

Exhibit No.\_\_\_\_(NCS-7)  
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 Scenarios with Net Power Cost QF Alternatives**

**May 2014**

**Net Power Cost Summary**

	Total System Net Power Cost	Washington - Allocated Net Power Cost	Washington - Allocated Net Power Cost Production Factor	Washington - Allocated Net Power Cost with Production Factor	
As Filed	568,782,271	130,188,942	1,006,361	131,195,302	Ref NCS-3, Page 2.2
Re-Pricing at WA QFs Avoided Costs	559,320,710	128,008,001	989,502	128,997,503	Ref NCS-7, Page 6
Load Decrement	501,943,724	120,146,088	928,729	121,074,817	Ref NCS-7, Page 6
Situs-Assigned - Excl. OR/CA QFs	525,868,797	120,757,571	933,456	121,691,027	Ref NCS-7, Page 6

**Revenue Requirement Summary**

	Revenue Requirement	Change from Filed	
As Filed	27,201,266		Ref NCS-3, Page 1.1
Re-Pricing at WA QFs Avoided Costs	24,894,890	(2,306,376)	Ref NCS-7, Page 2
Load Decrement	23,102,637	(4,098,629)	Ref NCS-7, Page 3
Situs-Assigned - Excl. OR/CA QFs	17,227,455	(9,973,811)	Ref NCS-7, Page 4

\*Note: Revenue Requirement for each alternative is calculated by inputting Net Power Costs as determined by GRID for each scenario into the Company's RAM/JAM models. Net Power Costs for each scenario is summarized on Page 6 of this Exhibit.

**PACIFICORP  
WASHINGTON**  
**Re-pricing Oregon/California QFs at Washington Avoided Costs**  
**Normalized Results of Operations - West Control Area**  
**12 Months Ended DECEMBER 2013**

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	321,605,659	24,894,890	346,500,549
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	83,567,009		
13 Transmission	31,289,089		
14 Distribution	12,252,659		
15 Customer Accounting	6,967,383	157,834	7,125,217
16 Customer Service & Info	790,894		
17 Sales	-		
18 Administrative & General	12,471,080		
19 Total O&M Expenses	<u>221,409,186</u>		
20 Depreciation	44,425,461		
21 Amortization	5,116,519		
22 Taxes Other Than Income	21,407,838	1,013,969	22,421,807
23 Income Taxes - Federal	2,768,512	8,303,081	11,071,593
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>300,221,181</u>	<u>9,474,883</u>	<u>309,696,064</u>
29			
30 Operating Rev For Return:	<u>49,746,377</u>	<u>15,420,007</u>	<u>65,166,383</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	5.86%		7.67%
60 Return on Equity	6.48%		10.00%
61			
62 TAX CALCULATION:			
63 Operating Revenue	58,370,681	23,723,087	82,093,768
64 Other Deductions			
65 Interest (AFUDC)	(3,560,992)	-	(3,560,992)
66 Interest	21,235,114	-	21,235,114
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>25,586,499</u>	<u>23,723,087</u>	<u>49,309,586</u>
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>25,586,499</u>	<u>23,723,087</u>	<u>49,309,586</u>
73			
74 Federal Income Taxes + Other	<u>2,768,512</u>	<u>8,303,081</u>	<u>11,071,593</u>

This page provides a summary in the same format as Exhibit No.\_\_(NCS-3) page 1.1 of the impact of the QF scenario referenced and was developed by running the revenue requirement models (RAM and JAM) with the QF 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.

