

May 27, 2005

VIA ELECTRONIC MAIL

Utah Public Service Commission
Heber Wells Bldg., 4th Floor
Salt Lake City, UT 84111

Attention: Chairman Ric Campbell

Re: **Docket No. 02-035-04**
PacifiCorp Petition To Initiate Investigation of Inter-Jurisdictional Issues
Notification of Proposed Budget for Ongoing MSP Standing Committee
Activities

The purpose of this letter is to provide a copy of the Proposed Budget for ongoing MSP Standing Committee activities as required by the Stipulation in the Oregon MSP Docket. The letter is for information only and does not require a response.

Proposed Budget for Ongoing MSP Standing Committee Activities

Pursuant to Paragraph 12 of the Stipulation in Oregon Docket # UM-1050, PacifiCorp proposes the following budget to each State Commission that has finally ratified the Revised Protocol.

Paragraph 12 states:

“Within 90 days of such final ratification of the Revised Protocol, the Company shall file with each Commission that has finally ratified the Revised Protocol a proposed budget sufficient to reasonably fund the appointment of a Standing Neutral and the activities described in Section XIII B of the Revised Protocol for a 12 month period”

In compliance with the above stipulation language and the terms of the Revised Protocol, PacifiCorp proposes to budget a sum of \$160,000 to support these requirements for a twelve month period.

The sum is sufficient to cover estimated expenses for establishment of the Standing Committee, initial engagement and on-going activities of the Standing Neutral (for 12 months), an estimate for retention of independent consultants to provide advisory findings as directed by the Standing Committee, and an estimate for required travel and organizational expenses related to the Standing Committee. See attachment for further detail of the proposed budget.

In addition, PacifiCorp continues to support the on-going efforts in a very substantial fashion. Beyond the sum budgeted above, PacifiCorp will continue to provide full time resources to the on-going efforts of the workgroups, provide all required reporting comparisons in rate cases and periodic reporting, continue to facilitate and manage the on-going process with the Standing Committee and Standing Neutral, and to obtain legal services related to on-going work items.

This Standing Committee budget is expected to be an item of discussion at the initial meeting of the MSP Standing Committee.

If you have any questions or require further assistance, please contact John Rush, MSP Project Manager, at (503) 813-6957

Very Truly Yours,

Don Furman
Senior Vice President, Regulation and External Affairs

cc: Julie Orchard
Lowell Alt
George Compton
MSP Participants

Attachment

MSP Standing Committee Proposed Budget

Standing Neutral

Professional Fees, Travel and Expenses - up to \$ 125,000

Independent Consultant

250 hours at \$100/hour \$ 25,000

Miscellaneous Expenses

Meeting Facilities, Materials, Supplies, etc. \$ 10,000

Total Proposed Budget \$ 160,000

Does not include legal costs, costs of PacifiCorp employees
or costs for employee travel