

## Summary of Revenue Requirement Increase

|                                                         | Commission<br>Order                          | Company<br>Model  | Variance                      |
|---------------------------------------------------------|----------------------------------------------|-------------------|-------------------------------|
|                                                         | Rev. Req.                                    | Rev. Req.         | Rev. Req.                     |
| <b>Unadjusted Washington Allocated Data (Per Books)</b> | <b>20,087,225</b>                            | <b>20,087,225</b> | <b>0</b>                      |
| <b>Adjustments</b>                                      |                                              |                   |                               |
| 3.1                                                     | Temperature Normalization                    | 7,030,214         | 7,030,214 (0)                 |
| 3.2                                                     | Revenue Normalization                        | 459,568           | 459,568 (0)                   |
| 3.3                                                     | Effective Price Change                       | (13,004,777)      | (13,004,776) 1                |
| 12.1                                                    | SO2 Emission Allowances                      | (829,738)         | (829,738) 0                   |
| 12.5                                                    | Green Tag (REC) Revenues                     | 4,416,282         | 4,416,282 0                   |
| 3.6                                                     | Wheeling Revenue Adjustment                  | (97,500)          | (97,500) 0                    |
| 3.7                                                     | Remove Commercial Sales                      | (965,319)         | (965,320) (1)                 |
| 4.1                                                     | Miscellaneous General Expense Adjustment     | (46,428)          | (46,428) 0                    |
| 4.2                                                     | General Wage Increase - Annualization        | 30,328            | 30,329 1                      |
| 4.3                                                     | Proforma General Wage Increase               | 392,063           | 392,062 (1)                   |
| 4.4                                                     | Pension Curtailment                          | (766,048)         | (766,048) 0                   |
| 12.3                                                    | Affiliate Management Fee                     | (96,486)          | (96,486) 0                    |
| 4.6                                                     | DSM Removal Adjustment                       | (5,100,987)       | (5,100,987) (0)               |
| 4.7                                                     | Remove Non-Recurring Entries                 | (206,182)         | (206,181) 1                   |
| 4.8                                                     | Remove MEHC Severance                        | (679,236)         | (679,237) (1)                 |
| 12.2                                                    | SERP Expense                                 | (177,920)         | (177,920) 0                   |
| 12.4                                                    | Advertising Expense                          | (1,900)           | (1,901) (1)                   |
| 5.1                                                     | Net Power Costs - Restating                  | (11,534,576)      | (11,534,575) 1                |
| <b>12.6</b>                                             | <b>Proforma Net Power Costs</b>              | <b>35,709,710</b> | <b>31,207,640 (4,502,070)</b> |
| 5.3                                                     | Electric Lake Settlement                     | 132,897           | 132,898 1                     |
| 5.4                                                     | BPA Residential Exchange                     | 8,415,063         | 8,415,062 (1)                 |
| 5.5                                                     | James River Royalty Offset                   | (1,235,836)       | (1,235,836) (0)               |
| 5.6                                                     | Removal of Colstrip #3                       | (1,471,725)       | (1,471,725) (0)               |
| 6.1                                                     | Hydro Decommissioning                        | (33,272)          | (33,272) (0)                  |
| 12.9                                                    | Interest True -Up                            | 1,983,010         | 1,983,024 14                  |
| 7.2                                                     | Accum. Def. Income Tax Factor Correction     | (655,037)         | (655,037) (0)                 |
| 7.3                                                     | Renewable Energy Tax Credit                  | (9,096,496)       | (9,096,497) (1)               |
| 7.4                                                     | Malin Midpoint Adjustment                    | (534,830)         | (534,830) 0                   |
| 7.5                                                     | WA - FAS 109 Flow-Through                    | 8,925,653         | 8,925,653 0                   |
| 7.6                                                     | AFUDC - Equity                               | (122,532)         | (122,531) 1                   |
| 7.7                                                     | Public Utility Tax Adjustment                | (415,627)         | (415,628) (1)                 |
| 7.8                                                     | Remove Deferred State Tax Expense            | (3,409,286)       | (3,409,286) 0                 |
| 7.9                                                     | Current Year Def Inc Tax Normalization       | (1,203,020)       | (1,203,020) (0)               |
| 7.10                                                    | Medicare Deferred Tax Expense                | 274,995           | 274,996 1                     |
| 7.11                                                    | Avg Balance for Accum Def Inc Tax - Property | (1,243,945)       | (1,243,945) (0)               |
| 7.12                                                    | WA Low Income Tax Credit                     | (33,816)          | (33,815) 1                    |
| 12.8                                                    | Cash Working Capital                         | -                 | -                             |
| 8.2                                                     | Jim Bridger Mine Rate Base Adjustment        | 3,865,233         | 3,865,233 0                   |
| 8.3                                                     | Environmental Remediation                    | 92,718            | 92,718 (0)                    |
| 8.4                                                     | Customer Advances for Construction           | 2,916             | 2,916 (0)                     |
| 8.5                                                     | Miscellaneous Rate Base                      | (990,837)         | (990,837) 0                   |
| 8.5.1                                                   | (Cont) Miscellaneous Rate Base               | 191,526           | 191,526 0                     |
| 8.6                                                     | Removal of Colstrip #4 AFUDC                 | (84,587)          | (84,586) 1                    |
| 8.7                                                     | Powerdale Hydro Removal                      | (117,954)         | (117,954) 0                   |
| 8.8                                                     | Trojan Unrecovered Plant Adjustment          | (66,979)          | (66,980) (1)                  |
| 8.9                                                     | Customer Service Deposits                    | (339,862)         | (339,862) 0                   |
| 8.10                                                    | Chehalis Reg Asset - WA                      | 4,198,376         | 4,198,376 0                   |
| 8.11                                                    | Annualize Repairs Deduction                  | (1,822,309)       | (1,822,309) 0                 |
| 8.12                                                    | Remove Current Assets                        | (1,423,743)       | (1,423,743) (0)               |
| 12.7                                                    | Production Factor Adjustment                 | (173,507)         | (173,506) 1                   |
| 12.7.1                                                  | (Cont) Production Factor Adjustment          | (226,284)         | (226,893) (609)               |
| <b>Subtotal Adjustments</b>                             |                                              | <b>17,911,971</b> | <b>13,409,310 (4,502,661)</b> |
| <b>Total Revenue Requirement Increase</b>               |                                              | <b>37,999,196</b> | <b>33,496,535 (4,502,661)</b> |

