**BENCH REQUEST NO. 3:** Staff adjusted the Company input data for the supporting model relating to Adjustment 8.13 – Idaho Power Asset Exchange citing complex modeling issues. In reference to the table at the top of page 63 of Jason L. Ball’s testimony exhibit, Exh. No. JLB-1T, please provide separately the revenue requirement impact of the Reassignment Asset adjustment and the Correction Assets as proposed by Staff.

**RESPONSE:** Below is a table showing the revenue requirement impact for Reassignment Assets and Correction Assets. During the course of responding to this bench request, Staff discovered an error in the calculation of the effect of the Reassignment Assets as reflected in Exhibit No. JLB-2. The corrected calculation is incorporated into the revenue requirement impacts below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Adjustment** | **Exchange Assets** | **Reassignment Assets** | **Correction Assets** | **Total** |
| Adj. 6.1 – End-of-Period Reserves |   | $2,186  | $10,989  | $13,175  |
| Adj. 6.2 – Annualized Depr/Amrt Exp. |   | $4,882  | $565  | $5,447  |
| Adj. 7.1 - Interest Sync (For these asset categories only) | ($50,962) | ($42,974) | ($152,238) | ($246,174) |
| Adj. 8.10 – Investors Supplied Working Cap. |   | ($5,008) | ($30,982) | ($35,990) |
| Adj. 8.11 – End-of-Period Plant Bal. |   | $25,594  | $3,738  | $29,332  |
| Adj. 8.13 – Idaho Asset Exchange | $395,500  |   |   | $395,500  |
| Input data  |   | $180,922  | $1,231,047  | $1,411,969  |
| **Total Impact of Asset Reassignment/Exchange** | $344,538  | $165,602  | $1,063,119  | $1,573,259  |
|  |  |  |  |  |
| Impact due to change in WCA Factors1 |   |  $ 1,841  |  $ 5,867  |  |
|  |  |  |  |  |
| 1 Staff did not include these impacts in its responsive testimony or in the total calculation in this response because the effect is minimal. |

Attached are workpapers prepared in response to this bench request.

Staff devoted as much time as was possible to respond to this bench request and attempted to fully reconcile the Staff outcome to the numbers provided in the Company’s response to Bench Request No. 03; but we were unable to do so in the time allotted.

**REQUEST NO. 4:** Please provide an explanation for the depreciation rate utilized for Adjustment 8.4 – Pro Forma Plant Additions at Line 30 of Jason L. Ball’s exhibit, Exh. No. JLB-2.

**RESPONSE:** The depreciation rate utilized in Tab “Adj 8.4 – Major Plant Add” is based on Pacific Power’s assertion that “[t]he depreciable lives used for rate making for the selective catalytic reduction (SCR) and natural gas conversion alternatives were assumed to be the same.” Pacific Power response to UTC Staff Data Request No. 16, which is attached. Therefore, Staff uses a 22 year straight-line depreciation schedule for the modeled natural gas plant in adjustment 8.4.

The annual depreciation expense of $1,985,185 is determined by dividing the total steam production rate base of $43,674,078 by its estimated useful life of 22 years.