

PC Data Request 78

Re: Insurance Expense – Liability Expense. Please refer to Exhibit No.__(NCS-3), p. 4.7.1, as it pertains to the calculation of the six-year average of liability expense. Please respond to the following information:

- (a) Please identify what liability is included in the \$16,200,000 shown for 2012 that is not be requested for inclusion in the calculation of the average cost and explain why it is not being requested for inclusion.
- (b) Please identify what liability is included in the \$27,688,053 show for 2013 that is not being requested for inclusion in the calculation of the average cost and explain why it is not being requested for inclusion.
- (c) Please provide a detailed transaction listing of all items included in the \$30,859,248 remaining net expense shown for 2012. Please provide this in excel format.
- (d) Please explain, in detail, why the net expense for 2012 of \$30,859,248 is so much higher than the amount shown for the remaining years.

Response to PC Data Request 78

- (a) Please refer to Confidential Attachment PC 78. These reserve amounts were excluded from the calculation of the average cost because PacifiCorp intends to seek insurance recovery when these liability claims are fully settled.
- (b) Please refer to Confidential Attachment PC 78. This reserve amount was excluded from the calculation of the average cost because PacifiCorp intends to seek insurance recovery when these liability claims are fully settled.
- (c) Please refer to Confidential Attachment PC 78.
- (d) Variability between years is typical, which is the reason for using an average. The net expense for 2012 is higher than the amount shown for the remaining years due to increased reserves required for certain fires, an oil spill, personal injury claims, and other injuries and damages claims that occurred in 2012.

Confidential information is provided subject to the terms and conditions of the protective order in this proceeding.

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