

## Exhibit A-1 Power Cost Baseline Rate 2014 PCORC

Row	Test Year			Production		
3	Regulatory Assets (1) (Variable)	\$	265,497,445		Factor	
4	Transmission Rate Base (Fixed)		91,215,648		0.99019	
5	Production Rate Base (Fixed)		<u>2,127,242,636</u>			
6		\$	2,483,955,728			
7	Net of tax rate of return		6.69%			
8						
9						
9A						
10	Regulatory Asset Recovery (on Row 3)	\$	27,325,814	\$	1.295	F
10a	Equity Adder Centralia Coal Transition PPA		2,326,384	\$	0.110	V
11	Fixed Asset Recovery Other (on Row 4)		9,388,195	\$	0.445	F
12	Fixed Asset Recovery-Prod Factored (on Row 5)		218,942,357	\$	10.379	F
13	501-Steam Fuel		95,694,641	\$	4.536	V
14	555-Purchased power		400,022,510	\$	18.963	V
15	557-Other Power Exp		6,286,927	\$	0.298	F
15a	Payroll Overheads - Benefits		7,402,047	\$	0.351	F
15b	Property Insurance		2,692,723	\$	0.128	F
15c	Montana Electric Energy Tax		1,732,920	\$	0.082	V
15d	Payroll Taxes on Production Wages		1,955,229	\$	0.093	F
15e	Brokerage Fees		236,520	\$	0.011	V
16	547-Fuel		165,904,888	\$	7.865	V
17	565-Wheeling		109,546,034	\$	5.193	V
18	Variable Transmission Income		(6,685,935)	\$	(0.317)	F
19	Production O&M		116,299,220	\$	5.513	F
19a	Colstrip - Major Maint. Amort		1,320,253	\$	0.063	F
20	447-Sales to Others		(29,085,181)	\$	(1.379)	V
21	456-Purch/Sales Non-Core Gas		(5,342,456)	\$	(0.253)	V
22	Transmission Exp - 500KV		926,060	\$	0.044	F
23	Depreciation-Production (FERC 403)		111,561,172	\$	5.288	F
24	Depreciation-Transmission		4,204,776	\$	0.199	F
25	Amortization - Regulatory Assets Fixed		18,713,824	\$	0.887	F
26	Hedging Line of Credit		526,847	\$	0.025	F
27	Subtotal & Baseline Rate	\$	1,261,895,770	\$	59.819	
28	Revenue Sensitive Items		<u>0.9543790</u>			
29		\$	1,322,216,614			
30	Test Year DELIVERED Load (MWh's)		21,095,348			<-- includes Firm Wholesale
31						
32						
33						
34						
35	Power Cost Baseline Rate	\$	59.819	\$	62.678	
36	Fixed Production Costs	\$	24.691	\$	23.922	Sum of F
37	Variable Production Costs	\$	35.128	\$	38.756	Sum of V
38	Power Cost Baseline Rate	\$	59.819	\$	62.678	

## Exhibit B: Power Costs Subject to PCA Sharing

Row	Variable Rate Component	FERC a/c	Example Using 2014 PCORC	Source
1	Steam Operating Fuel	501	96,642,706	SAP Actuals
2	Other Power Generation Fuel	547	167,548,539	SAP Actuals
3	Purchase & Interchange	555	403,985,609	SAP Actuals
4	Purchases/Sales of Non-Core Gas	456.0XXXX	(5,395,385)	SAP Actuals
5	Brokerage Fees	55700003	238,863	SAP Actuals
6	Sales to Others	447	(29,373,333)	SAP Actuals
7	Wheeling	565	110,631,328	SAP Actuals
8	Centralia Equity Adder	n/a	2,349,432	Centralia PPA Actual MWhs * \$1.49
9	Montana Electric Energy Taxes	408.1	1,750,088	SAP Actuals
10	Total Variable Rate Component		<u>\$ 748,377,847</u>	
11				
12	PCA Delivered Load (MWh)		21,304,344	Actual Delivered Electric Load (GPI net of losses)
13	Power Cost Baseline Rate for Variable Production Costs		<u>\$ 35.12795</u>	Per Exhibit A-1
14	Baseline Power Cost		<u>\$ 748,377,917</u>	
15				
16	Imbalance for Sharing: (Over) / Under Recovery		<u>\$ (70)</u>	
17				
18				
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	(Over)/Under	Company's Share			
		(Over)	Under		
21	First Band - Deadband	\$ 17,000,000	100%	100%	\$ (70)
22	2nd Band = next	\$ 23,000,000	35%	50%	\$ -
23	3rd Band = over	\$ 40,000,000	90%	90%	\$ -
24	Total Company Share				<u>\$ (70)</u>
25	Total Customer Share				<u>\$ -</u>