

**Exhibit No. \_\_\_ (KHB-6)**  
**Docket UE-100749**  
**Witness: Kathryn H. Breda**

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PACIFICORP D/B/A PACIFIC POWER  
& LIGHT COMPANY,**

**Respondent.**

**DOCKET UE-100749**

**EXHIBIT TO TESTIMONY OF**

**Kathryn H. Breda**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

**December 6, 2010**  
**Revised December 7, 2010**  
**Revised January 13, 2010**

Line No.	Tax Description	Total Washington Unadjusted Results	Total Adjustments (Company Basis)	Total Washington Adjusted DIT (Company Basis)	Staff Reversal of Company Adj 7.9	Total Staff Flow-Through vs. Norm. NEW Adj 7.9	Staff Repairs Deduction Adj 8.10	Total Washington Adjusted DIT (Staff Commission Basis)	Staff Commission Basis vs. Company Normalized DIT	Fuller Exhibit No. (RF-12) Page 3 of 6 "Flow-Through"	Staff Commission Basis vs. Company Basis (RF-12)
a	b	c	d	e=(c+d)	f	g	h	i=(e+f+g)	j=(i-e)	k	l=(k-k)
	Deferred Income Tax Expense (1)	22,359,798	3,723,897	26,083,695	(525,562)	(323,865)		25,234,268	(849,427)	23,993,904	(759,636)
	Accumulated Deferred Income Tax (2)	(128,569,574)	(12,019,788)	(140,589,362)	262,781	(5,401,575)	(14,463,670)	(160,191,927)	(19,602,464)	(159,304,697)	(20,887,131)

(1) Deferred income tax expense is detailed by book-tax timing difference and adjustment summarized in these columns on pages 2 through 9  
 (2) Accumulated deferred income taxes are detailed by book-tax timing difference and adjustment as summarized in these columns on pages 10 through 19

PacifiCorp  
 State of Washington  
 Deferred Income Tax Expense (DIT)  
 Twelve Months Ending - December, 2009

