

CONTESTED ISSUES

ISSUE	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
Overall Revenue / Rate Increase	\$42,800,673 (14.1%)	\$36,933,863 (12.1%)	\$14,686,491,906,441 (4.8%) <u>NOTE: this revenue requirement reflects only the removal of Adjustment 3.8 regarding Schedule 300 revenues. Staff has not re-run Exhibit JH-2 to reflect other adjustments that are now uncontested after rebuttal.</u>	\$19,815,120 (6.53%) Public Counsel is not proposing a bottom-line revenue requirement: additional adjustments from other parties (e.g., addressing cost of capital) are necessary to reflect the proper adjusted Revenue Requirement.	\$10,832,078 (3.6%) <u>Note: This revenue requirement has not been recalculated to reflect the modifications to Boise's adjustments based on PacificCorp's rebuttal filing. The Company should make appropriate adjustments as part of its compliance filing to the final Commission Order in this proceeding.</u>	
Capital Structure and Cost of Capital	Capital Structure Long-term Debt: 47.21% Preferred Stock: 0.28% Common Equity: 52.51% Cost of Capital: Long-term Debt: 5.37% Preferred Stock: 5.43% Common equity: 10.0% Overall Rate of Return: 7.80% Capital structure, cost of long-term debt, and cost of preferred stock are addressed in Exhibit No.____ (BNW-1T). Cost of common equity is addressed in Exhibit No.____ (SCH-1T).	Rebuttal Capital Structure: Long-term Debt: 47.50% Preferred Stock: 0.28% Common Equity: 52.22% Rebuttal Cost of Capital: Long-term Debt: 5.29% Preferred Stock: 5.48% Common equity: 10.0% Overall Rate of Return: 7.75% The Company's rebuttal capital structure, cost of long-term debt, and cost of preferred stock are addressed in Exhibit No.____ (BNW-14T). The Company's rebuttal cost of common equity is addressed in Exhibit No.____ (SCH-10T).	Capital Structure Total Debt: 53.72% Preferred Stock: 0.28% Common Equity: 46.00% Cost of Capital: Total Debt: 5.34% Preferred Stock: 5.43 % Common equity: 9.00% Overall Rate of Return: 7.03% Exhibit No.____ T (KLE-1T).	Not addressed in testimony. ¹	Capital Structure Total Debt: 50.62% Preferred Stock: 0.28% Common Equity: 49.10% Cost of Capital: Total Debt: 5.37% Preferred Stock: 5.43 % Common equity: 9.20% Overall Rate of Return: 7.25% Exhibit No.____ (MPG-3).	

¹ For areas "not addressed in testimony" Public Counsel reserves the right to adopt other party positions.
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<p>PC.2.1 Public Counsel Revised Jurisdictional Allocation</p> <p><u>See also West Control Area Allocation Factors below</u></p>		<p><u>No change from initial filing.</u></p> <p>The Company's rebuttal position maintains the same calculation of allocation factors and applications as those allocations factors as described in the initial filing. Further discussion of these items is included in the rebuttal testimony of R. Bryce Dalley, Exhibit No.____ (RBD-3T).</p>		<p>Rejects change to the demand/energy weighting proposed by Company and retains 75/25 weighting.</p> <p>Uses the system net plant allocation factor rather than the system overhead factor to allocate system-wide administrative and general costs and property taxes.</p> <p>Increases NOI by \$1,089,858 and reduces rate base by \$975,702. Exhibit JRD-3 at page 1, line 3 and page 2.</p>		
<p>Operation and Maintenance (O&M) Expense Revenue Requirement Adjustments</p> <p>Tab 4 of Exhibit No.____ (SRM-3) and Exhibit No.____ (SRM-7)</p>						
<p>4.3 General Wage Increase – Pro Forma Adjustment</p>	<p>This adjustment recognizes wage increases that have occurred or will occur through June 30, 2013.</p> <p>Decreases NOI by \$161,390. Exhibit No.____ (SRM-3), page 4.0 Total, line 30.</p>	<p><u>No change from initial filing.</u></p> <p>Decreases NOI by \$161,390. Exhibit No.____ (SRM-7), page 1.8, column 4.3.</p>	<p>Staff's adjustment removes compensation related to the Company's Annual Incentive Plan.</p> <p>Decreases NOI by \$143,943. Exhibit No.____ T (JH-1T) at 9-11 and Exhibit No.____ (JH-2), page 5, line 16.</p>	<p>Not addressed in testimony.</p>		
<p>PC.4.16 Executive Compensation</p>		<p>The Company does not accept Public Counsel's proposed adjustment. Further discussion on this item is included in the rebuttal testimony of Erich D. Wilson, Exhibit No.____ (EDW-3T) at 5-6.</p>		<p>This adjustment removes the amount of executive compensation that exceeds market-based compensation amounts.</p> <p>Increases NOI by \$42,301. Exhibit No. JRD-3, page 1, line 30 and page 10.</p>		
<p>PC.4.17 Eliminate MEHC Officer's Compensation Expense</p>		<p>The Company does not accept Public Counsel's proposed adjustment. Further discussion on this item is included in the rebuttal testimony of Erich D. Wilson, Exhibit No.____ (EDW-3T) at 6- 10.</p>		<p>This adjustment removes the compensation amount for MECH Officers as duplicative and failing to provide any direct benefit to customers.</p> <p>Increases NOI by \$85,470. Exhibit No. JRD-3, page 1, line 31 and page 11.</p>		

Net Power Costs Revenue Requirement Adjustments
Tab 5 of Exhibit No. ___ (SRM-3) and Exhibit No. ___ (SRM-7)

<p>5.1.1 Net Power Costs – Pro Forma</p> <p>This adjustment normalizes power costs by adjusting sales for resale, purchase power, wheeling, and fuel in a manner consistent with the contractual terms of sales and purchase agreements, and normal hydro and weather conditions on a west control area basis. This pro forma adjustment reflects normalized power costs for the rate effective period, 12-months ending December 2014. This adjustment also includes several proposed modifications to the west control area inter-jurisdictional allocation methodology associated with the calculation of net power costs. Exhibit No. ___ (GND-1CT). Increases NOI by \$1,842,319. Exhibit No. ___ (SRM-3), page 5.0 Total, line 30.</p>	<p><u>This adjustment has been revised in rebuttal.</u> As explained in the rebuttal testimony of Gregory N. Duvall Exhibit No. ___ (7CT) at 4-9, the Company made several adjustments and updates to its net power cost study. These changes are reflected in the Company's rebuttal pro forma net power cost adjustment. <u>The Company accepted the parties' adjustment related to wind modeling. The Company accepted PC's proposal to update prices and provided information of the BPA Final Record, resolving these adjustments. In addition, the Company agreed to provide a revenue credit for wind integration revenues, resolving Boise's third-party wind integration issue.</u> Increases NOI by \$3,357,010. Exhibit No. ___ (SRM-7), page 1.10, column 5.1.1.</p>	<p>Staff revises the Company adjustment by: (1) using the Approved WCA, but updating the Jim Bridger Generation factor for increased capacity; (2) using Situs assignment for purchase power agreements with Qualifying Facilities; (3) retaining the Eastern Market Modification; (4) rejecting the Company's proposal to reduce the output of Company-owned wind resources; and (5) Company's contract for transmission via the Pacific Direct Current Inter tie. Exhibit No. ___ CT (DCG-1CT). Increases NOI by \$10,353,369. Exhibit No. ___ (JH-2), page 5, line 32.</p>	<p>PC 5.1.1 presents a revised pro forma adjustment that removes the costs of Qualifying Facilities outside of Washington State, certain hedging costs, costs associated with a proposed BPA transmission rate increase, and updated prices and adjustments. Increases NOI by \$13,249,555. Exhibit JRD-3, page 1, line 34 and page 12.</p>	<p>Boise revises the Company's adjustment by using situs assignment of QF resources, including the imputed ECA sale in NPC, excluding the costs of DC intertie capacity/NOB purchases, energy forecast, removal of GRID market caps, incorporating Jim Bridger heat rate improvements, reducing the cost of Jim Bridger fuel, and eliminating the costs of wind integration for 3rd party facilities in the Company BA. Increases NOI by \$15,803,235. Exhibit No. ___ (MCD-1CT) <u>Based on the Company's rebuttal filing, Boise accepts the deferred income tax modification to the Bridger Coal cost adjustment and the inclusion of the costs of 3rd party wind integration pending inclusion of Schedule 3A revenues.</u></p>	
<p>PCAM</p> <p>The Company proposes a Power Cost Adjustment Mechanism (PCAM) to collect or credit the differences between the actual net power costs incurred to serve Washington customers and the amount of net power costs collected from Washington customers through rates.</p>	<p><u>No change from initial filing.</u> This is addressed in additional detail in the rebuttal testimony of Gregory N. Duvall, Exhibit No. ___ (GND-7CT) at 51-62.</p>	<p>Staff rejects the Company's proposal for a PCAM for two general reasons: (1) the proposal is improperly designed because it does not contain sharing bands or a dead-band, contrary to Commission precedent; and (2) it is premature in light of expected multi-state discussion on interstate cost allocation. Exhibit No. ___ CT (DCG-1CT) at 22-25.</p>	<p>Oppose. The Company has not provided valid justifications for the proposed PCAM. Notably, the Company is not facing significant volatility. Moreover, the proposed PCAM's design is flawed, requiring significant modifications including dead bands, sharing bands, a sufficient surcharge/refund trigger amount, appropriate reporting requirements, and potential ROE adjustment. Exhibit No. SC-1CT at page 36-44.</p>	<p>Boise opposes a PCAM for PacifiCorp on the basis that the Company has not demonstrated need for a PCAM. Boise opposes the specific PCAM proposed by the company because it would permit dollar for dollar recovery without dead-bands or sharing bands. Any potential PCAM should have properly constructed asymmetrical dead-bands, a sharing mechanism, and an earnings test. Exhibit No. ___ (MCD-1CT) at 24-29.</p>	