**PACIFICORP**  
**WASHINGTON**  
**Washington QFs - Load Decrement Approach**  
**Normalized Results of Operations - West Control Area**  
**12 Months Ended DECEMBER 2013**

	(1)	(2)	(3)
	Total Adjusted Results	Price Change	Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	321,605,659	23,102,637	344,708,296
3 Interdepartmental	-		
4 Special Sales	22,181,834		
5 Other Operating Revenues	7,429,270		
6 Total Operating Revenues	<u>351,216,763</u>		
7			
8 Operating Expenses:			
9 Steam Production	69,284,849		
10 Nuclear Production	-		
11 Hydro Production	7,950,825		
12 Other Power Supply	73,552,021		
13 Transmission	32,550,781		
14 Distribution	12,252,659		
15 Customer Accounting	6,967,383	146,471	7,113,854
16 Customer Service & Info	790,894		
17 Sales	-		
18 Administrative & General	12,787,950		
19 Total O&M Expenses	<u>216,137,361</u>		
20 Depreciation	45,728,853		
21 Amortization	5,289,493		
22 Taxes Other Than Income	21,672,816	940,970	22,613,787
23 Income Taxes - Federal	4,314,741	7,705,318	12,020,059
24 Income Taxes - State	-	-	-
25 Income Taxes - Def Net	5,431,676		
26 Investment Tax Credit Adj.	-		
27 Misc Revenue & Expense	(761,626)		
28 Total Operating Expenses:	<u>297,813,313</u>	<u>8,792,760</u>	<u>306,606,073</u>
29			
30 Operating Rev For Return:	<u>53,403,450</u>	<u>14,309,877</u>	<u>67,713,327</u>
31			
32 Rate Base:			
33 Electric Plant In Service	1,804,723,568		
34 Plant Held for Future Use	238,422		
35 Misc Deferred Debits	8,030,422		
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	1,932,307		
43 Misc Rate Base	-		
44 Total Electric Plant:	<u>1,845,943,201</u>	<u>-</u>	<u>1,845,943,201</u>
45			
46 Rate Base Deductions:			
47 Accum Prov For Deprec	(657,445,404)		
48 Accum Prov For Amort	(47,556,633)		
49 Accum Def Income Tax	(247,004,288)		
50 Unamortized ITC	(246,777)		
51 Customer Adv For Const	(489,855)		
52 Customer Service Deposits	(3,361,134)		
53 Misc Rate Base Deductions	(7,006,992)		
54			
55 Total Rate Base Deductions	<u>(963,111,082)</u>	<u>-</u>	<u>(963,111,082)</u>
56			
57 Total Rate Base:	<u>882,832,119</u>	<u>-</u>	<u>882,832,119</u>
58			
59 Return on Rate Base	6.05%		7.67%
60 Return on Equity	6.86%		10.00%
61			
62 TAX CALCULATION:			
63 Operating Revenue	63,149,867	22,015,196	85,165,063
64 Other Deductions			
65 Interest (AFUDC)	(3,673,071)	-	(3,673,071)
66 Interest	22,065,065	-	22,065,065
67 Schedule "M" Additions	66,609,400	-	66,609,400
68 Schedule "M" Deductions	80,607,541	-	80,607,541
69 Income Before Tax	<u>30,759,732</u>	<u>22,015,196</u>	<u>52,774,928</u>
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>30,759,732</u>	<u>22,015,196</u>	<u>52,774,928</u>
73			
74 Federal Income Taxes + Other	<u>4,314,741</u>	<u>7,705,318</u>	<u>12,020,059</u>

This page provides a summary in the same format as Exhibit No.\_\_(NCS-3) page 1.1 of the impact of the QF scenario referenced and was developed by running the revenue requirement models (RAM and JAM) with the QF 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.

**PACIFICORP**  
**WASHINGTON**  
**Situs-Assigned - Excludes Oregon/California Qualified Facilities**  
**Normalized Results of Operations - West Control Area**  
**12 Months Ended DECEMBER 2013**