Line No.	Tax Description	b	c	Total Washington Unadjusted Results	Total Adjustments (Company Basis)	d	e=(c+d)	f	Total Staff Flow-Through vs. Norm. Adj 7.9	g	Total Washington Adjusted DIT (Staff Commission Basis)	h=(e+f)	i=(h-e)	Fuller Exhibit No. (RF-12) Page 3 of 6 "Flow-Through"	j	Staff Commission Basis vs. Company Normalized DIT	k=(h-j)
54	283FAS 109 Def Tax Liab WA-NUTIL	(5,532,834)	(5,532,834)	5,532,834													
55	Willow Wind Account Receivable	(39,930)	(39,930)	3,105			(36,825)		36,825				36,825				
56	190Distribution O&M	(17)	(17)	1			(16)		16		(0)		16				(0)
57	283LAKEVIEW BUYOUT-SG	(302)	(302)	302													
58	283JOSEPH SETTLEMENT-SG	(11,516)	(11,516)	11,516													
59	190Hermiston Swap	(14,392)	(14,392)	14,392													
60	190Bonus Liability	(1,079)	(1,079)	84			(995)		995				995				
61	190PMIVacation Bonus	(5,460)	(5,460)	425			(5,035)		5,035				5,035				
62	190Pension/Retirement (Accrued/Prepaid)	(1,797)	(1,797)	140			(1,657)		1,657				1,657				
63	190Property Insurance	(3,081)	(3,081)	240			(2,841)		2,841				2,841				
64	190SERP - Cash Basis	(14,024)	(14,024)	1,090			(12,934)		12,934				12,934				
65	283Post Merger Debt Loss	(76,020)	(76,020)	5,911			(70,109)		70,109				70,109				
66	190FAS112 Book Reserve Postretirement	(50,198)	(50,198)	3,903			(46,295)		46,295				46,295				
67	283PMI Development Costs	(360,218)	(360,218)	28,010			(332,208)		332,208				332,208				
68	190PMISec 471 Adjustment	(42,239)	(42,239)	3,284			(38,955)		38,955				38,955				
69	30% Capitalized Labor Costs	(578,588)	(578,588)	(354,196)			(932,784)	432,843	(33,657)		(533,598)		399,186		(533,598)		
70	Depreciation Flow-Through - WA	(69,888)	(69,888)	5,434			(64,454)				(64,454)				(64,454)		(0)
71	Book Depreciation	(16,085,130)	(16,085,130)	1,250,750			(14,834,380)				(14,834,380)				(14,834,380)		(0)
72	282DIT PMIDepreciation-Book	(1,240,064)	(1,240,064)	96,425			(1,143,639)				(1,143,639)				(1,143,639)		1
73	Sec 481a Adj - Repair Deduction	(313,358)	(313,358)	24,366			(288,992)				(288,992)				(288,992)		
74	CIAC	(1,351,601)	(1,351,601)	105,098			(1,246,503)				(1,246,503)				(1,246,503)		0
75	Reimbursements/Highway Relocation	(129,553)	(129,553)	52,255			(77,298)	(45,738)	3,557		(119,479)		(42,181)		(119,480)		1
76	Avoided Costs	(2,197,929)	(2,197,929)	170,908			(2,027,021)				(2,027,021)				(2,027,022)		1
77	Capitalization of Test Energy	(5,888)	(5,888)	458			(5,430)				(5,430)				(5,430)		0
78	Gain/Loss on Disposition	(310,604)	(310,604)	24,152			(286,452)				(286,452)				(286,452)		0
79	Coal Mine Development	(159)	(159)	12			(147)				(147)				(146)		(0)
80	Coal Mine Receding Face (Extension)	(29,180)	(29,180)	2,269			(26,911)				(26,911)				(26,911)		0
81	283INTERIM PROVISION TOTAL REC	(1,028,154)	(1,028,154)	79,947			(948,207)		948,207				948,207				
82	190REG LIABILITY	(396,845)	(396,845)	30,858			(365,987)		365,987				365,987				
83	283Hazardous Waste/Envir. Cleanup	(15,595)	(15,595)	15,595													
84	190Hazardous Waste/Environmental-WA	(224,611)	(224,611)	224,611													
85	283WA DISALLOWED COLSTRIP #3 WR	(19,806)	(19,806)	19,806													
86	RTO Grid West N/R Writeoff WA	(17,815)	(17,815)	1,385			(16,430)				(16,430)						(16,430)
87	Unrecovered Plant-Powderdale	(341,171)	(341,171)	341,171													
88	Deferred Excess Net Power Costs - WA Hyd	(627,345)	(627,345)	627,345													
89	283TROJAN DECOMMISSIONING AMOR	(294,743)	(294,743)	294,743													
90	283Reg Liability-WA Low Energy Program	(126,418)	(126,418)	126,418													
91	MEHC Transition Costs-WA	(241,766)	(241,766)	241,766													
92	SO2 Emission Allowances						(10,080)				(10,080)				(10,080)		
93	Colstrip Removal						107,392				107,392				107,392		
94	Environmental Remediation Third West						(8,911)				(8,911)				(8,911)		
95	Powerdate Hydro						(205,218)				(205,218)				(205,218)		(205,218)
96	Chehalis						(1,050,000)				(1,050,000)				(1,050,000)		(1,050,000)
97	Adjustment 7.4 Malin						(268,988)				(268,988)				(268,988)		
98	Total Account 411.1 Provision for Deferred Income Taxes - Credit			\$ 7,551,009		\$ 24,248,310		\$ 387,105	\$ 1,831,964		\$ (22,029,241)		\$ 2,219,069		\$ (20,757,597)		\$ (1,271,644)
99	TOTAL DEFERRED INCOME TAX EXPENSE	\$ 22,359,798	\$ 3,723,897	\$ 26,083,695		\$ 525,562		\$ 25,234,268		\$ 323,865		\$ 849,427		\$ 25,993,904		\$ 759,636	

