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August 30, 2005

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VIA EMAIL (puc.sb408@state.or.us)

Judy Johnson
Oregon Public Utility Commission
PO Box 2148
Salem, OR 97308-2148

Re: *Proposed Temporary Rules (860-027-0006 Utility Tax Reports) and Proposed Utility Tax Report*

Enclosed are PacifiCorp's proposed Temporary Rules and Proposed Utility Tax Report. PacifiCorp will submit responses to Staff's question from the August 12, 2005 letter regarding implementation of Senate Bill 408 under separate cover later today.

Very truly yours,

A handwritten signature in black ink, appearing to read 'SJA', with a long horizontal flourish extending to the right.

Sarah J. Adams Lien

SJL:knp
Enclosures
cc: Service List

860-027-0006 Utility Tax Reports

- (1) The requirements of this rule will apply to any regulated investor-owned utility that provided electric or natural gas service to an average of 50,000 or more customers in Oregon in 2003 or a successor in interest to such an entity that continues to be a regulated investor-owned utility. Each such utility will submit a Utility Tax Report on or before October 15 following the year for which the report is made using the most current form approved by the Commission.

[Editor's NOTE: The form referenced in this rule is available from the Commission]

Stat. Auth.: [SB 408]

- (2) Capitalized terms used in the Utility Tax Report and in this rule shall have the following meanings:
 - (a) "Adjusted Revenues" means revenues collected by the Utility from retail customers in Oregon adjusted for any rate adjustment imposed by ORS 757. ____ [SB 406 §3]
 - (b) "Affiliated Group" means an affiliated group of corporations of which the Utility is a member and that files a consolidated federal income tax return.
 - (c) "Deferred Taxes" means the total deferred tax expense of Regulated Operations as reported in the appropriate FERC deferred tax expense accounts that relate to the year being reported.
 - (d) "Effective Tax Rate" means the ratio of total Tax expense (including both current and deferred tax expense) divided by net income from Regulated Operations as determined by the Commission in the Utility's last general rate case.
 - (e) "Intervenor" means a party permitted to intervene in the Utility's last general rate case.
 - (f) "Net to Gross Ratio" means the ratio of net revenues from Regulated Operations to Gross Revenues from Regulated Operations, as determined by the Commission in the Utility's last general rate case.
 - (g) "Net Taxes" means the sum of all cash Tax payments made in a fiscal year including interest payments on taxes owed, less any Tax refunds received in that year including interest payments included in such refunds.
 - (h) "Properly Attributed" means the portion of Taxes paid to all units of government by a Utility or an Affiliated Group equal to the Tax expense associated with Regulated Operations calculated on a standalone basis.

- (i) “Public Disclosure Amount” means the amount that the Commission may disclose or any Intervenor may obtain and disclose.
- (j) “Regulated Operations” means those activities of a Utility that are subject to rate regulation by the Commission.
- (k) “Tax” or “Taxes” means a federal, state or local tax or fee that is imposed on or measured by income and that is paid to all units of government, but not including a franchise fee or privilege tax.
- (l) “Unrecognized Utility Investments” means expenditures by the Utility in Regulated Operations that were not taken into account by the Commission in the Utility’s last general rate case.
- (m) “Utility” means a public utility subject to this rule.
- (n) “Year 1, Year 2 and Year 3” means, respectively, the last three Utility fiscal years ending prior to the filing of the Utility Tax Report, with Year 1 being the most recent fiscal year ending prior to the filing of the utility Tax Report.

UTILITY TAX REPORT

PART A: Utility Information

Name of Utility _____

Address of Utility _____

Utility contact person:

 Name: _____

 Telephone Number _____

 Email _____

Does Utility pay Taxes as part of an Affiliated Group ? Yes _____ No _____

Utility fiscal years for which Utility Tax Report is being filed:

Year 1 _____ _____
 Beginning date Ending date

Year 2 _____ _____
 Beginning date Ending date

Year 3 _____ _____
 Beginning date Ending date

PART B: Actual Tax Payments

Year 1

(a) Net Taxes paid by Utility or Affiliated Group and Properly Attributed _____

(b) Net Taxes paid by Utility or Affiliated Group _____

(c) Tax savings resulting from Utility charitable contributions _____

(d) Tax savings from Unrecognized Utility Investments _____

(e) Deferred Taxes _____

Sum of (a) and (c) through (e) _____

(f) Sum of (b) through (e) _____

Year 2

(a) Net Taxes paid by Utility or Affiliated Group and Properly Attributed _____

(b) Net Taxes paid by Utility or Affiliated Group _____

(c) Tax savings resulting from Utility charitable contributions _____

(d) Tax savings from Unrecognized Utility Investments _____

(e) Deferred Taxes _____

Sum of (a) and (c) through (e) _____

(f) Sum of (b) through (e) _____

Year 3

(a) Net Taxes paid by Utility or Affiliated Group and Properly Attributed _____

(b) Net Taxes paid by Utility or Affiliated Group _____

(c) Tax savings resulting from Utility charitable contributions _____

(d) Tax savings from Unrecognized Utility Investments _____

(e) Deferred Taxes _____

Sum of (a) and (c) through (e) _____

(f) Sum of (b) through (e) _____

PART C: Taxes Collected in Rates

Year 1

(a) Utility Adjusted Revenues _____

(b) Net to Gross Ratio _____

(c) Effective Tax Rate _____

(d) Taxes Collected in Rates (Product of (a) through (c)) _____

Difference between Part B line (f) and Part C line (d)
(Public Disclosure Amount) _____

Year 2

(a) Utility Adjusted Revenues _____

(b) Net to Gross Ratio _____

(c) Effective Tax Rate _____

(d) Taxes Collected in Rates (Product of (a) through (c)) _____

Difference between Part B line (f) and Part C line (d)
(Public Disclosure Amount) _____

Year 3

(a) Utility Adjusted Revenues _____

(b) Net to Gross Ratio _____

(c) Effective Tax Rate _____

(d) Taxes Collected in Rates (Product of (a) through (c)) _____

Difference between Part B line (f) and Part C line (d)
(Public Disclosure Amount) _____