

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
)
v.)
)
PACIFICORP d/b/a PACIFIC POWER &)
LIGHT COMPANY,)
)
Respondent.)

Docket No. UE-061546

In the Matter of the Petition of)
)
PACIFIC POWER & LIGHT COMPANY)
)
For an Accounting Order Approving Deferral)
of Certain Costs Related to the MidAmerican)
Energy Holdings Company Transition.)

Docket No. UE-060817

EXHIBIT NO.__(KEI-6)
RESPONSE TO ICNU DR 3.14

February 14, 2007

ICNU Data Request 3.14

Please explain in more detail the adjustments made on Page 8.13.1 of Exhibit PMW-4. For example, what is the source of the \$26,030,589? What is meant by "SERP"? What authorization granted the three-year amortization of change-in-control costs? Why are the \$10,716,663 and \$1,211,600 amounts removed from the \$26,030,589 amount? Will the estimated annual savings be trued-up to actual?

Response to ICNU Data Request 3.14

For the source of the \$26,030,589, please see the response to WUTC Staff Data Request 22, part 1).

SERP is the Supplemental Executive Retirement Plan.

On May 18, 2006, the Company filed a petition with the Washington Commission for an accounting order seeking approval to defer certain costs related to the MidAmerican Energy Holdings Company Transition. This petition was assigned Docket No. UE-060817. As of this date the Commission has not issued an order. The Company has included an adjustment in this filing based on its petition for deferred accounting which seeks to recover these costs over three years. The Company anticipates updating the transition costs and annual savings either during settlement or with its rebuttal filing. The Company will also reflect any Commission orders received by the time of the update.

The \$10,716,663 and \$1,211,600 amounts should not have been removed from the \$26,030,589. The amount of the estimated annual savings as of August 31, 2006 should have been the full amount of \$26,030,589. Correcting this error would increase the Merger Transition Saving Adjustment by \$11,928,263 from the \$14,102,326 system wide as filed. Taking into account that a portion of this adjustment is included in the A&G Cap adjustment (Adjustment 4.9 in Exhibit PMW-4) and thus already reflected in revenue requirement in the filing, the allocation of the \$11,928,263 to Washington results in a reduction of the Washington revenue requirement of approximately \$438,000.

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