<p>8.4 Major Plant Additions</p>	<p>This adjustment places into rate base five west side plant additions greater than \$10 million. This adjustment also incorporates the associated depreciation expense and accumulated reserve impacts. Decreases NOI by \$949,180. Increases rate base by \$38,505,986. Exhibit No. (SRM-3), page 8.0 Total, lines 30 and 57.</p>	<p><u>This adjustment has been revised in rebuttal.</u> As explained in the rebuttal testimony of Steven R. McDougal, Exhibit No. (SRM-6T) at 18-23, the Company is revising this adjustment to include actual plant in service amounts for projects that have been placed in service and an updated pro forma amount for the Merwin fish collector. Decreases NOI by \$1,047,294. Increases rate base by \$36,175,323. Exhibit No. (SRM-7), page 1.13, column 8.4.</p>	<p>Staff adjustm. establishes a pro-forma plant addition cutoff date of January 11, 2013, which removes the turbine upgrade at Jim Bridger and the Merwin Fish Collector. Depreciation expenses for these facilities are removed and all hydro O&M adjustments are removed. WCA allocation factor is corrected to 22.6055%. Exhibit No. T (CRM-1T). Decreases NOI by \$346,931. Increases rate base by \$20,748,775. Exhibit No. (JH-2), page 5, line 59.</p>	<p>PC 8.4 removes certain plant proposed by the Company that is not yet known and measurable, namely that which was projected to be added after February 2013. Decreases NOI by \$877,881 and increases rate base by \$34,802,555. Exhibit JRD-3 at page 1, line 57 and page 14.</p>		
<p>8.12 – 8.12.6 Adjust Average of Monthly Averages (AMA) to Plant Balances as of June 30, 2012</p>	<p>This adjustment walks the plant balances from June 2012 AMA to June 2012 year-end. The associated accumulated reserve impacts are accounted for in adjustment 6.4. Increases rate base by \$19,911,959. Exhibit No. (SRM-3), page 8.0.1 Total, line 57 and 8.0.2 Total, line 57.</p>	<p><u>No change from initial filing.</u> Increases rate base by \$19,911,959. Exhibit No. (SRM-7), page 1.14 column 8.12 and 8.12.1, page 1.15 columns 8.12.2, 8.12.3, 8.12.4, 8.12.5 and 8.12.6.</p>	<p>Uncontested except for Staff use of AMA rate base balances vs. Company use of EOP rate base balances. Exhibit No. T (BAE-1T) at 6-8. No impact on rate base. Exhibit No. (JH-2), page 5, line 68.</p>	<p>PC 8.12 reflects Public Counsel's adjustment to June 2012 AMA plant balance to test-year-end balances and annualizes depreciation expense based upon end of test year Plant in Service balances using existing depreciation rates. Decreases NOI by \$337,537. Exhibit No. JRD-3 at page 1, line 65 and page 15.</p>		
<p>8.13 Investor Supplied Working Capital</p>	<p>This restating adjustment adds cash working capital using the Commission-approved Investor Supplied Working Capital (ISWC) model with proposed modifications. Increases rate base by \$28,493,964. Exhibit No. (SRM-3), page 8.0.2 Total, line 57.</p>	<p><u>No change from initial filing.</u> Increases rate base by \$28,493,964. Exhibit No. (SRM-7), page 1.15, column 8.13.</p>	<p>Uncontested. Exhibit No. T (TWZ-1T).</p>	<p>PC 8.13 reduces Investor Supplied Working Capital (ISWC) by \$21,526,449. Exhibit No. JRD-3 at page 1, line 66 and page 16.</p>		

West Control Area Allocation Factors

<p>Demand/Energy Ratio 38 / 62</p>	<p>The Company used the peak credit method, consistent with the class cost of service study, which results in demand/energy weightings of 38 percent/62 percent.</p>	<p><u>No change from initial filing.</u> Addition information on this proposal is presented in the rebuttal testimony of R. Bryce Dalley, Exhibit No. ___ (RBD-3T).</p>	<p>Staff maintains the demand energy weightings approved in UE-061546, which are 75 percent demand and 25 percent energy. Staff also recommends a comprehensive review of cost allocation based upon a Report to be filed by the Company prior to next general rate case. Exhibit No. ___ CT (KAW-ICT).</p>	<p>Oppose. The Company uses a 75/25 weighting for other factors and the CCOSS results do not prove how costs should be allocated. Exhibit No. SC-ICT at pages 12-13.</p>	
<p>100 Summer / 100 Winter Coincident Peaks</p>	<p>The Company used the highest 100 winter and highest 100 summer hours (200 coincident peaks) in developing the west control area demand component of the Control Area Generation West (CAGW) factor, which is consistent with the class cost of service study.</p>	<p><u>No change from initial filing.</u> Addition information on this proposal is presented in the rebuttal testimony of R. Bryce Dalley, Exhibit No. ___ (RBD-3T).</p>	<p>Staff maintains the 12 coincident peak hours in developing the west control area demand component of the CAGW allocation factor, as approved in UE-061546. Staff also recommends a comprehensive review of cost allocation based upon a Report to be filed by the Company prior to next general rate case. Exhibit No. ___ CT (KAW-ICT).</p>	<p>Not addressed in testimony.</p>	
<p>CAGW Allocation Factor</p>		<p>Addition information on this proposal is presented in the rebuttal testimony of R. Bryce Dalley, Exhibit No. ___ (RBD-3T).</p>		<p>The Company is proposing to change the calculation of the Control Area Generation West ("CAGW") allocation factor which affects the level of generation costs allocated to Washington under the WCA. In the Company's revised response to Boise Data Request 3.3, the Company stated that the revenue requirement impact of this proposed change is approximately \$0.8 million. Boise opposes this change. This is equivalent to an NOI increase of approximately \$495,048 relative to per-books results. Exhibit No. ___ (MCD-ICT)</p>	

