

Attachment C

Proposed Line Extension Allowance Calculation

PACIFICORP
STATE OF WASHINGTON
CALCULATION OF LINE EXTENSION ALLOWANCE

Description	No. of customers	Annual Revenue	10 year Present value of Revenue (\$)	10 year Present value of Avoided Cost (\$)	10 year Present Value of Line Ext. Cost (\$)	Line Extension Allowance (\$)	Residential Line Extension Calculation (\$)	Non-Residential Line Extension Calculation (\$)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
						= (4)-(5)-(6)	= (7)/(2)	= (7)/(3)
Residential	111,904	\$153,508,191	\$1,082,677,107	\$448,819,953	\$280,706,090.84	\$353,151,063.93	\$3,155.83	
Non-Residential	24,373	\$195,265,992	\$1,377,190,486	\$677,849,202	\$309,705,990.28	\$389,635,293.07		2.00
Discount rate (%)	6.91%							
Annualization Factor ¹	11.27%							

PacifiCorp proposes a Line Extension Allowance of \$3,150 for Residential customers and 2.00 times annual revenue for Non-Residential customers.

¹From Use of Facilities Charges - 12/31/2017 Basis, Distribution Plant section based on Incremental Cost of Capital.

Includes return of capital, recovery of capital, state & federal income taxes, local property taxes, operation & maintenance and other taxes.