PacifiCorp  
 UE-100467  
 Deferred Income Tax Expense (DIT)  
 Twelve Months Ending - December 2009

Line No.	Tax Description	a	b	d	e=c+d	f	g=d+f	h	i	j=h+i	k=c+g+j	l	m	n
		Total Adjustments (Company Basis)	Total Washington Adjusted DIT (Company)	Staff Reversal of Adj 7.9	Total Staff DIT before Adj 7.9 and 8.11	Staff SIT of reversal of Co. 7.9 (a)	Staff Non-prop Flow-Through Norm.	Total Staff Flow-Through vs. Adj 7.9	Total Washington Adjusted DITs (Staff Basis)	Staff Commission Basis vs. Company Normalized DIT	Fuller Exhibit No. (RF-12) Page 3 of 6 'Flow-Through'	Staff Commission Basis vs. Company Commission Basis (RF-12)		
54	283FAS 109 Def Tax Liab WA-NUTIL	5,532,834	-	-	5,532,834	-	-	-	-	-	-	-	-	-
55	Willow Wind Account Receivable	3,105	(3,825)	-	3,105	-	36,825	-	-	36,825	-	-	-	-
56	190Distribution O&M	1	(16)	-	1	-	16	-	(0)	16	-	(0)	-	-
57	283LAKEVIEW BUYOUT-SG	302	-	-	302	-	-	-	-	-	-	-	-	-
58	283JOSEPH SETTLEMENT-SG	11,516	-	-	11,516	-	-	-	-	-	-	-	-	-
59	190Hermiston Swap	14,392	-	-	14,392	-	-	-	-	-	-	-	-	-
60	190Bonus Liability	84	(995)	-	84	-	995	-	-	995	-	-	-	-
61	190PMIVacation Bonus	425	(5,035)	-	425	-	5,035	-	-	5,035	-	-	-	-
62	190Pension/Retirement (Accrued/Prepaid)	140	(1,657)	-	140	-	1,657	-	-	1,657	-	-	-	-
63	190Property Insurance	240	(2,841)	-	240	-	2,841	-	-	2,841	-	-	-	-
64	190SERP - Cash Basis	1,090	(12,934)	-	1,090	-	12,934	-	-	12,934	-	-	-	-
65	283Post Merger Debt Loss	5,911	(70,109)	-	5,911	-	70,109	-	-	70,109	-	-	-	-
66	190FAS112 Book Reserve Postretirement Be	3,903	(46,295)	-	3,903	-	46,295	-	-	46,295	-	-	-	-
67	283PMT Development Costs	28,010	(332,208)	-	28,010	-	332,208	-	-	332,208	-	-	-	-
68	190PMISec 471 Adjustment	3,284	(38,955)	-	3,284	-	38,955	-	-	38,955	-	-	-	-
69	30% Capitalized Labor Costs	(354,196)	(932,784)	-	78,647	-	432,843	-	(33,657)	399,186	-	(533,598)	-	0
70	Depreciation Flow-Through - WA	5,434	(64,454)	-	5,434	-	-	-	(64,454)	-	-	(64,454)	-	(0)
71	Book Depreciation	1,250,750	(14,834,380)	-	1,250,750	-	-	-	(14,834,380)	-	-	(14,834,380)	-	(0)
72	282DIT PMIDepreciation-Book	96,425	(1,143,639)	-	96,425	-	1,143,639	-	-	1,143,639	-	-	-	1
73	Sec 481a Adj - Repair Deduction	24,366	(288,992)	-	24,366	-	-	-	(288,992)	-	-	(288,992)	-	-
74	CJAC	105,098	(1,246,503)	-	105,098	-	-	-	(1,246,503)	-	-	(1,246,503)	-	0
