

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFIC POWER & LIGHT
COMPANY,**

Respondent.

**DOCKETS UE-140762 and UE-140617
(consolidated)**

In the Matter of the Petition of

**PACIFIC POWER & LIGHT
COMPANY,**

**For an Order Approving Deferral of
Costs Related to Colstrip Outage.**

DOCKET UE-131384 (consolidated)

In the Matter of the Petition of

**PACIFIC POWER & LIGHT
COMPANY,**

**For an Order Approving Deferral of
Costs Related to Declining Hydro
Generation.**

DOCKET UE-140094 (consolidated)

PACIFIC POWER & LIGHT COMPANY

EXHIBIT OF NATASHA C. SIORES

**Summary of Revenue Requirement Scenarios with Net Power Cost QF Alternatives
(Updated)**

November 2014

PacifiCorp
 Washington General Rate Case - December 2013
 Washington Qualified Facilities Scenarios Analysis
 Summary of Revenue Requirement Impacts - Rebuttal Position

Net Power Cost Summary

	Total System Net Power Cost	Washington - Allocated Net Power Cost	Washington - Allocated Net Power Cost Production Factor	Washington - Allocated Net Power Cost with Production Factor	
Rebuttal Position	592,723,771	135,614,044	1,048,297	136,662,340	Ref NCS-11, Page 2.2
Re-Pricing at WA QFs Avoided Costs	583,799,591	133,556,641	1,032,393	134,589,034	Ref NCS-12, Page 6
Load Decrement	527,101,908	125,970,834	931,034	126,901,869	Ref NCS-12, Page 6
Situs-Assigned - Excl. OR/CA QFs	550,701,665	126,387,618	976,976	127,364,595	Ref NCS-12, Page 6

Revenue Requirement Summary

	Revenue Requirement	Change from Filed	
Rebuttal Position	31,938,957		Ref NCS-11, Page 1.1
Re-Pricing at WA QFs Avoided Costs	29,763,224	(2,175,733)	Ref NCS-12, Page 2
Load Decrement	28,009,625	(3,929,332)	Ref NCS-12, Page 3
Situs-Assigned - Excl. OR/CA QFs	22,181,879	(9,757,079)	Ref NCS-12, Page 4

*Note: Revenue Requirement for each alternative is calculated by inputting Net Power Costs as determined by GRID for each scenario into the Company's RAM/JAM models. Net Power Costs for each scenario is summarized on Page 6 of this Exhibit.

**PACIFICORP
WASHINGTON**
Re-pricing Oregon/California QFs at Washington Avoided Costs
Normalized Results of Operations - West Control Area
12 Months Ended DECEMBER 2013