<p>Total Adjustments</p>	<p>Increase in NOI of \$5,151,123. Increase in rate base of \$54,935,840. Exhibit No.____(SRM-3), page 2.2, column 4, lines 33 and 61.</p>	<p>Increase in NOI of \$8,031,832. Increase in rate base of \$50,887,758. Exhibit No.____(SRM-7), page 1.4, column 1, lines 30 and 57.</p>	<p>Increase in NOI of \$15,640,707. Increase in rate base of \$46,922,333. Exhibit No.____(JH-2), at 5, line 72, columns g and h.</p>	<p>Total increase of \$11,842,107 in NOI of adjustments addressed by Public Counsel in testimony. Total increase in rate base of \$48,077,494 of adjustments addressed by Public Counsel in testimony.</p> <p>Public Counsel reserves the right to incorporate adjustments made by other parties, which may affect the increase and rate base amounts ultimately advocated for in this case.</p>	<p>Increase in NOI of \$19,792,730. Increase in rate base of \$54,935,840. Exhibit No.____(MCD-1CT)</p>
<p>Normalized Results of Operations</p>	<p>NOI of \$38,131,963. Rate base of \$828,428,814. Exhibit No.____(SRM-3), page 1.0, column 5, lines 30 and 57.</p>	<p>NOI of \$41,012,672. Rate base of \$824,380,732. Exhibit No.____(SRM-7), page 1.0, column 5, lines 30 and 57.</p>	<p>NOI of \$48,621,545 Rate base of \$820,415,307 Exhibit No.____(JH-2), page 1, column e, lines 30 and 57.</p>	<p>NOI of \$44,822,947. Rate base of \$821,570,468. Public Counsel reserves the right to incorporate adjustments made by other parties, which may affect the increase and rate base amounts ultimately advocated for in this case.</p>	<p>NOI of \$52,733,570. Rate base of \$828,428,814 Exhibit No.____(MCD-1CT)</p>

UNCONTESTED ISSUES

ISSUE	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
<p>3.1 <i>Temperature Normalization</i></p>	<p>This adjustment normalizes residential, commercial, and irrigation revenues in the test period by comparing actual sales to temperature normalized sales. Temperature normalization of the commercial class is addressed in Exhibit NO.__(KAB-1T). Decreases net operating income ("NOI") by \$434,297. Exhibit No.__(SRM-3), page 3.0 Total, line 30.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$434,297. Exhibit No.__(SRM-7), page 1.7, column 3.1.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>3.2 <i>Revenue Normalization</i></p>	<p>This adjustment removes revenue items that should not be included in regulatory results. Increases NOI by \$6,191,105. Exhibit No.__(SRM-3), page 3.0 Total, line 30.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$6,191,105. Exhibit No.__(SRM-7), page 1.7, column 3.2.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>3.3 <i>Effective Price Change</i></p>	<p>This adjustment normalizes retail revenues for known and measurable changes after June 2012. Increases NOI by \$2,814,575. Exhibit No.__(SRM-3), page 3.0 Total, line 30.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$2,814,575. Exhibit No.__(SRM-7), page 1.7, column 3.3.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>3.4 <i>SO2 Emission Allowance Sales</i></p>	<p>This adjustment removes sales revenue booked during the 12 months ended June 2012 and includes amortization of sales over a five-year period, consistent with Order 06 in docket UE-100749. Increases NOI by \$530,211. Decreases rate base by \$1,067,999. Exhibit No.__(SRM-3), page 3.0 Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$530,211. Decreases rate base by \$1,067,999. Exhibit No.__(SRM-7), page 1.7, column 3.4.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		

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<p>3.5 Renewable Energy Credit and Renewable Energy Attribute Revenue</p>	<p>This adjustment removes REC/REA revenues recorded during the 12 months ended June 2012. Consistent with Order 06 in docket UE-100749, REC revenues are passed back to customers through a separate tracker mechanism effective April 2011. Decreases NOI by \$1,375,737. Exhibit No. (SRM-3), page 3.0 Total, line 30.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$1,375,737. Exhibit No. (SRM-7), page 1.7, column 3.5.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>3.6 Wheeling Revenue Adjustment</p>	<p>This adjustment reflects known and measurable changes to wheeling revenues for the 12 months ended June 2012. Decreases NOI by \$31,593. Exhibit No. (SRM-3), page 3.0 Total, line 30.</p>	<p><u>This adjustment has been revised in rebuttal.</u> This adjustment modifies the level of wheeling revenues for the test period for restating and pro forma changes, incorporating the impacts of the settlement reached in FERC Docket Nos. ER11-3643-000 and ER11-3643-001. Increases NOI by \$78,569. Exhibit No. (SRM-7), page 1.7, column 3.6.</p>	<p><u>Staff accepts the Company's rebuttal adjustment</u> protested except for cost allocation factors. Exhibit No. CT (KAW-1CT). Decreases NOI by \$31,527. Exhibit No. T (JH-2), page 5, line 9.</p>	<p>Not addressed in testimony.</p>	<p>The Company should include the results of the recent settlement of its Open Access Transmission Tariff ("OATT") filing before the Federal Energy Regulatory Commission ("FERC"). Increases NOI by \$154,050. Exhibit No. (MCD-1CT) <u>Boise accepts the Company's revised estimate of OATT revenues.</u></p>	
<p>3.7 Ancillary Revenue</p>	<p>This adjustment reflects known and measurable changes to ancillary revenues for the Seattle City Light Contract for the 12 months ending December 2014. Increases NOI by \$326,904. Exhibit No. (SRM-3), page 3.0.1 Total, line 30.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$326,904. Exhibit No. (SRM-7), page 1.7, column 3.7.</p>	<p>Uncontested except for cost allocation factors. Exhibit No. CT (KAW-1CT). Increases NOI by \$326,600. Exhibit No. (JH-2), page 5, line 10.</p>	<p>Not addressed in testimony.</p>		

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<p>3.8 <i>Schedule 300 Fee Change</i></p>	<p>This adjustment reflects proposed changes associated with Schedule 300. Increases NOI by \$55,153. Exhibit No. ___ (SRM-3), page 3.0.1 Total, line 30.</p>	<p><u><i>This adjustment has been withdrawn from the case.</i></u> The testimony for Ms. Barbara A. Coughlin, Exhibit No. ___ (BAC-1T) has been withdrawn from the case per Order 04, issued July 29, 2013. Accordingly, as explained in the rebuttal testimony of Steven R. McDougal, Exhibit No. ___ (SRM-6T) at 6, the Company is no longer proposing changes to Schedule 300. No impact to NOI. Exhibit No. ___ (SRM-7), page 1.7 column 3.8.</p>	<p><u><i>This adjustment has been withdrawn from the case per Order 04.</i></u> <u>See Mr. Mickelson's cross answering testimony, Exhibit CTM-9T, for more explanation.</u> Staff revises the Company's adjustment by: (1) normalizing the number of service charges per year to a five-year average; (2) gradually increasing reconnection service charges to actual cost; and (3) correcting two errors for field visit and office hour reconnection charges. Staff also proposes some clarifying language to Rule 6 and Schedule 300. Exhibit No. ___ T (CTM-1T) at 7-9 and Exhibit Nos. ___ (CTM-2), (CTM-7) and (CTM-8). Increases NOI by \$41,213. Exhibit No. ___ (H-2), page 5; fine 11.</p>	<p>Oppose. Schedule 300 should remain unchanged.</p>		<p>The Energy Project opposes all three of the proposed increases to the Company's Schedule 300 customer service charges.</p>

