

Exhibit No. ___(PMW-8)
Docket Nos. UE-061546/UE-060817
Witness: Paul M. Wrigley

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

vs.

PACIFICORP dba Pacific Power & Light
Company,

Respondent.

Docket No. UE-061546

In the Matter of the Petition of
PACIFICORP dba 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

**PACIFICORP
EXHIBIT ACCOMPANYING REBUTTAL TESTIMONY
OF
PAUL M. WRIGLEY**

Allocation of Centralia Gain

March 2007

**Docket UE-991262 - Sale of Centralia
Implementation of Gain Sharing Order**

Proceeds (net of transaction costs)	223,244,796
Basis (see below)	<u>68,908,422</u>
Gain (before tax)	<u>154,336,374</u>

Proceeds	223,244,796
Original cost (see below)	<u>184,589,013</u>
Appreciation	<u>38,655,783</u>

		Washington Allocation		Customers	Shareholders	
Total Gain	154,336,374					
Shared appreciation	38,655,783	0.154	\$ 5,952,991	\$ 2,976,495	\$ 2,976,495	
Remainder to ratepayers (equal to Accumulated Depreciation below)	115,680,591	0.154	\$ 17,814,811	\$ 17,814,811		
			Allocated pre-tax gain	<u>\$ 20,791,306</u>	<u>\$ 2,976,495</u>	\$ 23,767,802
Tax	58,821,116	0.154	\$ 9,058,452	\$ 7,924,042	\$ 1,134,410	\$ 9,058,452
Deferred Not Provided	5,007,399	0.154	\$ 771,139	\$ 674,568	\$ 96,572	\$ 771,139
			Allocated after-tax gain	<u>\$ 12,192,697</u>	<u>\$ 1,745,513</u>	\$ 13,938,210

Calculation of Book Basis

Plant	\$ 58,632,684	New calc, line 29
Transmission	\$ 643,682	New calc, line 30
Net Plant	\$ 59,276,366	
Reclamation	\$ (26,501,414)	New calc, line 33
CWIP	\$ 20,951,489	New calc, line 35
M&S	\$ 2,738,151	New calc, line 37
Deferred Projects	\$ -	
Fuel Stock	\$ 7,243,050	New calc, line 40
Capitalized Spare	\$ -	
Pension	\$ -	
Workers Comp	\$ 2,350,780	
Scrubber Guarantee	\$ 2,850,000	
Contingent liabilities	\$ -	
	\$ 9,632,056	Additions/Subtraction from Net Plant
	\$ 68,908,422	Book Basis

Calculation of Original Cost

Gross Plant	\$ 174,956,957	Actual per books
	\$ 9,632,056	Additions/Subtraction from Gross Plant (same as to Net Plant)
	\$ 184,589,013	Original Cost

Gross Up of After-Tax Gain

After-Tax gain	\$ 12,192,697
Tax Rate	37.95%
Grossed-up gain	\$ 19,649,793

Annual payment	\$ 4,871,912
@ 8.8%	