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PUBLIC UTILITIES COMMISSION

June 21, 2006

Jean D. Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington  
Boise, ID 83702

PAC-E-06-04

Re: Application of PacifiCorp dba Rocky Mountain Power  
for Approval to Revise Electric Service Schedule Nos. 10, 400, and 401

Dear Ms. Jewell:

Please find enclosed for filing an original and 9 copies of PacifiCorp's Application in the above-referenced matter, along with nine copies of PacifiCorp's direct testimony and exhibits. Also enclosed is a compact disc containing the Application, Direct Testimony, and Exhibits. To the attention of the Court Reporter is a paper copy of all documents along with a diskette containing all testimony and exhibits.

PacifiCorp requests that the enclosed application be processed under modified procedure pursuant to Rule 201 through 204 of the Commission's Rules of Procedure. PacifiCorp also requests that the Application be processed on a schedule that will permit an effective date of September 1, 2006 for revised Schedule No. 401 and an effective date of January 1, 2007 for revised Schedule Nos. 10 and 400. In the event that an order cannot be reached before September 1, 2006, PacifiCorp requests that the revised Schedule No. 401 become effective September 1, 2006 subject to refund at the time of the Commission's final order.

Please note that Exhibit 4 included with this Application includes revised tariff sheets containing the Utah Power Letterhead. As PacifiCorp is still in a transition period to doing business under the name Rocky Mountain Power the tariff sheets do not yet reflect the new name and logo. PacifiCorp will revise the name and logo of all tariff sheets during summer 2006 and will supplement this Application when possible.

All formal correspondence regarding this Application should be addressed to:

Brian Dickman  
Dean Brockbank  
PACIFICORP  
201 South Main, Suite 2300  
Salt Lake City, Utah 84111  
Telephone: (801) 220-4975  
Fax: (801) 220-3116  
Email: [brian.dickman@PacifiCorp.com](mailto:brian.dickman@PacifiCorp.com)  
Email: [dean.brockbank@PacifiCorp.com](mailto:dean.brockbank@PacifiCorp.com)

James M. Van Nostrand  
STOEL RIVES LLP  
900 SW Fifth Avenue, Suite 2600  
Portland, OR 97204  
Telephone: (503) 294-9679  
Fax: (503) 220-2480  
Email: [jmvannostrand@stoel.com](mailto:jmvannostrand@stoel.com)

Jean D. Jewell  
June 21, 2006  
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Communications regarding discovery matters, including data requests issued to PacifiCorp, should be addressed to:

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

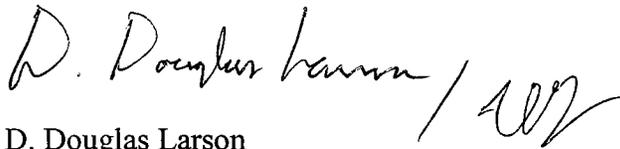
By Fax: (503) 813-6060

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah St., Suite 300  
Portland, OR 97232

Informal inquiries may be directed to Brian Dickman, Manager, Idaho Regulatory Affairs at (801) 220-4975.

Thank you for your assistance with this filing.

Very truly yours,

A handwritten signature in cursive script that reads "D. Douglas Larson" followed by a stylized flourish or initials.

D. Douglas Larson  
Vice President, Regulation

cc: Service List

Enclosures

Mark C. Moench  
Senior Vice President and General Counsel  
PacifiCorp, dba Rocky Mountain Power  
201 South Main, Suite 2300  
Salt Lake City, Utah 84111  
Telephone: (801) 220-4459  
Fax: (801) 220-3116

RECEIVED  
MAY 20 10 16 AM '06  
PUBLIC UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE )**  
**APPLICATION OF PACIFICORP DBA )**  
**ROCKY MOUNTAIN POWER FOR ) CASE NO. PAC-E-06-04**  
**APPROVAL TO REVISE ELECTRIC )**  
**SERVICE SCHEDULE NOS. 10, 400, ) APPLICATION AND**  
**AND 401 ) STIPULATION**  
**)**

PacifiCorp, dba Rocky Mountain Power (“PacifiCorp” or “the Company”) hereby applies to the Commission for approval of proposed changes to the Company’s Electric Service Schedule Nos. 10, 400, and 401 submitted herewith. In support of this Application, PacifiCorp states as follows:

1. PacifiCorp is authorized to do and is doing business in the state of Idaho.

PacifiCorp provides retail electric service to approximately 64,000 customers in the state of Idaho and, as to such service, is subject to the jurisdiction of the Commission.