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<p><i>Net-to-Gross Conversion Factor</i></p>	<p>PACIFICORP Initial Filing</p>	<p><u><i>This has been revised in rebuttal.</i></u> The Company accepts Staff's proposed methodological changes to the development of the net-to-gross conversion factor. This is discussed in further detail in the rebuttal testimony of Steven R. McDougal Exhibit No. ___ (SRM-6T) at 4.</p>	<p><u><i>This has been revised in rebuttal to accept Staff proposal. Staff accepts the Company's rebuttal; therefore, uncontested.</i></u> Staff revises the Company proposal by: (1) using the middle three years of the past five years of bad debts to normalize the percentage in the conversion factor (this reduces bad debt rate from 0.7255 percent to 0.6783 percent in this case); and (2) correcting the WA public utility tax to include the deduction for bad debts, as required by RCW 82.16.050. The effect revises the conversion factor to 61.9280 percent from PacificCorp's conversion factor of 61.8810 percent. Exhibit No. ___ (CTM-1T) at 11 and Exhibit No. ___ (CTM-3).</p>	<p>This adjustment annualizes retail revenues associated with test year end numbers of customers. Decreases NOI by \$1,054,031. Exhibit No. JDR-3, page 1, line 13 and page 3.</p>		
<p>4.1 <i>Miscellaneous General Expense Adjustment</i></p>	<p>This adjustment removes certain miscellaneous expenses that should have been charged below the line. Increases NOI by \$11,484. Exhibit No. ___ (SRM-3), page 4.0 Total, line 30.</p>	<p><u><i>No change from initial filing.</i></u> Increases NOI by \$11,484. Exhibit No. ___ (SRM-7), page 1.8, column 4.1.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>4.2 <i>General Wage Increase – Restating Adjustment</i></p>	<p>This adjustment annualizes wage increases that occurred during the 12 months ended June 2012. This adjustment also removes SERP expenses from the test period. Decreases NOI by \$54,727. Exhibit No. ___ (SRM-3), page 4.0 Total, line 30.</p>	<p><u><i>No change from initial filing.</i></u> Decreases NOI by \$54,727. Exhibit No. ___ (SRM-7), page 1.8, column 4.2</p>	<p>Uncontested except for cost allocation factors. Exhibit No. ___ CT (KAW-ICT). Decreases NOI by \$54,710. Exhibit No. ___ (JH-2), page 5, line 15.</p>	<p>Not addressed in testimony.</p>		
<p>4.4 <i>Irrigation Load Control Program</i></p>	<p>This adjustment situs assigns payments made to Idaho irrigators as part of the Idaho Irrigation Load Control Program to Idaho. Increases NOI by \$155,201. Exhibit No. ___ (SRM-3), page 4.0 Total, line 30.</p>	<p><u><i>No change from initial filing.</i></u> Increases NOI by \$155,201. Exhibit No. ___ (SRM-7), page 1.8, column 4.4.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		

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<p>4.5 <i>Remove Non-Recurring Entries</i></p>	<p>This adjustment removes a variety of accounting entries that were booked during the 12 months ended June 2012 that are non-recurring in nature or that relate to prior periods. Decreases NOI by \$874,645. Exhibit No. ___ (SRM-3), page 4.0 Total, line 30.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u></p> <p>A variety of accounting entries were made to expense accounts during the 12 months ended June 2012 that are non-recurring in nature or relate to a prior period. This restating adjustment removes these transactions from results to normalize test period results. A description of each item is provided on page 4.5.1. As part of the Company's rebuttal filing, a correction has been made to the Jim Bridger Turbine Upgrade portion of this adjustment to remove the actual impairment charges booked during the 12 months ended June 2012.</p> <p>Decreases NOI by \$692,024. Exhibit No. ___ (SRM-7), page 1.8, column 4.5.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>4.6 <i>Pension and Post-Retirement Curtailment and Date Change</i></p>	<p>Order 09 in docket UE-090205 permits deferral and amortization of the pension curtailment gain resulting from employee participation in the 401(k) retirement plan option. Amortization expired December 31, 2012. This adjustment removes the actual amortization expense and associated tax impacts from the test period.</p> <p>Decreases NOI by \$661,676. Decreases rate base by \$563,394. Exhibit No. ___ (SRM-3), page 4.0 Total, line 30 and 57.</p>	<p><u><i>No change from initial filing.</i></u></p> <p>Decreases NOI by \$661,676. Decreases rate base by \$563,394. Exhibit No. ___ (SRM-7), page 1.8, column 4.6.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		

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<p>4.7 <i>DSM Revenue and Expense Removal</i></p>	<p>This adjustment removes demand side management (DSM) revenues and expenses from regulated results since they are recovered through a separate tariff rider (Schedule 191). Increases NOI by \$3,101,879. Exhibit No. ___ (SRM-3), page 4.0.1 Total, line 30.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$3,101,879. Exhibit No. ___ (SRM-7), page 1.8, column 4.7.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>4.8 <i>Insurance Expense</i></p>	<p>This adjustment replaces the base period liability and property damage expense with a six-year average consistent with the Company's previous general rate case (UE-111190). This adjustment also removes amounts from results that should not be charged to Washington, and corrects allocation and accounting of insurance charges. Decreases NOI by \$264,192. Exhibit No. ___ (SRM-3), page 4.0.1 Total, line 30.</p>	<p><u>This adjustment has been revised in rebuttal.</u> Consistent with the Company's previous general rate case (UE-111190), the Company replaced the base period liability and property damage expense with a six-year average. This restating adjustment also removes amounts from results that should not be charged to Washington, and corrects allocation and accounting of insurance charges. The Company incorporated adjustments to reflect lower insurance premiums and modifications to certain tax elements, consistent with the Public Counsel's proposal. Decreases NOI by \$96,192. Exhibit No. ___ (SRM-7), page 1.8, column 4.8.</p>	<p>Uncontested except for cost allocation factors. Exhibit No. ___ CT (KAW-ICT). Decreases NOI by \$264,110. Exhibit No. ___ (JH-2), page 5, line 21.</p>	<p>PC 4.8 presents a revised restating adjustment reflecting insurance premium reductions and Schedule M tax adjustments based on information from the Company. Decreases NOI by \$98,628. Exhibit No. JDR-3, page 1, line 22 and page 7.</p>		
<p>4.9 <i>Advertising Expense</i></p>	<p>This adjustment situs assigns all system-allocated advertising expenses incurred during the 12 months ended June 2012 that are attributable to a specific jurisdiction. Decreases NOI by \$6,076. Exhibit No. ___ (SRM-3), page 4.0.1 Total, line 30.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$6,076. Exhibit No. ___ (SRM-7), page 1.9, column 4.9.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		

ISSUE	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
4.10 <i>Memberships and Subscriptions</i>	This adjustment situs assigns membership and subscription expenses incurred during the 12-months ended June 2012 attributable to a specific jurisdiction. Decreases NOI by \$1,075. Exhibit No. ___ (SRM-3), page 4.0.1 Total, line 30.	<u>No change from initial filing.</u> Decreases NOI by \$1,075. Exhibit No. ___ (SRM-7), page 1.9, column 4.10.	Uncontested.	Not addressed in testimony.		
4.11 <i>AMR Savings</i>	This adjustment reflects the reduction in meter reading expense as a result of the automated meter reading program through June 2013. Increases NOI by \$633. Exhibit No. ___ (SRM-3), page 4.0.1 Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$633. Exhibit No. ___ (SRM-7), page 1.9, column 4.11.	Uncontested.	Not addressed in testimony.		
4.12 <i>Uncollectible Expenses</i>	This adjustment adjusts the Company's actual June 2012 uncollectible expense to the June 2012 normalized level by applying the unadjusted uncollectible rate (unadjusted uncollectible accounts expense/unadjusted general business revenues) to the normalized level of general business revenues. Decreases NOI by \$88,426. Exhibit No. ___ (SRM-3), page 4.0.1 Total, line 30.	<u>This adjustment has been revised in rebuttal.</u> As explained in the rebuttal testimony of Steven R. McDougal, Exhibit No. ___ (SRM-6T) at 8, the Company has revised its uncollectible expense adjustment to normalize its uncollectible expense rate using a four-year average, consistent with the adjustment proposed by Public Counsel. Increases NOI by \$109,344. Exhibit No. ___ (SRM-7), page 1.9, column 4.12.	<u>This has been revised in rebuttal. – Staff accepts the Company's rebuttal; therefore, uncontested.</u> <u>Staff revises the Company adjustment by: (1) restating to a 5-year period to normalize the uncollectible expense; and (2) performing the uncollectible expense to reflect normalized revenues. Exhibit No. ___ (CFM-1T) at 9-10 and Exhibit No. ___ (CFM-3); increases NOI by \$18,950. Exhibit No. ___ (JH-2), page 5, line 25.</u>	PC 4.12 normalizes the uncollectible expense based on a 4-year average of costs. Increases NOI by \$109,344. Exhibit No. JRD-3, page 1, line 26 and page 8.		
4.13 <i>Legal Expenses</i>	This restating adjustment reallocates per books legal expenses in accordance with the stipulation in docket UE-111190, where costs attributable to a specific jurisdiction are situs assigned. Decreases NOI by \$48,551. Exhibit No. ___ (SRM-3), page 4.0.1 Total, line 30.	<u>No change from initial filing.</u> Decreases NOI by \$48,551. Exhibit No. ___ (SRM-7), page 1.9, column 4.13.	Uncontested except for cost allocation factors. Exhibit No. ___ CT (KAW-1CT). Decreases NOI by \$48,202. Exhibit No. ___ (JH-2), page 5, line 26.	Not addressed in testimony.		

