

**PACIFICORP**  
**MEHC Transition Savings**

	<b>PacifiCorp</b>	<b>ICNU</b>
<b><u>Adjustment to Expense</u></b>		
1. Severance - A&G:		
Remove Change-in-Control Severance in March 06 Results	(\$10,716,663)	
Remove SERP Change-in-Control Severance in March 06 Results	<u>(\$1,211,600)</u>	
	(\$11,928,263)	(\$15,295,161)
Add Change-in-Control Amortization Expense	<u>\$9,297,737</u>	<u>\$0</u>
Total Adjustment for Severance - A&G	(\$2,630,526)	(\$15,295,161)
2. Fiscal Year Conversion Costs - A&G	\$341,864	\$0
3. MEHC Transition Savings:		
Estimated Annual Savings	\$26,030,589	\$35,880,886
Less: Change in Control Severance included in March 2006 Results		
Change-in-Control Severance in March 06 Results	(\$10,716,663)	
SERP Change in Control Severance	<u>(\$1,211,600)</u>	
	(\$11,928,263)	\$0
MEHC Transition Savings Adjustment	\$14,102,326	\$35,880,886
MEHC Transition Savings	(\$14,102,326)	(\$35,880,886)
Total Adjustment to Expenses	(\$16,390,988)	(\$51,176,047)
Washington SO Factor	7.45610%	7.45610%
Washington Allocated	<u>(\$1,222,128)</u>	<u>(\$3,815,737)</u>
<b><u>Adjustment to Rate Base:</u></b>		
1. Unamortized Change-in-Control Severance	\$23,244,342	
2. Unamortized Fiscal Year Conversion Costs	<u>\$854,661</u>	
	\$24,099,003	\$0
Washington SO Factor	7.45610%	7.45610%
Washington Allocated	<u>\$1,796,846</u>	<u>\$0</u>
<b><u>Revenue Requirement Impact</u></b>		
Adjustment to Expenses	(\$1,222,128)	(\$3,815,737)
Income Taxes	\$427,745	\$1,335,508
Net Operating Income	(\$794,383)	(\$2,480,229)
Adjustment to Rate Base	\$1,796,846	\$0
Revenue Requirement Impact <sup>(1)</sup>	(\$1,046,960)	(\$3,997,546)
Change from PacifiCorp	<u>(\$2,950,585)</u>	

Notes:

(1) Based on Rate of Return as filed by Company of 8.0591%, and revenue conversion factor of 0.620438.

**PACIFICORP**  
**A&G Expense Cap Detail**

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		<b>PacifiCorp</b>	<b>ICNU</b>
	<b><u>Adjustment to Expense</u></b>		
1	A&G Expense Cap Adj		
2	Total Adjustment to Expenses	(\$6,316,230)	\$0
3	Washington SO Factor	7.45610%	7.45610%
4	Washington Allocated	<b><u>(\$470,944)</u></b>	<b><u>\$0</u></b>
	<b><u>Revenue Requirement Impact</u></b>		
5	Adjustment to Expenses	(\$470,944)	\$0
6	Income Taxes	\$164,831	\$0
7	Net Operating Income	(\$306,114)	\$0
8	Revenue Requirement Impact <sup>(1)</sup>	(\$493,384)	\$0
9	Change from PacifiCorp	<b><u>\$493,384</u></b>	
10	Change from ICNU/302 page 1	<b><u>(\$2,950,585)</u></b>	
11	Total Change from PacifiCorp	<b><u>(\$2,457,202)</u></b>	

Notes:

(1) Based on Rate of Return as filed by Company of 8.0591%, and revenue conversion factor of 0.620438.

**PACIFICORP**  
**Pension Expense Adjustment**

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	<u>ICNU</u>
<b><u>Adjustment to Expense</u></b>	
1	FY06 Pension/Retirement Benefits \$86,864,395
2	FY05 Pension/Retirement Benefits \$60,169,376
3	Average \$73,516,886
4	Adjustment from FY06 Amount (\$13,347,509)
5	Washington SO Factor 7.45610%
6	Washington Allocated <b><u>(\$995,204)</u></b>
<b><u>Revenue Requirement Impact</u></b>	
7	Adjustment to Expenses (\$995,204)
8	Income Taxes \$348,321
9	Net Operating Income (\$646,882)
10	Revenue Requirement Impact <sup>(1)</sup> (\$1,042,622)

Notes:

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**PACIFICORP**  
**Incentive Compensation Adjustment**

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		<u>ICNU</u>
	<b><u>Adjustment to Expense</u></b>	
1	Total Incentives:	\$50,728,948
2	Remove 100% Executive Compensation	(\$1,629,930)
3	Non-Executive Compensation	\$49,099,018
4	Remove 50% of Non-Executive	<u>(\$24,549,509)</u>
5	Total Adjustment	(\$26,179,439)
6	Washington SO Factor	7.45610%
7	Washington Allocated	<u>(\$1,951,965)</u>
	<b><u>Revenue Requirement Impact</u></b>	
8	Adjustment to Expenses	(\$1,951,965)
9	Income Taxes	\$683,188
10	Net Operating Income	(\$1,268,777)
11	Revenue Requirement Impact <sup>(1)</sup>	(\$2,044,970)

Notes:

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**PACIFICORP**  
**Medical Health Benefits Adjustment**

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		<u>ICNU</u>
	<b><u>Adjustment to Expense</u></b>	
1	Medical Health Benefits	\$43,851,108
2	Adjusted for 22% contribution	\$40,239,840
3	Adjustment from FY06 Amount	(\$3,611,268)
4	Washington SO Factor	7.45610%
5	Washington Allocated	<b><u>(\$269,260)</u></b>
	<b><u>Revenue Requirement Impact</u></b>	
6	Adjustment to Expenses	(\$269,260)
7	Income Taxes	\$94,241
8	Net Operating Income	(\$175,019)
9	Revenue Requirement Impact <sup>(1)</sup>	(\$282,089)

## Notes:

(1) Based on Rate of Return as filed by Company of 8.0591%, and revenue conversion factor of 0.620438.