive program, and to balance the System Benefits Charge account. The reduction does not reflect a decrease in the Company's Demand-Side Management activities. On the contrary, the Company recently proposed the Home Energy Savings incentive program (Advice 06-004). In setting the \$6.7 million annual collection rate (Advice 05-001), the Company anticipated making a large incentive payment for an industrial project. Sufficient funds have been collected for this incentive payment and the collection rate needs to be reduced to align ongoing expenditures and revenue and to balance the System Benefits Charge account. Based on current forecasts for 2006-2008, the Company anticipates this collection rate to balance cumulative expenditures and

revenue in late 2008. The Company is proposing a collection rate expected to balance in 2008 and not earlier for rate stability reasons.

Attached are the following documents supporting the Schedule 191 adjustment:

- System Benefits Charge detail for proposed reduction
- System Benefits Charge history
- Cost-effectiveness assessment for existing programs

As stated in Docket UE-001457, the Company will continue to report collections and expenditures on a semi-annual basis and provide an annual review of programs. In addition, the Company will continue to meet with the energy efficiency and low income advisory groups to provide regular updates and obtain input.

Attachment A is a true and correct copy of the notice to be posted at Pacific Power's designated principal and other business offices in Washington. Attachment B is a listing of the proposed tariff sheet.

PacifiCorp requests that all data requests regarding this petition be addressed to:

By E-mail (preferred): datarequest@pacificorp.com

By Facsimile: (503) 813-6060

By Regular Mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Please direct informal questions to Melissa Seymour at melissa.seymour@pacificorp.com or (503) 813-6711.

Respectfully,



Andrea Kelly
Vice President, Regulation

Enclosures