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4.14 <i>Naughton Write-Off</i>	This restating adjustment removes the Naughton 3 write-off that occurred in June 2012. Increases NOI by \$138,837. Exhibit No. ___ (SRM-3), page 4.0.2 Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$138,837. Exhibit No. ___ (SRM-7), page 1.9, column 4.14.	Uncontested.	Not addressed in testimony.		
4.15 <i>Operations and Maintenance Efficiency</i>	This adjustment reflects the Company's efficiency initiatives that are not factored into the general wage increase adjustment for the 12 months ending June 2013. This restating adjustment reduces the Company's O&M expense levels. Increases NOI by \$513,039. Exhibit No. ___ (SRM-3), page 4.0.2 Total, line 30.	<u>This adjustment has been revised in rebuttal.</u> This adjustment reflects the Company's efficiency initiatives that are not factored into the general wage increase adjustment for the 12 months ending June 2013. This restating adjustment reduces the Company's O&M expense levels. This adjustment incorporates additional expense reductions from the Company's initial filing consistent with Public Counsel's proposal. Increases NOI by \$679,777. Exhibit No. ___ (SRM-7), page 1.9, column 4.15.	Uncontested.	PC 4.15 reflects additional reductions in workforce as of the end of January 2013, which reduces the number of employees by an additional 45.5 FTEs. Increases NOI by \$679,777. Exhibit No. JRD-3 at page 1, line 45 and page 9.		
5.1 <i>Net Power Costs – Restating</i>	This adjustment normalizes power costs by adjusting sales for resale, purchase power, wheeling, and fuel in a manner consistent with the contractual terms of sales and purchase agreements, and normal hydro and weather conditions on a west control area basis. This restating adjustment reflects normalized power costs for the 12 months ended June 2012. Increases NOI by \$3,206,605. Exhibit No. ___ (SRM-3), page 5.0 Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$3,206,605. Exhibit No. ___ (SRM-7), page 1.10, column 5.1.	Uncontested except for cost allocation factors. Exhibit No. ___ CT (KAW-1CT). Increases NOI by \$3,201,371. Exhibit No. ___ (JH-2), page 5, line 31.	Not addressed in testimony.		

ISSUE	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
<p>5.2 <i>James River Royalty Offset</i></p>	<p>This adjustment adds the royalty offset to FERC account 456 associated with the James River/Georgia Pacific contract for the 12-month period ending December 2014, the same period used in determining pro forma net power costs in this filing. Increases NOI by \$632,823. Exhibit No. ____ (SRM-3), page 5.0 Total, line 30.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$632,823. Exhibit No. ____ (SRM-7), page 1.10, column 5.2.</p>	<p>Uncontested except for cost allocation factors. Exhibit No. ____ CT (KAW-ICT). Increases NOI by \$632,236. Exhibit No. ____ (JH-2), page 5, line 33.</p>	<p>Not addressed in testimony.</p>		
<p>5.3 <i>BPA Residential Exchange</i></p>	<p>The Company receives a monthly purchase power credit from Bonneville Power Administration (BPA). This credit is treated as a 100% pass-through to eligible customers. Both a revenue credit and a purchase power expense credit are posted to unadjusted results which need to be removed for normalized results. This adjustment reverses the BPA purchase power expense credit recorded. The Revenue Normalizing adjustment page 3.2 removes the revenue credit passed on to customers. Decreases NOI by \$4,796,915. Exhibit No. ____ (SRM-3), page 5.0 Total, line 30.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$4,796,915. Exhibit No. ____ (SRM-7), page 1.10, column 5.3.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>5.4 <i>Colstrip Unit #3 Removal</i></p>	<p>This adjustment removes the Colstrip unit #3 plant investments and associated costs from the test period. The Commission ordered this treatment in Cause No. U-83-57. Increases NOI by \$473,942. Decreases rate base by \$8,328,882. Exhibit No. ____ (SRM-3), page 5.0 Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$473,942. Decreases rate base by \$8,328,882. Exhibit No. ____ (SRM-7), page 1.10, column 5.4.</p>	<p>Uncontested except for cost allocation factors. Exhibit No. ____ CT (KAW-ICT). Increases NOI by \$473,540. Decreases rate base by \$8,321,134. Exhibit No. ____ (JH-2), page 5, line 35.</p>	<p>Not addressed in testimony.</p>		

ISSUE	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
<p>6.1 <i>Hydro Decommissioning</i></p>	<p>This adjustment has both restating and pro forma components. The restating component of this adjustment makes a small correction to the booked accumulated reserve so that the proper balances are reflected for the east and west control areas. The pro forma aspect of the adjustment walks forward the decommissioning expenditures through June 30, 2013. Decreases NOI by \$50,952. Increases rate base by \$95,198. Exhibit No. ___ (SRM-3), page 6.0 Total, lines 30 and 57.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> This adjustment has been revised from the Company's initial filing to correct the allocation of depreciation reserve booked to east side resources. Decreases NOI by \$40,449. Increases rate base by \$77,586. Exhibit No. ___ (SRM-7), page 1.10, column 6.1.</p>	<p>Staff corrects the Company's adjustment to properly account for East Control Area Accruals and to update actual Spend amounts. Decreases NOI by \$40,411. Increases rate base by \$7,550. Exhibit No. ___ T (JH-1T) at 11 and Exhibit No. ___ (JH-2), page 5, line 38.</p>	<p>Not addressed in testimony.</p>		
<p>6.2 <i>Depreciation and Amortization Reserve to June 2012 Balance</i></p>	<p>This adjustment restates depreciation and amortization reserve balances from the June 2012 average of monthly average balances to the June 2012 period-end balances. Decreases rate base by \$12,988,907. Exhibit No. ___ (SRM-3), page 6.0 Total, line 57.</p>	<p><u><i>No change from initial filing.</i></u> Decreases rate base by \$12,988,907. Exhibit No. ___ (SRM-7), pages 1.10-1.11, columns 6.2, 6.2.1, 6.2.2, and 6.2.3.</p>	<p>Uncontested except for Staff use of AMA rate base balances vs. Company use of EOP rate base balances. No change to NOI and Rate Base. Exhibit No. ___ T (BAE-1T) at 6-8.</p>	<p>Support</p>		
<p>6.3 and 6.3.1 <i>Proposed Depreciation Rates - Expense and Reserve</i></p>	<p>This restating adjustment normalizes the depreciation expense and reserve to reflect the proposed depreciation rates, filed in January 2013 in docket UE-130052. Decreases NOI by \$225,013. Increases rate base by \$1,500,778. Exhibit No. ___ (SRM-3), page 6.0 Total, lines 30 and 57.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> This adjustment annualizes the depreciation expense to reflect year end rate base as addressed by Public Counsel witness James R. Dittmer, updates the depreciation rates consistent with those proposed in the supplemental testimony of Henry E. Lay in Docket UE-130052, and makes certain allocation corrections to tax-related items. Decreases NOI by \$653,367. Decreases rate base by \$326,684. Exhibit No. ___ (SRM-7), page 1.11, columns 6.3, 6.3.1 and 6.3.2.</p>	<p>Uncontested except for cost allocation factors. Exhibit No. ___ CT (KAW-ICT). Decreases NOI by \$223,549 Increases rate base by \$1,500,598 Exhibit No. ___ (JH-2), page 5, lines 40 and 41</p>	<p>Not addressed in testimony.</p>		

