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CCS Exhibit 6.5

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May 28, 2004

Ken Canon, Executive Director
Industrial Customers of Northwest Utilities
825 NE Multnomah, Suite 180
Portland, OR 97232

Re: PacifiCorp West Valley Generation Facilities

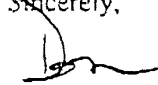
Dear Ken:

I appreciate the opportunity to respond to your letter to Judi Johansen of May 12 regarding PacifiCorp's West Valley Project. I received a similar letter from Lee Sparling on May 24. I have enclosed my response to him, which addresses the issues raised in your letter. In summary, PacifiCorp believes that the West Valley lease is an important and cost-effective resource in reliably meeting our load service obligation. One of the additional attractive qualities of the lease is the degree of flexibility it provides PacifiCorp. In this instance, PacifiCorp intends to take advantage of that flexibility by providing written notice of termination prior to June 1, 2004. This step will provide the Company a four-month window to evaluate whether to terminate the lease as of May 31, 2005 or rescind the termination and permit the lease to continue.

As I indicated in my letter to Mr. Sparling, we propose to provide informal updates or briefings to Staff throughout the summer along the Company's path to a decision. We are pleased to include ICNU in these briefings as well.

Please contact Christy Omohundro or me if you have further questions or comments.

Sincerely,



Don Furman
Senior Vice-President

cc: Chairman Lee Beyer
Commissioner Ray Baum
Commissioner John Savage
Lee Sparling
Marc Hellman
Judi Johansen
Christy Omohundro

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May 28, 2004

Lee Sparling
Director, Utility Program
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: PacifiCorp West Valley Generation Facilities

Dear Lee:

This responds to your letter of May 24, 2004 regarding the West Valley lease.

Background

The Staff investigated the West Valley lease in UI 196. In the Staff Report, adopted by the Commission in Order 02-361, Staff recommended approval of the Company's request to enter into the West Valley lease with West Valley Leasing Company (a subsidiary of PPM) based upon its conclusions that the lease met the Commission's "lower of cost or market" transfer policy and that PacifiCorp was "paying a fair and reasonable price under the Lease." UI 196, Staff Report at 8 (May 22, 2002).

Consistent with the Staff's findings, the West Valley lease has proven to be an important and economic resource for the Company, providing benefits to the overall system in the form of lower net power costs and increased reliability. In the Stipulations approved by the Commission in Dockets UE 134 and UE 147, the lease was included in PacifiCorp's net power costs (in the latter case, the parties did agree to adjust Oregon allocation factors to address certain Utah-based resources, including the West Valley lease).

PacifiCorp has acquired and planned other resource additions since the Oregon Commission approved the West Valley lease, including a contract with Deseret Generation & Transmission Cooperative and its Currant Creek plant (which will come on line in two phases - 2005 and 2006). Notwithstanding these additions, the Company is facing a system short position, as shown in the most recent IRP Update. Thus, the need for the West Valley lease appears to have increased, rather than decreased, since the Commission originally approved the lease.

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Public Utility Commission of Oregon
Lee Sparling

Termination Option

The provisions of the West Valley lease allow the Company to terminate the lease in year three or in year six. The Company's first option to terminate the lease is prior to June 1, 2004. Under the lease, the Company may rescind the termination prior to September 30, 2004. If the Company does not rescind such a termination notice then the lease would terminate May 31, 2005, and the Company would forego the 200 MW West Valley resource thereafter (unless the Company exercises its parallel purchase option).

In reviewing the West Valley lease, Staff commented that "these options provide PP&L with a hedge against changes in market prices and loads in the future and to ultimately decide which is the best economic choice (continue leasing, terminate leasing, or purchase the project.)" UI 196, Staff Report at 5 (May 22, 2002). PacifiCorp agrees that the flexibility of the West Valley lease is one of its attractive features.

PacifiCorp's Position on Termination

PacifiCorp has decided to take advantage of the flexibility of the West Valley lease by providing PPM Energy written notice of its termination prior to June 1, 2004. This step will provide the Company a four-month window to evaluate whether to terminate the lease as of May 31, 2005, or rescind the termination and permit the lease to continue. While PacifiCorp believes that the West Valley lease may very well remain its best option for reliably meeting a portion of its resource needs, PacifiCorp intends to conduct a robust review of this issue over the summer, including an evaluation of short-term market opportunities.

PacifiCorp's Position on a Proposed Staff Investigation

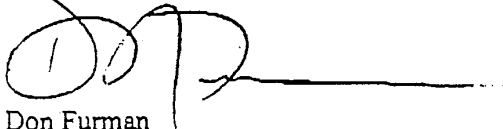
It is not clear whether your letter suggested a Staff investigation out of concerns that PacifiCorp would not trigger the termination option by June 1, concerns that PacifiCorp would not evaluate the West Valley lease against other market alternatives, or both. We think that the fact that PacifiCorp is planning to take both of these steps should obviate the need for any kind of formal Staff investigation. This is especially true given the fact that Staff and other parties will have an opportunity to scrutinize whatever decision PacifiCorp makes on the West Valley lease in a subsequent prudency review over the lease expense or the replacement resource expense.

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Lee Sparling

Now that we understand that Staff has an interest in this issue, we are pleased to provide informal updates or briefings throughout the summer along the Company's path to a decision. This kind of informal approach is consistent with past practices in Oregon on resource decisions of this sort. In contrast, a formal investigation on whether a utility should make a certain resource decision is highly unusual in a State that has generally eschewed resource pre-approval.

We hope that PacifiCorp's approach to the West Valley lease termination, along with the Company's willingness to provide informal updates or briefings to Staff during the four-month review window, satisfies the concerns that precipitated your letter. Please contact Christy Omohundro or me if it does not or if we can provide more information.

Sincerely,

A handwritten signature in black ink, appearing to read 'DF', with a horizontal line extending to the right.

Don Furman
Senior Vice-President

cc: Marc Hellman
Ed Busch
Ken Canon, ICNU ✓
Bob Jenks, CUB
Judi Johansen
Christy Omohundro
Paul Wrigley