



Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

1400 S Evergreen Park Drive SW • PO Box 40128 • Olympia WA 98504-0128 • (360) 664-1183

June 27, 2007

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

Re: *WUTC v. PacifiCorp d/b/a Pacific Power & Light Co.*
Docket No. UE-061546

Dear Ms. Washburn:

Enclosed for filing in the above-referenced docket are the original and twelve (12) copies of the Commission Staff's Motion for Clarification of Order 08 and Certificate of Service.

Sincerely,

DONALD T. TROTTER
Senior Counsel

DTT:klg
Enclosures
cc: Parties



BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER &
LIGHT COMPANY,

Respondent.

In the Matter of the Petition of

PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,

For an Accounting Order Approving
Deferral Of Certain Costs Related to the
MidAmerican Energy Holdings Company
Transition

DOCKET NOS. UE-061546 and
UE-060817

COMMISSION STAFF MOTION FOR
CLARIFICATION OF ORDER 08

1 Staff seeks clarification and/or reconsideration of the Commission's Order 08,

Paragraphs 95 and 96. Paragraph 96 states:

With respect to the fundamental question whether water-years ought to be filtered or not, we observe that the adjustments proposed by ICNU and Staff do not statistically filter the water-year data. Instead, they filter the distribution of GRID-estimated power costs that result, in part, from the water-year record.

2 As the Commission correctly observed in Paragraph 95, GRID-estimated power costs should not be statistically filtered, because of the "skewed nature of the distribution of GRID power costs." This "skewing" is because market prices and fuel costs typically behave differently during unfavorable water years than in good water years.

3 That is the reason Staff used the total annual generated energy as a direct proxy for
the total annual water flow, and did not filter GRID-estimated power costs.¹

4 Consequently, the Commission is not correct in stating that Staff's proposed
adjustments "do not statistically filter the water-year data" and that Staff used "GRID-
estimated power costs."

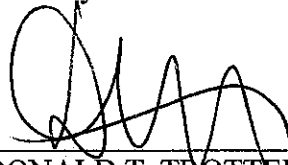
5 The Commission should therefore clarify Paragraphs 95 and 96 of Order 08 to
indicate that Staff did indeed statistically filter water year data, Staff did not use GRID-
estimated power costs, and Staff agrees that the use of GRID power costs is not appropriate
because of the skewed nature of that data.

6 Staff believes this clarification does not necessarily require the Commission to
change its overall analysis. Of course, the Commission may decide that this clarification
justifies further discussion in the order that will assist the Commission and the parties in
future cases.

DATED this 27th day of June, 2007.

Respectfully submitted,

ROB MCKENNA
Attorney General



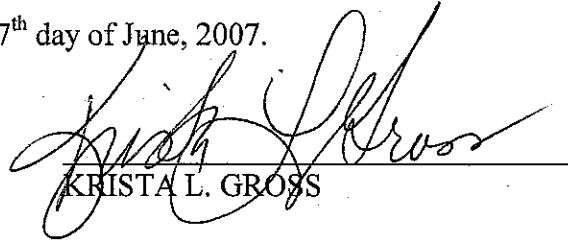
DONALD T. TROTTER
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission

¹ Staff witness Mr. Buckley explained how Staff statistically filtered the water year data on page 23 of Exhibit 261, at lines 11-22. Staff Exhibit 264 shows that Staff filtered hydro energy (dependent on water flows) under the column labeled "Total - Hydro Summary-Energy." The resulting average power cost amount is only derived using those water years included using Staff's water flow or generation-based filter. Consequently, Staff does not believe it missed the point regarding statistically filtering of the data, as the Commission suggested in Paragraph 95.

Docket UE-061546
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the attached Commission Staff's Motion for Clarification of Order 08 upon the persons and entities listed on the Service List below by depositing a copy of said document in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 27th day of June, 2007.



KRISTA L. GROSS

Receive Confidential:

For PacifiCorp:

Melissa Seymour, Manager
Pacific Power and Light Co.
825 NE Multnomah Suite 300
Portland OR 97232
Phone: (503) 813-6711
Fax: (503) 720-5563
E-mail: Melissa.seymour@pacificorp.com

James Van Nostrand
Perkins Coie LLP
1120 NW Couch St Fl 10
Portland OR 97209-4128
Phone: (503) 727-2162
Fax: (503) 346-2162
E-mail: jvannostrand@perkinscoie.com

For Public Counsel:

Simon ffitc
Office of the Attorney General
Public Counsel
800 Fifth Ave Suite 2000
Seattle WA 98104-3188
Phone: (206) 389-2055
Fax: (206) 389-2079
E-mail: simonf@atg.wa.gov

For ICNU:

Melinda Davison
Irion Sanger
Matthew Perkins
Davison Van Cleve
333 SW Taylor Suite 400
Portland OR 97204
Phone (503) 2341-7242
Fax: (503) 241-8160
E-mail: mail@dvelaw.com

Receive Non-Confidential Only:

The Energy Project:

Brad M. Purdy
Attorney at Law
2019 N 17th St
Boise ID 83702
Phone: (208) 384-1299
Fax: (206) 384-2058
E-mail: bmpurdy@hotmail.com