ISSUE	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
<p>7.1 <i>Interest True Up</i></p>	<p>This restating and pro forma adjustment details the adjustment to interest expense required to synchronize the test period expense with rate base. This is done by multiplying normalized Washington net rate base by the Company's weighted cost of debt in this case. Decreases NOI by \$355,765. Exhibit No. ___ (SRM-3), page 7.0 Total, line 30.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> The Company's rebuttal adjustment reflects updates to the Company's weighted average cost of long-term debt and revised rate base balances. Decreases NOI by \$459,131. Exhibit No. ___ (SRM-7), page 1.12, column 7.1.</p>	<p>Uncontested except to revise for Staff's recommended weighted cost of debt and level of rate base. Exhibit No. ___ T (JH-1T) at 11. Increases NOI by \$531,821. Exhibit No. ___ (JH-2), page 5, line 44.</p>	<p>Not addressed in testimony.</p>		
<p>7.2 <i>Property Tax Expense</i></p>	<p>This pro forma adjustment normalizes the difference between per books accrued property tax expense and pro forma property tax expense. Decreases NOI by \$214,813. Exhibit No. ___ (SRM-3), page 7.0 Total, line 30.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> This pro forma adjustment normalizes the difference between per books property tax expense and pro forma property tax expense based on actual accruals for the 12 months ended June 2013. Decreases NOI by \$112,941 Exhibit No. ___ (SRM-7), page 1.12, column 7.2.</p>	<p><u><i>This has been revised in rebuttal. – Staff accepts the Company's rebuttal unadjusted.</i></u> <u><i>Staff adjustment keeps property tax expense at level booked during the test year.</i></u> Exhibit No. ___ T (BAE-1T) at 4. <u><i>No change to NOI.</i></u> Exhibit No. ___ (JH-2), page 5, line 45.</p>	<p>Not addressed in testimony.</p>		
<p>7.3 <i>Renewable Energy Tax Credit Adjustment</i></p>	<p>The Company is entitled to recognize a federal income tax credit as a result of placing renewable generating plants in service. The tax credit is based on the kilowatt-hours generated by a qualified facility during the facility's first ten years of service. This pro forma adjustment reflects this credit based on the qualifying production as modeled in GRID for the pro forma net power cost study. Decreases NOI by \$602,684. Exhibit No. ___ (SRM-3), page 7.0 Total, line 30.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> The Company revised this adjustment as part of its rebuttal filing to incorporate updated levels of renewable energy generation during the pro forma period based on the Company's rebuttal net power cost study. Increases NOI by \$82,645. Exhibit No. ___ (SRM-7), page 1.12, column 7.3.</p>	<p>Uncontested except for cost allocation factors. Exhibit No. ___ CT (KAW-ICT). Decreases NOI by \$607,389. Exhibit No. ___ (JH-2), page 5, line 46.</p>	<p>Not addressed in testimony.</p>		

ISSUES	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
<p>7.4 <i>PowerTax Accumulated Deferred Income Tax (ADIT) Balance</i></p>	<p>This adjustment reflects the accumulated deferred income tax balances for property on a jurisdictional basis as maintained in the PowerTax System. Decreases rate base by \$7,524,077. Exhibit No. ___ (SRM-3), page 7.0 Total, line 57.</p>	<p><u>No change from initial filing.</u> Decreases rate base by \$7,524,077. Exhibit No. ___ (SRM-7), page 1.12, column 7.4.</p>	<p>Uncontested except for Staff use of AMA rate base balances vs. Company use of EOP rate base balances. Exhibit No. ___ T (BAE-1T) at 6-8. Increases rate base by \$4,373,262. Exhibit No. ___ (JH-2), page 5, line 47.</p>	<p>Support</p>		
<p>7.5 <i>Washington Low Income Tax Credit</i></p>	<p>This adjustment reflects the known and measurable change to the Public Utility Tax Credit for Low Income Home Energy Assistance Program (LIHEAP) for the 2013 authorized credit amount, per a July 26, 2012 letter from the Washington Department of Revenue. Increases NOI by \$8,543. Exhibit No. ___ (SRM-3), page 7.0 Total, line 30.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$8,543. Exhibit No. ___ (SRM-7), page 1.12, column 7.5.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>7.6 and 7.6.1 <i>Washington Flow-Through Adjustment</i></p>	<p>This adjustment reflects the removal of the June 2012 balances for all non-property-related deferred taxes. The associated deferred tax expenses are removed as well. This in effect flows through to income the current tax impacts on these items. Decreases NOI by \$1,173,806. Decreases rate base by \$9,135,825. Exhibit No. ___ (SRM-3), pages 7.0 Total and 7.0.1 Total, lines 30 and 57.</p>	<p><u>This adjustment has been revised in rebuttal.</u> This adjustment has been modified according to the changes described in the rebuttal testimony of Steven R. McDougal Exhibit No. ___ (SRM-6T) at 14-18. Decreases NOI by \$1,128,915. Decreases rate base by \$9,136,272. Exhibit No. ___ (SRM-7), pages 1.12, columns 7.6 and 7.6.1.</p>	<p>Uncontested except for cost allocation factors. Exhibit No. ___ CT (KAW-ICT). Decreases NOI by \$1,173,782. Decreases rate base by \$9,135,472. Exhibit No. ___ (JH-2), page 5, lines 49-50.</p>	<p>PC 7.6 presents corrections to the original adjustment to reflect flow-through treatment consistent with the Commission's order in Docket UE-100749. Decreases NOI by \$1,046,121 and decreases rate base by \$9,135,825. Exhibit JRD-3 at page 1, line 49 and page 13.</p>		

ISSUE	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
<p>7.7 <i>Remove Deferred State Tax Expense and Balance</i></p>	<p>The Company's per books provision for deferred income tax and the balance for accumulated deferred income tax are computed using the Company's blended federal and state statutory tax rate. State income taxes are a system cost for the Company that is not recoverable in Washington. Accordingly, after all adjustments are made to income taxes, this final adjustment is made to remove state income tax from the adjusted test year. Increases NOI by \$1,383,991. Increases rate base by \$691,996. Exhibit No. ___ (SRM-3), page 7.0.1 Total, lines 30 and 57.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> This adjustment has been revised to reflect the allocation factor corrections made to Adjustment 6.3, Proposed Depreciation Rates. Increases NOI by \$1,742,290. Increases rate base by \$871,145. Exhibit No. ___ (SRM-7), page 1.12, column 7.7.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>7.8 <i>Washington Public Utility Tax Adjustment</i></p>	<p>This adjustment recalculates the Washington Public Utility Tax expense based on the normalized revenues included in this filing, as outlined in adjustments 3.1, 3.2, and 3.3. Decreases NOI by \$554,749. Exhibit No. ___ (SRM-3), page 7.0.1 Total, line 30.</p>	<p><u><i>No change from initial filing.</i></u> Decreases NOI by \$554,749. Exhibit No. ___ (SRM-7), page 1.13, column 7.8.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>7.9 <i>AFUDC – Equity</i></p>	<p>This adjustment brings in the appropriate level of AFUDC - Equity into results to align the tax Schedule M with regulatory income. Increases NOI by \$66,727. Exhibit No. ___ (SRM-3), page 7.0.1 Total, line 30.</p>	<p><u><i>No change from initial filing.</i></u> Increases NOI by \$66,727. Exhibit No. ___ (SRM-7), page 1.13, column 7.9.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		

