

UE-152253 / Pacific Power & Light Company  
April 19, 2016  
Boise 12<sup>th</sup> Set Data Request 0115

**Boise Data Request 0115**

Refer to 2:11-15. Please confirm that, in contrast to the characterization of Boise's recommended adjustments, the Company has "selectively chosen only those components" of revenue requirement that *increase*. If the Company cannot confirm, please explain, considering the multiple instances in which the Company has testified that "this rate filing is comprised of restating and limited pro forma adjustments, incorporating discrete and identifiable *cost increases* over the next two years." Exh. No. SEM-6T at 2:1-4 (emphasis added).

**Response to Boise Data Request 0115**

No, the Company has not "selectively chosen only those components" of revenue requirement that *increase*. The Company's revenue requirement is established using analysis of known and measurable changes affecting revenue requirement during the test period or expected to occur before the rate effective dates for the proposed first and second year rate increases. An example of this is the Company's acceptance of Public Counsel's full-time equivalent (FTE) adjustment to labor expenses, reflecting a known decrease in labor-related costs due to a decrease in FTEs since June 2015, the base period of the current filing. Specific to Boise and Public Counsel's proposed labor adjustments being largely offset by corresponding increases in labor costs, please refer to supporting documentation provided in Boise data response 0118. The Company's testimony referring to identifiable "cost increases" is merely a summary reference to the net result of these offsetting changes impacting revenue requirement.

PREPARER: Shelley McCoy

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UE-152253 / Pacific Power & Light Company  
April 19, 2016  
Boise 12<sup>th</sup> Set Data Request 0119

**Boise Data Request 0119**

Refer to 4:19-23. Please confirm that the Company used a methodology for O&M costs in previous cases that, upon further review, the Company now agrees to be less consistent with the WCA than an O&M adjustment proposed by Boise. If the Company cannot confirm, please explain why “the Company agrees with Boise that these costs should be removed as it is more consistent with the WCA,” as compared with “the methodology used in previous cases.”

**Response to Boise Data Request 0119**

Not confirmed. The Company has not used a methodology for O&M costs in previous cases deemed inconsistent with the West Control Area inter-jurisdictional allocation methodology (WCA). The referenced section of Ms. McCoy’s rebuttal testimony (page 4, lines 19-23) is limited only to Boise’s proposed adjustment to remove Colstrip Unit 3 related O&M. The Company accepted this adjustment because Colstrip Unit 3 is not included in the west control area.

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