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	321,605,659	29,763,224	351,368,883
3 Interdepartmental	-		
4 Special Sales	22,569,946		
5 Other Operating Revenues	7,002,207		
6 Total Operating Revenues	<u>351,177,813</u>		
7			
8 Operating Expenses:			
9 Steam Production	72,172,030		
10 Nuclear Production	-		
11 Hydro Production	7,625,921		
12 Other Power Supply	85,014,766		
13 Transmission	30,999,564		
14 Distribution	12,252,659		
15 Customer Accounting	7,009,444	188,699	7,198,143
16 Customer Service & Info	790,894		
17 Sales	-		
18 Administrative & General	12,342,962		
19 Total O&M Expenses	<u>228,208,239</u>		
20 Depreciation	44,704,303		
21 Amortization	5,116,519		
22 Taxes Other Than Income	21,000,296	1,212,256	22,212,552
23 Income Taxes - Federal	930,828	9,926,794	10,857,622
24 Income Taxes - State	-	-	-
25 Income Taxes - Def Net	5,851,134		
26 Investment Tax Credit Adj.	-		
27 Misc Revenue & Expense	(762,127)		
28 Total Operating Expenses:	<u>305,049,192</u>	<u>11,327,749</u>	<u>316,376,941</u>
29			
30 Operating Rev For Return:	<u>46,128,621</u>	<u>18,435,475</u>	<u>64,564,096</u>
31			
32 Rate Base:			
33 Electric Plant In Service	1,751,865,644		
34 Plant Held for Future Use	234,062		
35 Misc Deferred Debits	8,025,149		
36 Elec Plant Acq Adj	-		
37 Nuclear Fuel	-		
38 Prepayments	(0.00)		
39 Fuel Stock	(0.00)		
40 Material & Supplies	0.00		
41 Working Capital	31,018,483		
42 Weatherization Loans	1,932,316		
43 Misc Rate Base	-		
44 Total Electric Plant:	<u>1,793,075,655</u>	<u>-</u>	<u>1,793,075,655</u>
45			
46 Rate Base Deductions:			
47 Accum Prov For Deprec	(649,561,462)		
48 Accum Prov For Amort	(47,738,217)		
49 Accum Def Income Tax	(246,653,405)		
50 Unamortized ITC	(246,775)		
51 Customer Adv For Const	(488,824)		
52 Customer Service Deposits	(3,361,134)		
53 Misc Rate Base Deductions	(3,253,188)		
54			
55 Total Rate Base Deductions	<u>(951,303,006)</u>	<u>-</u>	<u>(951,303,006)</u>
56			
57 Total Rate Base:	<u>841,772,649</u>	<u>-</u>	<u>841,772,649</u>
58			
59 Return on Rate Base	5.48%		7.67%
60 Return on Equity	5.76%		10.00%
61			
62 TAX CALCULATION:			
63 Operating Revenue	52,910,583	28,362,269	81,272,853
64 Other Deductions			
65 Interest (AFUDC)	(3,560,992)	-	(3,560,992)
66 Interest	21,038,845	-	21,038,845
67 Schedule "M" Additions	64,740,045	-	64,740,045
68 Schedule "M" Deductions	79,836,802	-	79,836,802
69 Income Before Tax	<u>20,335,973</u>	<u>28,362,269</u>	<u>48,698,242</u>
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>20,335,973</u>	<u>28,362,269</u>	<u>48,698,242</u>
73			
74 Federal Income Taxes + Other	<u>930,828</u>	<u>9,926,794</u>	<u>10,857,622</u>

This page provides a summary in the same format as Exhibit No.__(NCS-11) Page 1.1 of the impact of the QF scenario referenced and was developed by running the revenue requirement models (RAM and JAM) with the QF scenario. For brevity and ease of comparison, only the Page 1.1 summary is provided, but the full models are available for each scenario run.

PACIFICORP
WASHINGTON
Washington QFs - Load Decrement Approach
Normalized Results of Operations - West Control Area
12 Months Ended DECEMBER 2013