75	Reimbursements/Highway Relocation	52,255	(77,298)	-	6,517	-	3,557	-	3,557	3,557	-	(42,181)	-	1
76	Avoided Costs	170,908	(2,027,021)	-	170,908	-	-	-	(2,027,021)	-	-	(2,027,022)	-	1
77	Capitalization of Test Energy	458	(5,430)	-	458	-	-	-	(5,430)	-	-	(5,430)	-	0
78	Gain/Loss on Disposition	24,152	(286,452)	-	24,152	-	-	-	(286,452)	-	-	(286,452)	-	0
79	Coal Mine Development	12	(147)	-	12	-	-	-	(147)	-	-	(146)	-	(0)
80	Coal Mine Recessing Face (Extension)	2,269	(26,911)	-	2,269	-	-	-	(26,911)	-	-	(26,911)	-	0
81	283INTERIM PROVISION TOTAL REG ASSET LIA	79,947	(948,207)	-	79,947	-	948,207	-	-	948,207	-	-	-	0
82	190REG LIABILITY	30,858	(365,987)	-	30,858	-	365,987	-	-	365,987	-	-	-	-
83	283Hazardous Waste/Envir. Cleanup	15,595	-	-	15,595	-	-	-	-	-	-	-	-	-
84	190Hazardous Waste/Environmental-WA	224,611	-	-	224,611	-	-	-	-	-	-	-	-	-
85	283WA DISALLOWED COLSTRIP #3 WRITE-OFF	19,806	-	-	19,806	-	-	-	-	-	-	-	-	-
86	RTO Grid West N/R Writeoff WA	1,385	(16,430)	-	1,385	-	-	-	(16,430)	-	-	(16,430)	-	-
87	Unrecovered Plant-Powderdale	341,171	-	-	341,171	-	-	-	-	-	-	-	-	-
88	Deferred Excess Net Power Costs - WA Hyd	627,345	-	-	627,345	-	-	-	-	-	-	-	-	-
89	283TROJAN DECOMMISSIONING AMORT	294,743	-	-	294,743	-	-	-	-	-	-	-	-	-
90	283Reg Liability-WA Low Energy Program	126,418	-	-	126,418	-	-	-	-	-	-	-	-	-
91	MEHC Transition Costs-WA	241,766	-	-	241,766	-	-	-	-	-	-	-	-	-
92	SO2 Emission Allowances	(10,080)	(10,080)	-	(10,080)	-	-	-	(10,080)	-	-	(10,080)	-	-
93	Colstrip Removal	107,392	107,392	-	107,392	-	-	-	107,392	-	-	107,392	-	-
94	Environmental Remediation Third West	(8,911)	(8,911)	-	(8,911)	-	-	-	(8,911)	-	-	(8,911)	-	-
95	Powderdale Hydro	(205,218)	(205,218)	-	(205,218)	-	-	-	(205,218)	-	-	(205,218)	-	-
96	Chetahis	(268,988)	(268,988)	-	(268,988)	-	-	-	(268,988)	-	-	(268,988)	-	-
97	Adjustment 7.4 Malin	(1,050,000)	(1,050,000)	-	(1,050,000)	-	-	-	(1,050,000)	-	-	(1,050,000)	-	-
98	Total Account 411.1 Provision for Deferred Income Taxes -	7,551,009	(24,248,310)	387,105	7,938,114	(30,100)	1,862,064	1,831,964	(22,029,241)	2,219,069	(26,737,597)	(1,271,644)	-	-
99	TOTAL DEFERRED INCOME TAX EXPENSE	3,723,897	26,083,695	(525,562)	3,198,335	40,867	(364,732)	(323,865)	25,254,268	(849,427)	25,993,904	(759,656)	-	-