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	321,605,659	17,227,455	338,833,113
3 Interdepartmental	-		
4 Special Sales	20,552,346		
5 Other Operating Revenues	7,085,531		
6 Total Operating Revenues	<u>349,243,535</u>		
7			
8 Operating Expenses:			
9 Steam Production	67,276,134		
10 Nuclear Production	-		
11 Hydro Production	7,625,921		
12 Other Power Supply	74,705,529		
13 Transmission	31,289,089		
14 Distribution	12,252,659		
15 Customer Accounting	6,967,383	109,222	7,076,605
16 Customer Service & Info	790,894		
17 Sales	-		
18 Administrative & General	12,471,080		
19 Total O&M Expenses	213,378,688		
20 Depreciation	44,425,461		
21 Amortization	5,116,519		
22 Taxes Other Than Income	21,407,838	701,674	22,109,512
23 Income Taxes - Federal	5,325,779	5,745,795	11,071,574
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>294,747,949</u>	<u>6,556,692</u>	<u>301,304,641</u>
29			
30 Operating Rev For Return:	<u>54,495,586</u>	<u>10,670,763</u>	<u>65,166,349</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	6.41%		7.67%
60 Return on Equity	7.56%		10.00%
61			
62 TAX CALCULATION:			
63 Operating Revenue	65,677,157	16,416,558	82,093,715
64 Other Deductions			
65 Interest (AFUDC)	(3,560,992)	-	(3,560,992)
66 Interest	21,235,114	-	21,235,114
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>32,892,975</u>	<u>16,416,558</u>	<u>49,309,533</u>
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>32,892,975</u>	<u>16,416,558</u>	<u>49,309,533</u>
73			
74 Federal Income Taxes + Other	<u>5,325,779</u>	<u>5,745,795</u>	<u>11,071,574</u>

This page provides a summary in the same format as Exhibit No. \_\_\_(NCS-3) page 1.1 of the impact of the QF scenario referenced and was developed by running the revenue requirement models (RAM and JAM) with the QF 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.

**PacifiCorp**  
**Washington General Rate Case - December 2013**  
**Washington Qualified Facilities Scenarios Analysis**  
**Impact on WA Allocation Factors with Decrement Loads**

<b>Revenue Requirement Impact - Load Decrement</b>	
Requested Rev. Req.	27,201,266
Load Impact	(4,098,629)
<b>Updated Rev. Req</b>	<b>23,102,637</b>

<b>Washington Allocation Factors</b>				
<b>DESCRIPTION</b>	<b>FACTOR</b>	<b>Requested</b>	<b>QF Load Decrement</b>	<b>Change</b>
System Generation	SG	7.9057%	7.9319%	0.0262%
System Capacity	SC	8.0177%	8.0177%	-
System Energy	SE	7.5698%	7.6746%	0.1048%
Control Area Energy - West	CAEW	22.7414%	23.7141%	0.9727%
System Overhead	SO	6.8539%	7.0588%	0.2049%
System Net Plant	SNP	6.2207%	6.4165%	0.1958%
Control Area Generation - West	CAGW	23.0849%	24.0673%	0.9824%
Jim Bridger Generation	JBG	22.9539%	23.9307%	0.9769%
Jim Bridger Energy	JBE	22.6123%	23.5795%	0.9672%

<b>WCA Energy Impact</b>				
	California	Oregon	Washington	Total
Total Energy	890,647	14,305,867	4,473,152	19,669,666
QF Load Decrement	(59,856)	(746,942)	-	(806,799)
<i>Decrement as Percentage of Total Energy</i>	6.7205%	5.2212%	-	
<b>Total</b>	<b>830,791</b>	<b>13,558,925</b>	<b>4,473,152</b>	<b>18,862,868</b>

<b>WCA Capacity Impact</b>				
	California	Oregon	Washington	Total
Requested Position	1,623	26,851	8,601	37,075
Load Decrement	(109)	(1,402)	-	(1,511)
<i>Decrement as Percentage of Capacity</i>	6.7205%	5.2212%	-	
<b>Total</b>	<b>1,514</b>	<b>25,449</b>	<b>8,601</b>	<b>35,564</b>

PacifiCorp  
Washington General Rate Case - December 2013  
Washington Qualified Facilities Scenarios Analysis  
Comparison of Net Power Costs - West Control Area