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	321,605,659	28,009,625	349,615,284
3 Interdepartmental	-		
4 Special Sales	23,501,054		
5 Other Operating Revenues	7,337,546		
6 Total Operating Revenues	<u>352,444,259</u>		
7			
8 Operating Expenses:			
9 Steam Production	75,167,006		
10 Nuclear Production	-		
11 Hydro Production	7,942,884		
12 Other Power Supply	75,128,496		
13 Transmission	32,211,460		
14 Distribution	12,252,659		
15 Customer Accounting	7,009,444	177,581	7,187,025
16 Customer Service & Info	790,894		
17 Sales	-		
18 Administrative & General	12,646,769		
19 Total O&M Expenses	<u>223,149,612</u>		
20 Depreciation	45,987,891		
21 Amortization	5,285,266		
22 Taxes Other Than Income	21,246,912	1,140,832	22,387,744
23 Income Taxes - Federal	2,430,763	9,341,924	11,772,687
24 Income Taxes - State	-	-	-
25 Income Taxes - Def Net	5,436,427		
26 Investment Tax Credit Adj.	-		
27 Misc Revenue & Expense	(761,639)		
28 Total Operating Expenses:	<u>302,775,232</u>	<u>10,660,337</u>	<u>313,435,570</u>
29			
30 Operating Rev For Return:	<u>49,669,027</u>	<u>17,349,288</u>	<u>67,018,315</u>
31			
32 Rate Base:			
33 Electric Plant In Service	1,803,338,631		
34 Plant Held for Future Use	238,317		
35 Misc Deferred Debits	8,030,293		
36 Elec Plant Acq Adj	-		
37 Nuclear Fuel	-		
38 Prepayments	(0)		
39 Fuel Stock	(0)		
40 Material & Supplies	0		
41 Working Capital	31,018,483		
42 Weatherization Loans	1,932,307		
43 Misc Rate Base	-		
44 Total Electric Plant:	<u>1,844,558,031</u>	<u>-</u>	<u>1,844,558,031</u>
45			
46 Rate Base Deductions:			
47 Accum Prov For Deprec	(667,348,501)		
48 Accum Prov For Amort	(49,052,417)		
49 Accum Def Income Tax	(246,976,143)		
50 Unamortized ITC	(246,777)		
51 Customer Adv For Const	(489,831)		
52 Customer Service Deposits	(3,361,134)		
53 Misc Rate Base Deductions	(3,312,845)		
54			
55 Total Rate Base Deductions	<u>(970,787,647)</u>	<u>-</u>	<u>(970,787,647)</u>
56			
57 Total Rate Base:	<u>873,770,384</u>	<u>-</u>	<u>873,770,384</u>
58			
59 Return on Rate Base	5.68%		7.67%
60 Return on Equity	6.15%		10.00%
61			
62 TAX CALCULATION:			
63 Operating Revenue	57,536,217	26,691,212	84,227,429
64 Other Deductions			
65 Interest (AFUDC)	(3,670,332)	-	(3,670,332)
66 Interest	21,838,580	-	21,838,580
67 Schedule "M" Additions	66,484,117	-	66,484,117
68 Schedule "M" Deductions	80,493,611	-	80,493,611
69 Income Before Tax	<u>25,358,474</u>	<u>26,691,212</u>	<u>52,049,686</u>
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>25,358,474</u>	<u>26,691,212</u>	<u>52,049,686</u>
73			
74 Federal Income Taxes + Other	<u>2,430,763</u>	<u>9,341,924</u>	<u>11,772,687</u>

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PACIFICORP
WASHINGTON
Situs-Assigned - Excludes Oregon/California Qualified Facilities
Normalized Results of Operations - West Control Area
12 Months Ended DECEMBER 2013

