Exhibit No. ___(ALK-2)
Docket No. UE-03_____
2003 PP&L Rate Case
Witness: Andrea L. Kelly

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, vs. PACIFICORP dba Pacific Power & Light Company, Respondent.	Docket No. UE-03_____

PACIFICORP

EXHIBIT OF ANDREA L. KELLY

Protocol

December 2003

I. Introduction

This PacifiCorp Inter-Jurisdictional Cost Allocation Protocol (the "Protocol") is the result of discussions that have occurred among representatives of PacifiCorp (the "Company"), Commission staff members and other interested parties from Utah, Oregon, Wyoming, Idaho and Washington regarding issues arising from the Company's status as a multi-jurisdictional utility.[1]

PacifiCorp will continue to plan and operate its generation and transmission system on a six-state integrated basis in a manner that minimizes total system costs to its retail customers.

The Protocol describes how the costs and revenues associated with PacifiCorp's generation, transmission and distribution system will be assigned or allocated among its six state jurisdictions for purposes of establishing its retail rates.[2]

The body of the Protocol covers the following topics:

- Generation Costs
- Transmission Costs
- Distribution Costs
- Administrative and General Costs
- Special Contracts
- Sale of Generation and Transmission Assets
- Direct Access
- Loss of load
- Regulation of New Resources
- Sustainability of Protocol

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[1] Key staff in California monitored the proceedings and received relevant documents.

[2] The Protocol is intended to afford PacifiCorp a reasonable opportunity to recover all of its prudently incurred costs. The assignment or allocation of a particular cost to a State pursuant to the Protocol is not intended to prejudge the prudence of that cost.

Definitions of terms that are capitalized in the Protocol are set forth in Appendix A.

A table identifying the allocation factor to be applied to each component of PacifiCorp's revenue requirement calculation is included as Appendix B.

The algebraic derivation of each allocation factor is contained in Appendix C.

II. Proposed Effective Date

The Protocol will apply to all PacifiCorp retail rate proceedings initiated subsequent to November 1, 2003.

III. Classification of Resource Costs

With the exception of Simple-Cycle Combustion Turbines, all Resource Fixed Costs, Wholesale Contracts and Short-term Purchases and Sales will be classified as 75 percent Demand-Related and 25 percent Energy-Related. Fixed Costs of Simple-Cycle Combustion Turbines will be classified as 100 percent Demand-Related. All costs associated with Non-Firm Purchases and Sales will be classified as 100 Percent Energy-Related.

IV. Allocation of Resource Costs and Revenues

Resources will be assigned to one of four categories for inter-jurisdictional cost allocation purposes:

A. Seasonal Resources,

B. Regional Resources,

C. State Resources, or

D. System Resources.

There are three types of Seasonal Resources, three types of Regional Resources and two types of State Resources. The remainder are System Resources which constitute the substantial majority of PacifiCorp's Resources. Costs and revenues associated with each category and type of Resource will be allocated on the following basis:

A. Seasonal Resources

Costs associated with the three types of Seasonal Resources will be assigned and allocated as follows:

1. Simple-Cycle Combustion Turbines (SCCTs): All Fixed Costs associated with SCCTs will be allocated based upon the SSCCT (Seasonal System Capacity Combustion Turbine) Factor. All Variable Costs associated with SCCTs will be allocated based upon the SSECT (Seasonal System Energy Combustion Turbine) Factor.

2. Seasonal Contracts: All Costs associated with the Seasonal Contracts will be allocated based upon the SSGP (Seasonal System Generation Purchases) Factor.

3. Cholla IV/ APS: All Fixed Costs associated with the Cholla Unit 4 and the associated Arizona Public Service Company Exchange Contract will be allocated based upon the SSGCH (Seasonal System Generation Cholla) Factor. All Variable Costs associated with Cholla Unit 4 and the associated

Arizona Public Service Company Exchange Contract will be allocated based upon the SSECH (Seasonal System Energy Cholla) Factor.

B. Regional Resources

Costs associated with the three types of Regional Resources will be assigned and allocated as follows:

1. Hydro-Endowment: Retail customers in the former Pacific Power & Light jurisdictions of California, Oregon, Washington and eastern Wyoming will be deemed to be Hydro-Endowment Participants. All Costs associated with Hydro-Electric Resources will be assigned to and allocated among Hydro-Endowment Participants based upon the DGP Factor.