ISSUE	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
<p>8.1 Jim Bridger Mine Rate Base Adjustment</p>	<p>PacificCorp owns a two-thirds interest in the Bridger Coal Company (BCC), which supplies coal to the Jim Bridger generating plant. The Company's investment in BCC is recorded on the books of Pacific Minerals, INC (PMI), a wholly-owned subsidiary. Because of this ownership arrangement, the coal mine investment is not included in Account 101 -Electric Plant in Service. This restating adjustment is necessary to properly reflect the BCC plant investment based on actual balances as of June 30, 2012. Increases rate base by \$27,864,469. Exhibit No. ____ (SRM-3), page 8.0 Total, line 57.</p>	<p><u>No change from initial filings.</u> Increases rate base by \$27,864,469. Exhibit No. ____ (SRM-7), page 1.13, column 8.1.</p>	<p>Uncontested except for Staff use of AMA rate base balances vs. Company use of EOP rate base balances. Exhibit No. ____ T (BAE-1T) at 6-8. Increases rate base by \$33,025,205. Exhibit No. ____ (JH-2), page 5, line 56.</p>	<p>Not addressed in testimony.</p>		

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<p>8.2 <i>Environmental Remediation Adjustment</i></p>	<p>On April 27, 2005, the Commission granted a request by the Company for an accounting order relating to the Company's treatment of environmental remediation costs in docket UE-031658. The Commission authorized the company to record and defer costs prudently incurred in connection with its environmental remediation program. Additional costs of existing projects expected to exceed \$3 million system-wide and incurred from October 13, 2003, the date the petition was submitted, through Fiscal Year 2005 are to be deferred and amortized over a ten-year period. Currently, only one project, the Third West Substation Cleanup, can be deferred. This restating adjustment removes the balance and amortization from FERC accounts 182.391 and 925, except for the Third West Substation Cleanup, and then adds back the cost for small remediation projects that cannot be deferred, per the Commission's 2005 order. Decreases NOI by \$176,089. Decreases rate base by \$147,788. Exhibit No. ___ (SRM-3), page 8.0 Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$176,089. Decreases rate base by \$147,788. Exhibit No. ___ (SRM-7), page 1.13, column 8.2.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>8.3 <i>Customer Advances for Construction</i></p>	<p>Customer advances for construction are booked into FERC account 252. When they are booked, the entries do not reflect the proper allocation. This restating adjustment corrects the allocation of customer advances for construction in the account. Decreases rate base by \$159,521. Exhibit No. ___ (SRM-3), page 8.0 Total, line 57.</p>	<p><u>No change from initial filing.</u> Decreases rate base by \$159,521. Exhibit No. ___ (SRM-7), page 1.13, column 8.3.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		

ISSUE	PACIFICORP Initial Filing	PACIFICORP Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL	BOISE WHITE PAPER	ENERGY PROJECT
<p>8.5 – 8.5.1 <i>Miscellaneous Rate Base</i></p>	<p>This restating adjustment removes prepayments and other miscellaneous rate base balances from results as directed by the Commission in docket UE-100749. Increase NOI by \$127,564. Decreases rate base by \$21,971,598. Exhibit No. ___ (SRM-3), pages 8.0 Total, line 57.</p>	<p><u>No change from initial filing.</u> Increase NOI by \$127,564. Decreases rate base by \$21,971,598. Exhibit No. ___ (SRM-7), pages 1.13, columns 8.5 and 8.5.1.</p>	<p>Uncontested except for cost allocation factors. Exhibit No. ___ CT (KAW-ICT). Increases NOI by \$127,542. Decreases rate base by \$21,967,594. Exhibit No. ___ (JH-2), page 5, lines 60-61.</p>	<p>Not addressed in testimony.</p>		
<p>8.6 <i>Powerdale Hydro Removal</i></p>	<p>As authorized in 2007 in docket UE-070624, the unrecovered plant balance associated with the Powerdale hydro plant was transferred to a regulatory asset and amortized over three years. The Powerdale unrecovered plant regulatory asset was fully amortized in December 2010. In addition, the decommissioning of the Powerdale plant was substantially completed during 2010. The Company began amortizing the decommissioning regulatory asset in April 2011 as authorized in dockets UE-100749 and UE-111190. This adjustment removes the Powerdale operating expenses and regulatory asset balance from results and adds the 12 months ending June 2013 decommissioning amortization expense and asset balances. Decreases NOI by \$203,522. Increases rate base by \$56,565. Exhibit No. ___ (SRM-3), page 8.0.1 Total, lines 30 and 57.</p>	<p><u>This adjustment has been revised in rebuttal.</u> The Company revised this adjustment as part of its rebuttal position to include actual expenditures through June 30, 2013. Decreases NOI by \$203,894. Increases rate base by \$46,935. Exhibit No. ___ (SRM-7), page 1.14, column 8.6.</p>	<p>Uncontested except for cost allocation factors. Exhibit No. ___ CT (KAW-ICT). Decreases NOI by \$203,339. Increases rate base by \$56,180. Exhibit No. ___ (JH-2), page 5, line 62.</p>	<p>Not addressed in testimony.</p>		

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<p>8.7 <i>Removal of Colstrip #4 AFUDC</i></p>	<p>This adjustment removes AFUDC from electric plant in service for the period that Colstrip construction work in progress (CWIP) was allowed in rate base. This treatment was authorized in Cause U-81-17 and has been included in all the Company's rate case filings since its inception in July 1984. Increases NOI by \$17,991. Decreases rate base by \$387,034. Exhibit No. (SRM-3), page 8.0 Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$17,991. Decreases rate base by \$387,034. Exhibit No. (SRM-7), page 1.14, column 8.7.</p>	<p>Uncontested except for cost allocation factors Exhibit No. CT (KAW-ICT). Exhibit No. (JH-2), page 5, line 63.</p>	<p>Not addressed in testimony.</p>		
<p>8.8 <i>Trojan Removal Adjustment</i></p>	<p>This restating adjustment removes the Trojan amortization expense, balances, and tax impacts from the test period as ordered by the Commission in the docket UE-991832. Decreases NOI by \$6,989. Increases rate base by \$1,143,691. Exhibit No. (SRM-3), page 8.0.1 Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$6,989. Increases rate base by \$1,143,691. Exhibit No. (SRM-7), page 1.14, column 8.8.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>8.9 <i>Customer Service Deposits</i></p>	<p>This adjustment includes customer service deposits as a reduction to rate base. It also reflects the interest paid on the customer service deposits. This adjustment was accepted by the Washington Commission in docket UE-061546 and has been included in all subsequent filings. Decreases NOI by \$4,404. Decreases rate base by \$3,236,612. Exhibit No. (SRM-3), page 8.0.1 Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$4,404. Decreases rate base by \$3,236,612. Exhibit No. (SRM-7), page 1.14, column 8.9.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		

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<p>8.10 <i>Regulatory Asset Amortization Adjustment</i></p>	<p>The Chehalis Regulatory Asset-WA was set up in December 2009 in accordance with docket UE-090205. The general business revenues charged when the regulatory asset was amortized were removed from unadjusted results in revenue adjustment 3.2. This adjustment adds that amortization back into results. Additionally, this adjustment removes the amortization expense related to the Oregon Independent Evaluator, which should have been allocated situs to Oregon.</p> <p>Decreases NOI by \$1,948,686. Increases rate base by \$1,664,438. Exhibit No.____(SRM-3), page 8.0.1 Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u></p> <p>Decreases NOI by \$1,948,686. Increases rate base by \$1,664,438. Exhibit No.____(SRM-7), page 1.14, column 8.10.</p>	<p>Uncontested.</p>	<p>Not addressed in testimony.</p>		
<p>8.11 <i>Miscellaneous Asset Sales and Removals</i></p>	<p>This adjustment removes the electric plant in service balances, accumulated depreciation balances, and depreciation expenses, and O&M expenses from the per books data for the 12 months ended June 2012 for the Condit facility. Consistent with the treatment reflected in this adjustment, the pro forma net power costs shown in adjustment 5.1.1 do not include generation output from the Condit facility.</p> <p>Increases NOI by \$342,698. Decreases rate base by \$165,819. Exhibit No.____(SRM-3), page 8.0.1 Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u></p> <p>Increases NOI by \$342,698. Decreases rate base by \$165,819. Exhibit No.____(SRM-7), page 1.14, column 8.11.</p>	<p>Uncontested except for cost allocation factors. Exhibit No.____CT (KAW-1CT). Increases NOI by \$342,380. Decreases rate base by \$165,665. Exhibit No.____(JH-2), page 5, line 67.</p>	<p>Not addressed in testimony.</p>		
<p>PC 8.14 <i>Eliminate Jim Bridger Impairment Cost Capitalized</i></p>	<p>As address in Steven R, McDougall's rebuttal testimony Exhibit No.____(SRM-6T) at 6 and 7, the Company has removed the impairment write-off related to Jim Bridger in revised adjustment 4.5 above.</p>	<p>Eliminates impairment cost write-off of \$3,493,008 related to Jim Bridger. Reduces rate base by \$3,493,008. Exhibit No. JRD-3 at page 1, line 67 and page 17.</p>				