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	321,605,659	22,181,879	343,787,537
3 Interdepartmental	-		
4 Special Sales	21,907,193		
5 Other Operating Revenues	7,002,207		
6 Total Operating Revenues	<u>350,515,059</u>		
7			
8 Operating Expenses:			
9 Steam Production	73,086,831		
10 Nuclear Production	-		
11 Hydro Production	7,625,921		
12 Other Power Supply	76,212,771		
13 Transmission	30,999,564		
14 Distribution	12,252,659		
15 Customer Accounting	7,009,444	140,633	7,150,077
16 Customer Service & Info	790,894		
17 Sales	-		
18 Administrative & General	12,342,962		
19 Total O&M Expenses	<u>220,321,046</u>		
20 Depreciation	44,704,303		
21 Amortization	5,116,519		
22 Taxes Other Than Income	21,000,296	903,468	21,903,763
23 Income Taxes - Federal	3,459,382	7,398,222	10,857,604
24 Income Taxes - State	-	-	-
25 Income Taxes - Def Net	5,851,134		
26 Investment Tax Credit Adj.	-		
27 Misc Revenue & Expense	(762,127)		
28 Total Operating Expenses:	<u>299,690,552</u>	<u>8,442,323</u>	<u>308,132,875</u>
29			
30 Operating Rev For Return:	<u>50,824,507</u>	<u>13,739,555</u>	<u>64,564,062</u>
31			
32 Rate Base:			
33 Electric Plant In Service	1,751,865,644		
34 Plant Held for Future Use	234,062		
35 Misc Deferred Debits	8,025,149		
36 Elec Plant Acq Adj	-		
37 Nuclear Fuel	-		
38 Prepayments	(0)		
39 Fuel Stock	(0)		
40 Material & Supplies	0		
41 Working Capital	31,018,483		
42 Weatherization Loans	1,932,316		
43 Misc Rate Base	-		
44 Total Electric Plant:	<u>1,793,075,655</u>	<u>-</u>	<u>1,793,075,655</u>
45			
46 Rate Base Deductions:			
47 Accum Prov For Deprec	(649,561,462)		
48 Accum Prov For Amort	(47,738,217)		
49 Accum Def Income Tax	(246,653,405)		
50 Unamortized ITC	(246,775)		
51 Customer Adv For Const	(488,824)		
52 Customer Service Deposits	(3,361,134)		
53 Misc Rate Base Deductions	(3,253,188)		
54			
55 Total Rate Base Deductions	<u>(951,303,006)</u>	<u>-</u>	<u>(951,303,006)</u>
56			
57 Total Rate Base:	<u>841,772,649</u>	<u>-</u>	<u>841,772,649</u>
58			
59 Return on Rate Base	6.04%		7.67%
60 Return on Equity	6.84%		10.00%
61			
62 TAX CALCULATION:			
63 Operating Revenue	60,135,023	21,137,778	81,272,800
64 Other Deductions			
65 Interest (AFUDC)	(3,560,992)	-	(3,560,992)
66 Interest	21,038,845	-	21,038,845
67 Schedule "M" Additions	64,740,045	-	64,740,045
68 Schedule "M" Deductions	79,836,802	-	79,836,802
69 Income Before Tax	<u>27,560,412</u>	<u>21,137,778</u>	<u>48,698,189</u>
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>27,560,412</u>	<u>21,137,778</u>	<u>48,698,189</u>
73			
74 Federal Income Taxes + Other	<u>3,459,382</u>	<u>7,398,222</u>	<u>10,857,604</u>

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PacifiCorp
Washington General Rate Case - December 2013
Washington Qualified Facilities Scenarios Analysis
Impact on WA Allocation Factors with Decrement Loads

Revenue Requirement Impact - Load Decrement	
Requested Rev. Req.	31,938,957
Load Impact	(3,929,332)
Updated Rev. Req	28,009,625

Washington Allocation Factors				
DESCRIPTION	FACTOR	Requested	QF Load Decrement	Change
System Generation	SG	7.9057%	7.9313%	0.0256%
System Capacity	SC	8.0177%	8.0177%	-
System Energy	SE	7.5698%	7.6721%	0.1023%
Control Area Energy - West	CAEW	22.7414%	23.6903%	0.9489%
System Overhead	SO	6.8539%	7.0538%	0.1999%
System Net Plant	SNP	6.2207%	6.4117%	0.1910%
Control Area Generation - West	CAGW	23.0849%	24.0433%	0.9584%
Jim Bridger Generation	JBG	22.9539%	23.9069%	0.9530%
Jim Bridger Energy	JBE	22.6123%	23.5559%	0.9436%

WCA Energy Impact				
	California	Oregon	Washington	Total
Total Energy	890,647	14,305,867	4,473,152	19,669,666
QF Load Decrement	(59,856)	(728,040)	-	(787,896)
<i>Decrement as Percentage of Total Energy</i>	<i>6.7205%</i>	<i>5.0891%</i>	-	
Total	830,791	13,577,827	4,473,152	18,881,770

WCA Capacity Impact				
	California	Oregon	Washington	Total
Requested Position	1,623	26,851	8,601	37,075
Load Decrement	(109)	(1,366)	-	(1,476)
<i>Decrement as Percentage of Capacity</i>	<i>6.7205%</i>	<i>5.0891%</i>	-	
Total	1,514	25,484	8,601	35,599

