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June 30, 2008

JR Gonzalez
Program Manager
Utility Safety & Reliability Section
Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
Salem, OR 97301-2551

RE: OPUC staff's evaluation responsive to Order 07-179

Dear Mr. Gonzalez

In May, the Oregon Public Utilities Commission Safety & Reliability Staff initiated discussions regarding proposed implementation effective dates for recent NESC modifications pertinent to arc flash hazards. PacifiCorp (the "Company") communicated that it had been aware of proposed changes and that it was endeavoring to meet a target date of January 1, 2009. At the Oregon Utility Safety Committee meeting held on May 16, 2008, the Company's representative, Don Feltz, communicated that the Company continued making progress in evaluating necessary changes. Further, plans were being developed to implement those changes.

At a June 17, 2008, Arc Flash workshop, the Company and other industry representatives identified concern about a potential January 1, 2009 enforcement date. Specifically, "*Oregon PUC Order 07-179 requires that PUC Staff review before August 1, 2008 the impacts of the NESC (National Electrical Safety Code) rules 410A3 and 420I2 and the practicality of the January 1, 2009 implementation date. The PUC is requesting input on this matter at the May 16 OUSC meeting and at a later industry workshop (to be scheduled sometime after June 1, 2008).*" This communication is intended to formalize the concerns the Company has regarding that adoption date and identify specifics for each of these concerns.

The Company has made significant progress to implement a policy consistent with recent changes to the NESC arc flash provisions, including implementation of a Fire Resistant Clothing Policy and arc flash studies of the Company's metal clad switch gear. Furthermore, the Company has outlined an aggressive plan to meet the January 1, 2009 deadline. Nonetheless, the Company has concerns over adoption schedules for various governmental agencies.

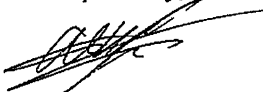
Optimally, first adoption would occur at the federal level and be adopted by the state(s) through OSHA. In this case, there would be clarity regarding rules, dates and enforcement processes. At this time, however, the potential adoption by the state rules on January 1, 2009, would likely result in substantial confusion as to how enforcement would be accomplished. Further, adoption of this requirement in a piecemeal manner would have the result of the Company needing to operate under several different sets of rules, since California's General Orders have no provision for this requirement, while Washington has not yet proposed or adopted the 2007 version of the NESC into its administrative codes. If Oregon's adoption was predicated on Federal OSHA adoption and enforcement, complete consistency for worker safety requirements would exist. Further, since the proposed Oregon adoption date occurs firmly in the middle of the Company's storm season, there is some potential that movement of crews across operating areas could occur

and result in disparity of work rules under the pertinent state codes. Additionally, the Company's plan to address the training provisions of the standard fall at the height of storm season and could be significantly impacted should and event occur.

PacifiCorp has a substantial head-start in the area of personal protective equipment, specifically as it relates to arc flash hazards. As mentioned earlier, Pacificorp has already established a policy requiring the use of fire resistant clothing. As a result, the Company has a history of implementing a program analogous to that needed for compliance with the NESC. However, the Company is concerned that there appears to be a certain amount of ambiguity in the code, specifically recent concerns about calculation methods that could impact its implementation schedule. Specifically, the Company's consultant with ESCI - who is a member of the NESC Subcommittee 8 - has indicated that the Company may need to recalculate the Company's arc flash studies on metal clad switch gear using a modified gap distance that is different than the IEEE 1584 standard used initially. As a result, while the Company is guardedly optimistic that it would be able to comply with a January 1, 2009 implementation date, changes to or ambiguities in calculation methodologies could result in some delay to these plans. Further, as stated previously, the Company operates across several state lines and inconsistency of respective rules could lead to some employee confusion.

In summary, the Company welcomes the opportunity to provide input into the OPUC staff's evaluation responsive to Order 07-179. The Company believes arc flash provisions as contained in the 2007 edition of the NESC are appropriate. However, given the uncertainty in calculation methodologies and volatility of storm seasons, the Company is guardedly optimistic that all needed steps to be taken for implementation can be completed prior to January 1, 2009. Further, without federal policy in place prior to state-level adoption, there is a high probability of confusion regarding implementation requirements and enforcement protocols. This confusion may well occur during the time the Company most needs operational flexibility. As a result, the Company recommends that the OPUC delay adoption of the relevant provisions of the NESC, specifically parts 410A3 (or 410.A.3) and 410I2 (or 410.I.2).

Respectfully,



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