(a) The Company reflects federal income tax in the unadjusted result which includes state income tax therefore any adjustment related to unadjusted results that has a tax effect, the relative state income tax must be removed.



PacificCorp  
 UE-100749  
 Accumulated Deferred Income Tax  
 Average of Monthly Averages Ending - December 2009  
 Staff Adjustments and Deferred Income Tax Balances

Line No.	Tax Description	Staff Commission Basis vs. Company Normalized ADIT	Fuller Exhibit No. (RF-12) Page 5 of 6 "Flow-Through"	Staff Commission Basis vs. Company Commission Basis (RF-12)
a	c	ac	ad	ae
53	ADIT - FEDERAL - PROPERTY, PLANT & EQUIP	-	(336,597)	-
54	DTL PP&E Powertax	-	(126,354,632)	-
55	DTL 610.005N Sec 17	(58,730)	-	-
56	DTL 610.095N Roll	434,249	-	-
57	DTL 610.100N Amort	(16,253)	-	-
58	DTL 105.144 Sec 1031 Exchange - CWIP	3,095	-	-
59	Account 282.1	362,361	(126,691,229)	-
60	DTL 425.260 Lakeview Buyout	(0)	-	-
61	DTL 425.280 Joseph Settlement	0	-	-
62	DTL 425.360 Hermiston Swap	(0)	-	-
63	DTL 210.180 PRE MEM	-	-	-
64	DTL 210.200 PREPAID PROPERTY TAXES	(0)	-	-
65	DTL 415.822 RgAst UT	57,865	-	-
66	DTL 415.825 Contra Pensn Reg Asset CTG W	(1,187,206)	-	-
67	DTL 740.100 Post Merger Loss-Reacq Debt	452,731	-	-
68	DTL 205.100 Coal Pile Inventory Adjustme	56,228	-	-
69	DTL 920.110 Bridger Extraction Taxes Pay	(451,294)	-	-
70	DTL 610.100 COAL MINE DEVT PMI	(16,401)	-	-
71	DTL 910.910 PMI SEC. 471 INV ADJ	111,232	-	-
72	DTL 610.100 PMI DEVT COST AMORT	3,010	-	-
73	DTL 610.115 PMI OVERBURDEN REMOVAL	(42,857)	-	-
74	DTL 505.510 PMI VAC ACCRUAL	(57,914)	-	-
75	DTL 205.411 PMI SEC. 263A	(354,365)	-	-
76	DTL 920.100 PMI RECLAMATION TRUST EARN	(0)	-	-
77	DTL 910.905 PMI Cost Depletion	29,955	-	-
78	DTL - PMI Def Tax	163,316	-	-
79	DTL PMI PP&E	-	(4,637,234)	-
80	DTL 415.873 Deferred Excess NPC-WA Hydro	-	-	-
81	DTL 415.301 Environmental Clean-up Accrl	-	-	-
82	DTL 605.100 Trojan Decommissioning Costs	-	-	-
83	DTL 430.100 Weatherization	-	-	-
84	DTL Interim provision reg assets/Liabil	-	-	-
85	DTL 415.300 Environmental Clean-up Accru	-	-	-
86	DTL 415.510 WA Disallowed Colstrip 3--Wri	-	(46,890)	0
87	DTL 415.800 GRID WST	-	-	8,555
88	DTL 610.143 WA LOW ENERGY PROGRAM	-	-	-
89	DTL 415.803 RTO Grid West N/R-W/O-WA	-	-	(43,794)
90	DTL 705.260 Reg Asset	-	-	-
91	DTL 715.720 NW Power	-	-	-
92	DTL 415.850 Unrec Pilt	-	-	-
93	Powertax UE-070624	-	-	(111,262)
94	Chehalis	-	-	(6,261,915)
95	Account 283.1	(1,235,702)	-	(6,408,416)
96	Adjustment 7.8 State Income Tax Expense	-	(4,684,124)	3,784
97	Adjustment 7.9 Normalization vs. Flow Through	242,348	1,095,830	(20,433)
98	Adjustment 7.11 Average Balance	-	(9,873,199)	1
99	Adjustment 8.11 Repairs Deduction	(14,463,670)	-	(14,463,670)
####	Total Accumulated Deferred Income Tax	(19,602,464)	(139,304,697)	(20,887,132)