Description	FERC Account	Allocation Factors As Filed		Rebuttal		Re-Pricing at WA Avoided Costs		Siuus-Assigned - Excl. OR/CA QFs		Load Decrement	
		WCA Alloc. Factor	WA Alloc. %	Total West Control Area	Washington Allocated	Total West Control Area	Washington Allocated	Total West Control Area	Washington Allocated	Total West Control Area	Washington Allocated
Sales for Resale (Account 447)											
Existing Firm Sales - Pacific	447NPC	CAGW	23.0849%	3,495,730	806,985	3,332,350	769,269	761,861	175,875	761,861	183,177
Post-Merger Firm Sales	447NPC	CAGW	23.0849%	15,170,063	3,449,881	14,374,052	3,268,857	1,850,255	420,773	1,850,255	438,331
Non-Firm Sales	447NPC	CAEW	22.7414%	50,147,686	11,576,536	42,182,897	9,737,873	-	-	-	-
Total Sales for Resale				97,019,406	22,396,819	97,019,406	22,396,819	94,170,486	21,739,149	97,019,406	23,326,672
Purchased Power (Account 555)											
Existing Firm Demand - Pacific	555NPC	CAGW	23.0849%	3,495,730	806,985	3,332,350	769,269	761,861	175,875	761,861	183,177
Existing Firm Energy	555NPC	CAEW	22.7414%	15,170,063	3,449,881	14,374,052	3,268,857	1,850,255	420,773	1,850,255	438,331
WCA Qualifying Facilities	555NPC	CAGW	23.0849%	50,147,686	11,576,536	42,182,897	9,737,873	-	-	-	-
WA Qualifying Facilities	555NPC	WA	100.0000%	-	-	-	-	579,500	579,500	579,500	579,500
Post-Merger Firm Energy	555NPC	CAGW	23.0849%	172,213,714	39,755,339	172,213,714	39,755,339	188,044,459	43,409,848	172,213,714	41,405,869
Other Generation Expenses	555NPC	CAGW	23.0849%	1,101,940	254,382	1,101,940	254,382	1,029,918	237,755	1,101,940	264,943
Total Purchased Power				242,129,133	55,843,122	233,204,953	53,785,720	192,265,994	44,823,752	178,507,270	42,871,820
Wheeling (Account 565)											
Existing Firm - Pacific	565NPC	CAGW	23.0849%	25,004,656	5,772,296	25,004,656	5,772,296	25,004,656	5,772,296	25,004,656	6,011,946
Post Merger Firm	565NPC	CAGW	23.0849%	83,917,357	19,372,226	83,917,357	19,372,226	83,917,357	19,372,226	83,917,357	20,176,506
Non Firm	565NPC	CAEW	22.7414%	-	-	-	-	-	-	-	-
Total Wheeling Expense				108,922,013	25,144,522	108,922,013	25,144,522	108,922,013	25,144,522	108,922,013	26,188,452
Fuel Expense (Accounts 501 and 547)											
Fuel Consumed - Coal	501NPC	CAEW	22.7414%	247,320,762	56,244,137	247,320,762	56,244,137	251,312,536	57,151,921	247,320,762	58,591,086
Fuel Consumed - Natural Gas	547NPC	CAEW	22.7414%	91,371,270	20,779,081	91,371,270	20,779,081	92,371,608	21,006,572	91,371,270	21,646,148
Total Fuel and Other Expense				338,692,032	77,023,218	338,692,032	77,023,218	343,684,144	78,158,493	338,692,032	80,237,234
Total Net Power Costs				592,723,771	135,614,044	563,799,591	133,556,641	550,701,665	126,387,618	527,101,908	125,970,834
Production Factor Adjustment					1,048,297		1,032,393		976,976		931,034
Net WA-Allocated Net Power Cost				136,662,340		134,589,034		127,364,595		126,901,869	