

**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)**

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**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)**

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**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 Scenario with Alternative Capital Structure (Updated)**

**November 2014**

**PacifiCorp**  
**Washington General Rate Case - December 2013**  
**Hypothetical Capital Structure Analysis**  
**Summary of Revenue Requirement Impacts - Rebuttal Position**

**Capital Structure and Cost - As Filed (Ref Exhibit NCS-3, Page 2.1)**

	Capital Structure	Embedded Cost	Weighted Cost
Short-Term Debt	0.19%	1.73%	0.00%
Long-Term Debt	48.06%	5.19%	2.50%
Preferred Stock	0.02%	6.75%	0.00%
Common Equity	51.73%	10.00%	5.17%
<b>Total</b>	<b>100.00%</b>		<b>7.67%</b>

**Capital Structure and Cost - Alternative (Ref BNW-1T, Page 13)**

	Capital Structure	Embedded Cost	Weighted Cost
Short-Term Debt	0.19%	2.11%	0.00%
Long-Term Debt	50.69%	5.80%	2.94%
Preferred Stock	0.02%	6.75%	0.00%
Common Equity	49.10%	10.28%	5.05%
<b>Total</b>	<b>100.00%</b>		<b>7.99%</b>

**Revenue Requirement Summary**

	Revenue Requirement	Change from Filed	
Rebuttal Position	31,938,957		Ref NCS-11, Page 1.1
Hypothetical Capital Structure	34,163,516	2,224,559	Ref NCS-13 Page 2

**PACIFICORP  
WASHINGTON**  
**Normalized Results of Operations - West Control Area**  
**12 Months Ended DECEMBER 2013**

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
<b>1            Operating Revenues:</b>			
2 General Business Revenues	321,605,659	34,163,516	355,769,175
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	87,088,072		
13 Transmission	30,999,564		
14 Distribution	12,252,659		
15 Customer Accounting	7,009,444	216,597	7,226,041
16 Customer Service & Info	790,894		
17 Sales	-		
18 Administrative & General	12,342,962		
19 Total O&M Expenses	<u>230,281,545</u>		
20 Depreciation	44,704,303		
21 Amortization	5,116,519		
22 Taxes Other Than Income	21,000,296	1,391,480	22,391,776
23 Income Taxes - Federal	(1,110,610)	11,394,404	10,283,794
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>305,081,060</u>	<u>13,002,481</u>	<u>318,083,540</u>
29			
30 Operating Rev For Return:	<u>46,096,753</u>	<u>21,161,036</u>	<u>67,257,788</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	<u>0</u>		<u>0</u>
60 Return on Equity	<u>0</u>		<u>0</u>
61			
62 TAX CALCULATION:			
63 Operating Revenue	50,837,277	32,555,439	83,392,717
64 Other Deductions			
65 Interest (AFUDC)	(3,560,992)	-	(3,560,992)
66 Interest	24,798,218	-	24,798,218
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>14,503,293</u>	<u>32,555,439</u>	<u>47,058,732</u>
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>14,503,293</u>	<u>32,555,439</u>	<u>47,058,732</u>
73			
74 Federal Income Taxes + Other	<u>(1,110,610)</u>	<u>11,394,404</u>	<u>10,283,794</u>

This page provides a summary in the same format as Exhibit No.\_\_(NCS-11) page 1.1 of the impact of the capital structure scenario referenced and was developed by running the revenue requirement models (RAM and JAM) with the capital structure 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.