Description	FERC Account	Allocation Factors As Filed		As Filed PRO FORMA NPC 12 Months Ending March 2016		Re-Pricing at WA Avoided Costs PRO FORMA NPC 12 Months Ending March 2016		Status-Assigned - Excl. OR/CA QFs PRO FORMA NPC 12 Months Ending March 2016		Load Decrement PRO FORMA NPC 12 Months Ending December 2013	
		WCA Alloc. Factor	WA Alloc. %	Total West Control Area	Washington Allocated	Total West Control Area	Washington Allocated	Total West Control Area	Washington Allocated	Total West Control Area	Washington Allocated
Sales for Resale (Account 447)											
Existing Firm Sales - Pacific	447NPC	CAGW	23.0849%	91,458,818	21,113,163	-	-	88,346,528	20,394,695	-	-
Post-Merger Firm Sales	447NPC	CAGW	23.0849%	-	-	91,458,818	21,113,163	-	-	91,458,818	22,011,684
Non-Firm Sales	447NPC	CAEW	22.7414%	-	-	-	-	-	-	-	-
Total Sales for Resale				91,458,818	21,113,163	91,458,818	21,113,163	88,346,528	20,394,695	91,458,818	22,011,684
Purchased Power (Account 555)											
Existing Firm Demand - Pacific	555NPC	CAGW	23.0849%	3,387,011	781,888	3,192,825	737,060	653,114	150,771	653,114	157,187
Existing Firm Energy	555NPC	CAEW	22.7414%	14,943,654	3,398,392	13,997,548	3,183,235	1,623,709	369,254	1,623,709	385,047
WCA Qualifying Facilities	555NPC	CAGW	23.0849%	51,364,205	11,857,368	43,042,936	9,936,412	-	-	-	-
WA Qualifying Facilities	555NPC	WA	100.0000%	-	-	-	-	579,500	579,500	579,500	579,500
Post-Merger Firm Energy	555NPC	CAGW	23.0849%	169,986,797	39,241,258	169,986,797	39,241,258	186,119,562	42,965,488	169,986,797	40,911,261
Other Generation Expenses	555NPC	CAGW	23.0849%	1,099,540	253,827	1,099,540	253,827	1,027,685	237,240	1,099,540	264,630
Total Purchased Power				240,781,206	55,532,733	231,319,645	53,351,792	190,003,570	44,302,253	173,942,659	42,297,625
Wheeling (Account 565)											
Existing Firm - Pacific	565NPC	CAGW	23.0849%	25,004,656	5,772,296	25,004,656	5,772,296	25,004,656	5,772,296	25,004,656	6,017,950
Post Merger Firm	565NPC	CAGW	23.0849%	85,161,913	19,659,530	85,161,913	19,659,530	85,161,913	19,659,530	85,161,913	20,496,188
Non Firm	565NPC	CAEW	22.7414%	-	-	-	-	-	-	-	-
Total Wheeling Expense				110,166,569	25,431,826	110,166,569	25,431,826	110,166,569	25,431,826	110,166,569	26,514,137
Fuel Expense (Accounts 501 and 547)											
Fuel Consumed - Coal	501NPC	CAEW	22.7414%	222,331,290	50,561,188	222,331,290	50,561,188	225,957,317	51,385,796	222,331,290	52,723,780
Fuel Consumed - Natural Gas	547NPC	CAEW	22.7414%	86,962,023	19,776,358	86,962,023	19,776,358	88,087,869	20,032,391	86,962,023	20,622,228
Total Fuel and Other Expense				309,293,314	70,337,546	309,293,314	70,337,546	314,045,186	71,418,187	309,293,314	73,346,009
<b>Total Net Power Cost</b>				<b>568,782,271</b>	<b>130,188,942</b>	<b>559,320,710</b>	<b>128,008,001</b>	<b>525,866,797</b>	<b>120,757,571</b>	<b>501,943,724</b>	<b>120,146,068</b>
<b>Production Factor Adjustment</b>											
				Page 5.12	Ref. NCS-3	Page 5.12	Ref. NCS-3	Page 5.12	Ref. NCS-3	Page 5.12	Ref. NCS-3
				1,006,361	Page 9.1.2	989,502	Page 9.1.2	933,456	Page 9.1.2	928,729	Page 9.1.2
<b>Net WA-Allocated Net Power Cost</b>				<b>131,195,302</b>	<b>131,195,302</b>	<b>128,997,503</b>	<b>128,997,503</b>	<b>121,691,027</b>	<b>121,691,027</b>	<b>121,074,817</b>	<b>121,074,817</b>