

Exhibit No.____(NCS-6)
Docket UE-14____
Witness: Natasha C. Siores

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFIC POWER & LIGHT COMPANY,
a division of PacifiCorp

Respondent.

Docket UE-14____

PACIFIC POWER & LIGHT COMPANY

EXHIBIT OF NATASHA C. SIORES

Summary of Revenue Requirement Scenario with Alternative Capital Structure

May 2014

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

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%
Total	100.00%		7.67%

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%
Total	100.00%		7.99%

Revenue Requirement Summary

	Revenue Requirement	Change from Filed	
As Filed	27,201,266		Ref NCS-3, Page 1.1
Hypothetical Capital Structure	29,446,578	2,245,311	Ref NCS-6 Page 2

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

This page provides a summary in the same format as Exhibit No. ___(NCS-3) 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.

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	321,605,659	29,446,578	351,052,237
3 Interdepartmental	-		
4 Special Sales	21,276,368		
5 Other Operating Revenues	7,085,531		
6 Total Operating Revenues	<u>349,967,558</u>		
7			
8 Operating Expenses:			
9 Steam Production	66,445,152		
10 Nuclear Production	-		
11 Hydro Production	7,625,921		
12 Other Power Supply	85,764,809		
13 Transmission	31,289,089		
14 Distribution	12,252,659		
15 Customer Accounting	6,967,383	186,691	7,154,075
16 Customer Service & Info	790,894		
17 Sales	-		
18 Administrative & General	12,471,080		
19 Total O&M Expenses	<u>223,606,985</u>		
20 Depreciation	44,425,461		
21 Amortization	5,116,519		
22 Taxes Other Than Income	21,407,838	1,199,359	22,607,197
23 Income Taxes - Federal	671,227	9,821,185	10,492,411
24 Income Taxes - State	-	-	-
25 Income Taxes - Def Net	5,855,792		
26 Investment Tax Credit Adj.	-		
27 Misc Revenue & Expense	(762,127)		
28 Total Operating Expenses:	<u>300,321,695</u>	<u>11,207,235</u>	<u>311,528,930</u>
29			
30 Operating Rev For Return:	<u>49,645,863</u>	<u>18,239,343</u>	<u>67,885,205</u>
31			
32 Rate Base:			
33 Electric Plant In Service	1,751,925,684		
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>1,793,135,695</u>	<u>-</u>	<u>1,793,135,695</u>
45			
46 Rate Base Deductions:			
47 Accum Prov For Deprec	(639,633,916)		
48 Accum Prov For Amort	(46,269,157)		
49 Accum Def Income Tax	(246,671,788)		
50 Unamortized ITC	(246,775)		
51 Customer Adv For Const	(488,824)		
52 Customer Service Deposits	(3,361,134)		
53 Misc Rate Base Deductions	(6,838,657)		
54			
55 Total Rate Base Deductions	<u>(943,510,252)</u>	<u>-</u>	<u>(943,510,252)</u>
56			
57 Total Rate Base:	<u>849,625,443</u>	<u>-</u>	<u>849,625,443</u>
58			
59 Return on Rate Base	5.84%		7.990%
60 Return on Equity	5.90%		10.28%
61			
62 TAX CALCULATION:			
63 Operating Revenue	56,172,881	28,060,527	84,233,409
64 Other Deductions			
65 Interest (AFUDC)	(3,560,992)	-	(3,560,992)
66 Interest	25,029,558	-	25,029,558
67 Schedule "M" Additions	64,818,776	-	64,818,776
68 Schedule "M" Deductions	79,928,836	-	79,928,836
69 Income Before Tax	<u>19,594,255</u>	<u>28,060,527</u>	<u>47,654,782</u>
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>19,594,255</u>	<u>28,060,527</u>	<u>47,654,782</u>
73			
74 Federal Income Taxes + Other	<u>671,227</u>	<u>9,821,185</u>	<u>10,492,411</u>