

December 8, 2006

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Attention: Julie P. Orchard
Commission Secretary

Re: Docket 06-035-21
Compliance with repeal of Utah Gross Receipts Tax on Electrical Corporations

The purpose of this letter is to document with the Commission that tariffs filed by Rocky Mountain Power in docket 06-035-21 comply with Section 54-7-12.9 of the Utah Code as amended by Senate Bill 34 during the 2006 General Session of the Utah Legislature. An electronic copy of this filing will be provided to mlivingston@utah.gov.

As amended, Section 54-7-12.9 (2) states as follows:

An electrical corporation shall:

(a) file new tariffs with the commission on or before July 31, 2006 as part of its 2006 general rate case revenue requirement:

(i) reflecting the decrease in the electrical corporation's rates as a result of the repeal of the gross receipts tax by Section 5, Chapter 221, Laws of Utah 2006; and

(ii) spreading the amount of the decrease described in Subsection (2)(a)(i) among all classes of the electrical corporation's customers on the same basis that the gross receipts tax was allocated to each class of the electrical corporation's customers under the rates effective on the day which the rate determined by the commission take effect under the electrical corporation's 2006 general rate case filed on or before September 1, 2006; and

(b) on or before the day on which the electrical corporation files new tariffs with the commission under Subsection (2)(a), file with the commission a complete report of the calculation of the allocation required by this section.

Rocky Mountain Power filed a general rate case on March 7, 2006, in Docket 06-035-21. In anticipation of the repeal of the Gross Receipts Tax, the company's filing already reflected an adjustment that removed the \$3.7 million historical amount of Gross Receipts Tax from account 408, Taxes Other than Income Taxes, in the forecast results of operations that were used in the case. A copy of this adjustment that was submitted as part of the general rate case as Tab 7.3 of Exhibit UP&L ___ (JTW-1) is attached for your reference. The reduction in Taxes Other than Income Taxes flowed through to the state of Utah revenue requirement and to each class of customers using the same jurisdictional and class allocation basis as the Gross Receipts Tax was allocated in prior rate cases.

As a result, the Rocky Mountain Power tariff rates that will become effective on December 11, 2006 do not reflect any collection of Utah Gross Receipts Tax and comply with the requirements of §54-7-12.9.

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

By E-mail (preferred): 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 Dave Taylor at 801-220-2923.

Sincerely,

Doug Larson,
Vice President, Regulation