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

April 28, 2006

UTILITY COMMISSION

Idaho Public Utilities Commission  
472 West Washington  
Boise, ID 83702-5983

PAC-E-06-05

Attention: Jean D. Jewell  
Commission Secretary

Re: In the Matter of the Application of PacifiCorp for a Deferred Accounting Order  
to Defer the Rate Credits in Commitments I27 and I31

PacifiCorp (d.b.a. Rocky Mountain Power) hereby submits for filing an original and eight copies of its Application of PacifiCorp for a Deferred Accounting Order to Defer the Rate Credits in Commitments I27 and I31 related to the merger of MidAmerican Energy Holdings Company and PacifiCorp.

Service of pleadings, exhibits, orders and other documents relating to this proceeding should be served on the following:

Dean Brockbank  
PacifiCorp  
201 South Main Street, Suite 2200  
Salt Lake City, UT 84111  
[dean.brockbank@pacificorp.com](mailto:dean.brockbank@pacificorp.com)

Brian Dickman  
PacifiCorp  
201 South Main Street, Suite 2300  
Salt Lake City, UT 84111  
[brian.dickman@pacificorp.com](mailto:brian.dickman@pacificorp.com)

It is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

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

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

By fax: (503) 813-6060

Sincerely,

D. Douglas Larson  
Vice President, Regulation  
Enclosures

Dean S. Brockbank  
PacifiCorp  
201 South Main Street, Suite 2200  
Salt Lake City, UT 84111  
Telephone: (801) 220-4568  
Fax: (801) 220-3299  
Email: [dean.brockbank@pacificorp.com](mailto:dean.brockbank@pacificorp.com)

Attorneys for PacifiCorp  
dba Rocky Mountain Power

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF PACIFICORP FOR A DEFERRED )  
ACCOUNTING ORDER TO DEFER THE )  
RATE CREDITS IN COMMITMENTS I27 )  
AND I31 )**

**CASE NO. PAC-E-06-05**

**APPLICATION**

Pursuant to Idaho Code §61-524 and Procedural Rule 52, PacifiCorp d/b/a Rocky Mountain Power (“PacifiCorp” or the “Company”) applies to the Idaho Public Utilities Commission (“IPUC” or the “Commission”) for an order authorizing the Company to defer certain rate credits associated with MidAmerican Energy Holdings Company’s (“MidAmerican”) acquisition of PacifiCorp. In support of this Application, PacifiCorp states as follows:

1. PacifiCorp is an electrical corporation and public utility in the state of Idaho and is subject to the jurisdiction of the Commission with regard to its public utility operations. PacifiCorp also provides retail electricity service in the states of California, Utah, Oregon, Washington and Wyoming.

2. This Application is filed pursuant to Idaho Code §61-524, which authorizes the Commission to prescribe the accounting to be used by any public utility subject to its jurisdiction.

3. Communications regarding this Application should be addressed to:

Dean S. Brockbank  
Sr. Counsel  
Rocky Mountain Power  
201 South Main Street, Suite 2200  
Salt Lake City, UT 84111  
Tel: (801) 220-4568  
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Manager, Idaho Regulatory Affairs  
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Salt Lake City, UT 84111  
Tel: (801) 220-4975  
[brian.dickman@PacifiCorp.com](mailto:brian.dickman@PacifiCorp.com)

In addition, it is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

By e-mail (**preferred**)

[datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail

Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 300  
Portland, OR 97232

By facsimile

(503) 813-6060

4. In its March 14, 2006 Order in Docket No. PAC-E-05-8 (Order No. 29998), the Commission attached and incorporated into its Order a list of final Idaho commitments, including commitments I 27 and I 31. In commitment I 27, MidAmerican and PacifiCorp commit to reduce the annual non-fuel costs of the West Valley lease by \$417,000 per month total company and to provide, subject to the offset provisions of the commitment, a total company rate credit in that amount. Commitment I 27 also provides that: "Beginning with the first month after the close of the transaction to purchase PacifiCorp, Idaho's share of the monthly rate credit will be deferred for the benefit of customers and accrue interest at PacifiCorp's authorized rate of return." In commitment I 31, MidAmerican and PacifiCorp commit to reduce the total company administrative and general costs by \$500,000 per month and to provide, subject to the offset provisions of the commitment, a total company rate credit in that amount. Commitment I 31 also

provides that: "Beginning with the first month after the close of the transaction, Idaho's share of the \$.5 million monthly rate credit will be deferred for the benefit of customers and accrue interest at PacifiCorp's authorized rate of return."

5. Subject to the Commission's authorization, PacifiCorp proposes to defer the rate credits as of April 1, 2006, the beginning of the first month after the close of the MidAmerican acquisition of PacifiCorp, for future incorporation in PacifiCorp's rates. The amount of the deferred account related to the West Valley lease will be \$417,000 monthly on a total company basis and will be allocated among the states based upon the SSGCT allocation factor for the twelve months ending March 31, 2006. The amount of the deferred account related to the administrative and general cost savings will be \$500,000 monthly on a total company basis and will be allocated among the states based upon the SO allocation factor for the twelve months ending March 31, 2006.

6. PacifiCorp proposes to account for these rate credits in the following manner: amounts related to the West Valley lease savings and administrative and general cost savings will be charged to Account 400, Operating Revenues, with the credit being recorded in Account 254, Other Regulatory Liabilities. The amortization of the balances would be accomplished by debiting Account 254 and crediting Account 400, Operating Revenues. PacifiCorp will accrue interest expense on the unamortized balance at a rate equal to its weighted average cost of capital most recently approved by the Commission.

7. PacifiCorp does not request a determination of ratemaking treatment of these rate credits at this time and instead proposes to address issues associated with these rate credits in PacifiCorp's next general rate case application.

WHEREFORE, PacifiCorp respectfully requests that, in accordance with Idaho Code

§61-527, the Commission issue an order authorizing the Company to defer, commencing as of April 1, 2006, the rate credits described in this Application.

Respectfully submitted this 28<sup>th</sup> day of April, 2006.

By   
Dean Brockbank  
Attorney for PacifiCorp