2. Communications regarding this Application should be addressed to:

Brian Dickman  
Dean Brockbank  
PACIFICORP  
201 South Main, Suite 2300  
Salt Lake City, Utah 84111  
Telephone: (801) 220-4975  
Fax: (801) 220-3116  
Email: [brian.dickman@pacificorp.com](mailto:brian.dickman@pacificorp.com)  
Email: [dean.brockbank@pacifiCorp.com](mailto:dean.brockbank@pacifiCorp.com)

and to:

James M. Van Nostrand  
STOEL RIVES LLP  
900 SW Fifth Avenue, Suite 2600  
Portland, OR 97204  
Telephone: (503) 294-9679  
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Email: [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

Informal inquiries may be directed to Brian Dickman, Manager, Idaho Regulatory Affairs at (801) 220-4975.

3. PacifiCorp's proposed revised tariff schedules, which are filed with this Application, would result in a net increase of \$8.25 million, or 5.1%, in prices for the Company's Idaho retail customers under Schedule Nos. 10, 400, and 401. The revised tariff Schedule Nos. 10 and 400 reflect a proposed effective date of January 1, 2007, and revised tariff Schedule No. 401 reflects a proposed effective date of September 1, 2006.

4. This proposed increase is based upon normalized results of operations for the test period ending September 30, 2005, with known and measurable changes. These normalized test period results show that PacifiCorp is currently earning a normalized return on equity (ROE) of 5.75 percent. This is significantly below the Company's last authorized rate of return, and well below the rate of return generally allowed currently for public utilities in Idaho. Based on the Company's target rate of return, an increase of \$19.35 million would be warranted at the 5.75% earnings level. Without the requested increase in revenues, it will be increasingly difficult for PacifiCorp to access capital markets to obtain the funds necessary to maintain its utility infrastructure and continue to provide safe, reliable power to its Idaho customers.

5. PacifiCorp's application consists of the testimony and exhibits of one Company witness and a signed Stipulation between the Company and the Idaho Irrigation Pumpers Association, Inc. ("IIPA"). Company witness Jeffrey K. Larsen will present an overview of the Company's application and support for the simultaneous Stipulation signed by the Company and IIPA. Mr. Larsen will also provide exhibits supporting the proposed rate increase and describe the efforts made by the Company to reach agreement with the affected parties.

6. The Company respectfully submits that it is in the public interest that the Commission allow PacifiCorp to implement the proposed electric service schedules as filed.

7. PacifiCorp requests that this Application be processed under modified procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure.

8. In accordance with Commission Rule 121(d), PacifiCorp represents that it stands ready for immediate consideration of this Application.

WHEREFORE, PacifiCorp respectfully requests that a final order be issued approving PacifiCorp's proposed electric service schedules.

DATED this 21<sup>st</sup> day of June, 2006.

Respectfully submitted,

By   
Mark C. Moench  
Senior Vice President and General Counsel  
PacifiCorp, dba Rocky Mountain Power

**CERTIFICATE OF SERVICE**

I hereby certify that on this 20th day of June, 2006, I caused to be served, via U.S. mail, a true and correct copy of the foregoing document to the following:

Eric L. Olsen  
RACINE, OLSON, NYE, BUDGE  
& BAILEY  
201 E. Center  
P.O. Box 1391  
Pocatello, Idaho 83204

A handwritten signature in cursive script that reads "Peggy Ryan". The signature is written in black ink and is positioned above a horizontal line.

Peggy Ryan  
Supervisor, Regulatory Administration