

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

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

Respondent.

DOCKET UE-061546

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 UE-060817
(Consolidated)

**PACIFICORP'S SUPPLEMENTAL
MOTION FOR CLARIFICATION OF
ORDER 08**

I. BACKGROUND

1 On June 25, 2007, PacifiCorp d/b/a Pacific Power and Light Company ("PacifiCorp" or "the Company") requested clarification of Order 08 in this proceeding ("Order") with respect to the Commission's ruling on the Low-Income Bill Assistance, or LIBA, program. Expedited consideration was necessary so that the tariff sheets included in the Company's compliance filing on June 26 would include the appropriate level of surcharges for the LIBA program for the various customer classes, as set forth in the Company's Schedule 91. In its Order 09 issued on June 28, the Commission granted the requested clarification sought in the Company's Motion. The Company appreciates the Commission's prompt consideration of its June 25 Motion for

Clarification, which prevented unnecessary and potentially confusing rate changes in the Company's Schedule 91.

II. ADDITIONAL RELIEF REQUESTED

2 Upon further examination of the Order, the Company has identified an additional technical error for which clarification is necessary under WAC 480-07-835(1). The calculation of the Proforma Interest Adjustment on page 59 of the Order includes an erroneous figure on line 92, the amount of "actual interest." Rather than the figure of \$18,354,812 as shown on line 92, the correct figure is \$18,777,162. The impact of making this correction is to increase the Company's revenue requirement by \$238,255. The workpaper supporting this calculation is included as Attachment 1 to this Supplemental Motion for Clarification.¹

3 The source of the error appears to be Appendix B of Staff's Initial Brief, page 6 of 25. Line 5 on that page indicates "Actual Interest Expense" of \$18,354,812, and cites as authority Exhibit No. 137 at page 22, line 1218. The figure was taken from the wrong column, however; given that the purpose of the calculation is to use as the starting point the *actual* interest expense, the correct column to use is "*Unadjusted* Results – Washington," which contains the correct figure of \$18,777,162.² The column cited in Staff's Initial Brief, and used for purposes of the calculation in the Order, was the "Washington – *Adjusted Total*," which contained the \$18,354,812 figure.

4 The Company has discussed this issue with Staff. It is the Company's understanding that Staff acknowledges the error in Appendix B, page 6 to Staff's Initial Brief.

5 WAC 480-07-835(1) allows for clarification "to suggest technical changes that may be required to correct the application of principle to data, or to correct patent error without the need for parties to request reconsideration and without delaying post-order compliance." Remedying

¹ Line 44 on page 58 of Order 08 must be corrected as well, by replacing the NOI Impact of (321,202) with (469,025). Attachment 1 shows the underlying calculation.

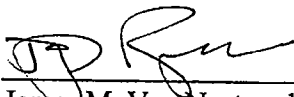
² See Attachment 1; Exhibit No. 137 at page 24, line 1379.

the Order's calculation of the Proforma Interest Adjustment appears to fall within the scope of the rule. PacifiCorp therefore requests that page 59 of the Order be clarified by correcting the calculation of the Proforma Interest Adjustment in accordance with Attachment 1. Doing so would increase the revenue requirement by \$238,255 on line 44 of page 58 and line 107 of page 59.

6 In the event the Commission grants this Supplemental Motion for Clarification, an increase to base rates may not be necessary. Rather, the additional revenue requirement could be offset against the MEHC/PacifiCorp transaction A&G rate credit which the Company is paying to customers under Schedule 95. Mr. Griffith's rebuttal testimony, Exhibit No. 45 at 3:17 to 4:2, describes the implementation of the A&G rate credit. Exhibit No. 48 is the proposed Schedule 95 providing for the A&G rate credit associated with the MEHC acquisition commitment. In a separate filing to be made this week, the Company will propose to implement the A&G rate credit on customers' bills effective with service on and after August 5, 2007. If the Commission grants this motion, combining these two rate changes could actually allow customers to see a decrease in their bills.³

Respectfully submitted this 2nd day of July, 2007.

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³ Delaying implementation of the A&G rate credit to customers to August 5, 2007 would not negatively impact customers because the rate credit accrues interest, and such a delay would avoid multiple adjustments to bills.

ATTACHMENT 1

**PacifiCorp
Proforma Interest Adjustment**

	Per UE-061546 Order No. 8	Recalculated	Difference
Rate Base	526,539,117	526,539,117	-
Adjustment 3.6	1,457,588	1,457,588	-
Adjusted Rate Base	<u>527,996,705</u>	<u>527,996,705</u>	<u>-</u>
Weighted Cost of Debt	3.303%	3.303%	
Proforma Interest	17,437,091	17,437,091	-
Actual Interest	18,354,812	18,777,162 ¹	422,350
Increase (Decrease) Interest Expense	(917,721)	(1,340,071)	(422,350)
Federal Income Tax	321,202	469,025	147,823
Net Operating Income	(321,202)	(469,025)	(147,823)
Conversion Factor			0.6204380
Revenue Requirement Increase			<u><u>238,255</u></u>

1. Docket No. UE-061546, Exhibit No.137 page 22, line 1218

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing PacifiCorp's Supplemental Motion for Clarification of Order 08 upon all parties of record in this proceeding by electronic mail and by mailing a copy thereof in a sealed, first-class postage prepaid envelope to each individual's last-known address, as listed below:

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DATED: July 2, 2007.

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