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Attorneys for PacifiCorp dba Utah
Power & Light Company

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of PacifiCorp) DOCKET NO. 05-035-
for Approval of its Proposed Power Cost)
Adjustment Mechanism) APPLICATION OF PACIFICORP

PacifiCorp, doing business as Utah Power & Light Company (“PacifiCorp” or “Company”) hereby applies to the Utah Public Service Commission (“Commission”), pursuant to Utah Code Ann. § 54-4-1 et. seq., for an order approving its proposed Power Cost Adjustment Mechanism (“PCAM”). In support of this Application, PacifiCorp states as follows:

1. PacifiCorp is a public utility in the state of Utah and is subject to the Commission’s jurisdiction with respect to its retail electricity service in the state of Utah, including its prices and terms of electric service to its Utah retail customers.
2. Communications regarding this Application should be addressed to:

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3. Since the Western energy crisis of 2000-2001, there has been a dramatic increase in both the price and the volatility of wholesale market power purchases. As a result, the Company's net power costs, which currently represent approximately twenty-four percent of the Company's total Utah revenue requirement, are now subject to a much higher degree of volatility than they were in the past. From 1990 through 1999, the difference between the net power costs incurred by the Company and the net power costs included in rates averaged \$7.1 million total Company. For the period from 2000 to 2004, that difference has averaged approximately \$223 million. That represents more than a 3,100 percent increase.

4. In addition, while the Company has been prudent in the management of its net power costs, the volatility of those net power costs is primarily related to factors outside the Company's control. For example, hydro and weather conditions, the timing of forced outages and the variability in the wholesale market prices for electricity and gas are not within the Company's control.

5. For those reasons, the Company does not, under its current Utah ratemaking mechanism, have a reasonable opportunity to recover its actual and prudently incurred net power costs for service in Utah. In order to provide the Company with an opportunity to recover those net power costs, PacifiCorp requests that the Commission approve its proposed PCAM. As described in the testimony filed with this Application, the proposed PCAM is a mechanism that would provide for a sharing of net power costs between customers and the Company in a manner consistent with the Commission's statutory responsibility to set rates that are just, reasonable and sufficient.

6. PacifiCorp submits the following testimony with this Application:

(a) The testimony of D. Douglas Larson, who presents an overview of the Company's case;

(b) The testimony of Mark T. Widmer, who provides a detailed explanation of the proposed PCAM; and

(c) The testimony of David L. Taylor, who describes the allocation methodology utilized in the PCAM

WHEREFORE, PacifiCorp respectfully requests that the Commission issue its Order:

1. Approving the proposed PCAM; and
2. Providing such further relief as the Commission deems just and reasonable.

DATED this 21st day of November, 2005.

Respectfully submitted,

STOEL RIVES LLP

By _____
Edward Hunter
Jennifer Martin
Stoel Rives LLP
Of Attorneys for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of November, 2005, I caused to be served, via U.S. mail, a true and correct copy of the foregoing **Application** to the following:

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