



**Washington Water Power**

WUTC

DOCKET NO. UE-9916006

EXHIBIT # 321

ADMIT

W/D

REJECT

November 17, 1994

Donald T. Trotter  
Assistant Attorney General  
Public Counsel  
900 Fourth Avenue #2000  
Seattle, WA 98164-1012

Dear Mr. Trotter:

Enclosed please find the Company's response to your data request nos. 16-20 in Docket Nos. UE-941375/377 and UG-941376/378. The one remaining response (to data request no. 15) will be provided soon.

Please call me at (509)482-8706 regarding any questions.

Sincerely,

Bruce Folsom,  
DIG Coordinator

c: DIG Members

**WASHINGTON WATER POWER COMPANY**

**Response to**

**Public Counsel Data Request**

*18. Provide the basis for the 10% interest rate on DSM Rider balances.*

The 10% interest rate is intended to be a reasonable approximation of the current and projected cost of capital. Commission basis results of operations for the twelve months ending June 30, 1994 provide rates of return of 9.66% and 8.30% for electric and natural gas, respectively. The cost of capital used in developing the 1995 IRP is 9.96%.

November 17, 1994