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<p>9.1 <i>Production Factor</i></p>	<p>The production factor is a means of adjusting the production component of the revenue requirement to test year expense and balance levels. The production factor has been calculated by dividing Washington's normalized historical retail load by the Washington pro forma load for the rate effective period. This factor is then applied to pro forma net power cost and pro forma major plant addition revenue requirement components. Decreases NOI by \$1,535,147. Increases rate base by \$684,251. Exhibit No. ___ (SRM-3), page 9.0 Total, lines 30 and 57.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u></p> <p>The Company updated this adjustment in rebuttal to incorporate revisions made to the Net Power Cost - Pro Forma and Major Plant Additions adjustments. Decreases NOI by \$1,509,974. Increases rate base by \$642,835. Exhibit No. ___ (SRM-7), page 1.15, column 9.1.</p>	<p>The difference between Staff and Company adjustments arises only from differences in the corresponding adjustments for Net Power Costs and Major Plant Additions. Exhibit No. ___ T (JH-1T) at 13. Decreases NOI by \$1,373,296. Increases rate base by \$368,706. Exhibit No. ___ (JH-2), page 5, line 71.</p>	<p>Not addressed in testimony.</p>		
<p><i>Low Income Bill Assistance</i></p>	<p>The Company is proposing to (1) increase the number of participants from 4,720 to 5,192 via two-year certification, (2) increase the eligibility certification fee paid to community action agencies, (3) increase participant benefit by 30 percent, which is two times the residential general rate increase. Exhibit No. ___ (JRS-1T) at 8.</p>	<p><u><i>This has been revised in rebuttal.</i></u></p> <p>The proposed increase in the participant benefit is now 26 percent, which is two times the residential rate increase based on the Company's rebuttal filing. Exhibit No. ___ (JRS-11) at 9.</p>	<p>Uncontested except Staff proposes an 11.08 percent increase in participant benefit, which is two times Staff's proposed residential rate increase of 5.54 percent. Exhibit No. ___ CT (JMW-1CT).</p>	<p>Not addressed in testimony.</p>		<p>The Energy Project submits that funding for the Low-Income Bill Assistance Program should be increased in accordance with the 5-year plan previously established in Docket No. UE-111190 in order to accommodate: 1) increasing the number of customers served in 2013-2014 by ten percent (10%) over the previous level of 4720; 2) increasing the eligibility certification fee, and; 3) increasing the funding for participant benefits by twice whatever percentage of rate increase the Commission might ultimately grant PacifiCorp for its residential class of customers.</p>

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<p><i>Cost of Service Study</i></p> <p><u>SETTLED</u></p>	<p>The Company is proposing a revised peak credit method calculation using a west control area system diversified load factor (SDLF), which results in 38% of generation and transmission costs classified as demand related.</p>	<p><u>No change from initial filing.</u></p>	<p>In this general rate case, Staff used the Company's proposed cost of service study and updated it to reflect West Control Area Allocation Factors as approved in UJ-061546. In addition, Staff recommends ordering the Company to submit a cost of service study for consideration in the next general rate case:</p> <p>(1) updating the peak credit methodology; (2) allocating wind plants, related expenses, and wind power contracts between capacity and energy based on wind's contribution to peak capacity; and (3) assigning costs of corporate account managers directly to Schedule 48T, since only customers on Schedule 48T receive this service.</p> <p>Exhibit No. ___ T (CTM-1T) at 12-22 and Exhibit No. ___ (CTM-4).</p>	<p>Not addressed in testimony.</p>		
<p><i>Electric Rate Spread</i></p> <p><u>SETTLED</u></p>	<p>The Company is proposing to allocate: (1) a below-average increase to the rate schedules that the cost of service study indicate a significantly smaller revenue increase (Schedules 24, 40 an increase of 12.0 percent and lighting schedules an increase of four percent); (2) the average increase of 14.1 percent to Schedules 36 and 48T (other than 48T Dedicated Facilities), which are relatively close to cost of service; and (3) a slightly above-average increase of 15.0 percent to residential and Schedule 48T Dedicated Facilities because these classes are currently below cost of service.</p>	<p><u>This has been revised in rebuttal.</u></p> <p>No change to proposed methodology. Based on rebuttal amount, the proposed increases are: (1) 10.3% to Sch 24 and 40, (2) 3.4% to lighting, (3) 12.2% to Sch 36 and 48T (other than Dedicated Facilities), and (4) 12.9% to Sch 16 and 48T Dedicated Facilities.</p> <p>Exhibit No. ___ (JRS-7T) at 10</p>	<p>Based on an overall revenue increase of 4.82 percent, Staff recommends the following rate increases: (1) Schedules 16-18, Residential, 5.54 percent; (2) Schedule 24, Small General Service, 2.41 percent; (3) Schedule 36, Large General Service <1,000 kW, 4.58 percent; (4) Schedule 48T, Large General Service >1,000 kW, 5.54 percent; (6) Schedule 48T, Dedicated Facilities, 6.75 percent; (7) Schedule 40, Agricultural Pumping, 2.41 percent; and (8) Schedules 15, 51-54, and 57, Street Lighting, no increase.</p> <p>Exhibit No. ___ T (CTM-1T) at 22-27 and Exhibit No. ___ (CTM-5).</p>	<p>Not addressed in testimony.</p>	<p>Boise recommends an alternative rate spread based on the Company's cost of service study and Commission precedent regarding rate spread. Specifically, Boise recommends below average increases for street lighting and irrigation schedules, and an equal increase to all other classes.</p> <p>Exhibit No. ___ (MCD-1CT)</p>	

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<p><i>Electric Rate Design</i></p> <p><u>SETTLED</u></p>	<p>For the monthly residential basic charge, the Company proposes an increase from \$6.00 to \$10.00 per month. The remainder of the allocated increase will be recovered through the energy charges with a higher percentage rate increase to the tail block. For General Service Schedule 24, the Company proposes to apply uniform percentage increases to the basic, demand and energy charges. For General Service Schedules 36 and 48, the Company has applied a larger increase to the demand charges based on the results of the cost of service study. Other charges in Schedule 36 and 48 have been increased on a uniform basis to recover the balance of the allocated increase to each schedule. For Schedule 40, the Company proposes to apply a uniform percentage increase to all billing elements. For lighting, the Company proposes the increase be spread equally to all lighting schedules.</p>	<p><i><u>This has been revised in rebuttal.</u></i></p> <p>For the residential monthly basic charge, the Company proposes an increase from \$6.00 to \$8.85 per month. The Company does not propose any other changes to the Company's proposed rate designs.</p> <p>Exhibit No. ___ (JRS-7T) at 12-21.</p>	<p>Staff increases the residential monthly customer charge from \$6.00 to \$8.64. Staff also alters residential rate design to:</p> <p>(1) increase the first block range to 0-800 kilowatt-hours ("kWh"); (2) adjusting the second block to 800-1,500 kWh; (3) add a third block for usage over 1,500 kWh; (4) set the third block volumetric rate at the same cents per kWh differential as the first two tier rates before any increase; and (5) then increase the volumetric rates by a uniform percentage.</p> <p>Staff recommends the volumetric blocks for Schedules 24 (Small General Service) and 36 (Large General Service < 1000 kW), be reexamined to ensure these are at appropriate, logical levels.</p> <p>Exhibit No. ___ T (CTM-1T) at 27-42, Exhibit Nos. ___ (CTM-5) and (CTM-6).</p>	<p>Oppose.</p> <p>The residential basic charge should be no more than \$7.00.</p>		