2. Coal Endowment: Retail customers in the former Utah Power & Light jurisdictions of Utah, Idaho and western Wyoming will be deemed to be Coal-Endowment Participants. All Fixed Huntington Costs will be assigned to and allocated among Coal-Endowment Participants based upon the DGU Factor. All Variable Huntington Costs will be assigned to and allocated among Coal-Endowment Participants based upon the DEU Factor.

3. First Major New Coal Resource: Oregon will have a one-time, irrevocable option to participate in the First Major New Coal Resource. That election will be made through a generation

resource rate plan filing pursuant to ORS 757.212, to be initiated by PacifiCorp prior to committing to acquire the First Major New Coal Resource. If Oregon elects to participate in the First Major New Coal Resource, the Resource will be deemed a System Resource and its costs allocated accordingly. If Oregon elects to not participate in the First Major New Coal Resource, it will be directly assigned a share of the Fixed and Variable Costs of the Last Major New Baseload Resource.

C. State Resources

Costs and revenues associated with the two types of State Resources will be assigned as follows:

1. Demand-Side Management Programs: Costs associated with Demand-Side Management Programs will be assigned on a situs basis to the State in which the investment is made. Benefits from these programs, in the form of reduced consumption, will be reflected through time in the Load-Based Dynamic Allocation Factors.

2. Portfolio Standards: Costs associated with Resources acquired pursuant to a Portfolio Standard, which are excluded from the Company's rates in one or more States because such State or States conclude that a Portfolio Standard has unreasonably increased PacifiCorp's costs, will be assigned on a situs basis to the State adopting the standard.

D. System Resources

All Resources that are not Seasonal Resources, Regional Resources or State Resources will be deemed to be System Resources. All Fixed Costs and revenues associated with System Resources will be allocated based upon the SG Factor. All Variable Costs and revenues

associated with System Resources will be allocated based upon the SE Factor.

V. Allocation of Transmission Costs and Revenues

A. Pre-RTO

Costs associated with transmission assets and firm wheeling expense and revenues will be classified as 75 percent Demand-Related 25 percent Energy-Related and allocated among the States based upon the SG (System Generation) factor. Non-firm wheeling expense and revenues will be allocated among the States based upon the SE Factor.

B. Post RTO

At such time as PacifiCorp is a participant in an RTO, charges from the RTO will be allocated among the States based upon the same billing determinants relied upon by the FERC in setting the RTO's rates.

C. Refunctionalization

If the FERC causes the Company to refunctionalize assets that are currently functionalized as "transmission" to "distribution", the cost responsibility for any such refunctionalized assets will be assigned to the State where they are located. If the FERC causes the Company to refunctionalize assets that are currently functionalized as "transmission" to "generation", the cost responsibility for any such refunctionalized assets will be allocated on the same basis as the costs of the generating plant with which such facilities are associated.

VI. Assignment of Distribution Costs

All distribution-related costs that can be directly assigned will be directly assigned to a single state.

VII. Allocation of Administrative and General Costs

Administrative and general costs, costs of General Plant and costs of Intangible Plant will be allocated among States consistent with the factors set forth in Appendix B.

VIII. Allocation of Special Contract Discounts

Loads of Special Contract customers will be included in all Load-Based Dynamic Allocation Factors. Revenues received from Special Contract customers, before any discounts for Customer Ancillary Service Attributes of the Special Contract, will be assigned to the State where the Special Contract customer is located. Discounts from tariff prices provided for in Special Contracts that recognize the Customer Ancillary Service Contract attributes of the Contract, and payments to retail customers for Customer Ancillary Services will be allocated among States on the same basis as System Resources. The Commission with jurisdiction over a Special Contract will make a determination of the fair market value of any Customer Ancillary Service Contract attributes of a Special Contract.

IX. Allocation of Gain or Loss from Sale of Resources or Transmission Assets

Any loss or gain from the sale of a Resource (other than a Freed-Up Resource) or a transmission asset will be allocated among States based upon the allocation factor used to allocate the Fixed Costs of the Resource or the transmission asset at the time of its sale. Each State Commission will determine the appropriate allocation of loss

or gain allocated to that State as between State customers and PacifiCorp shareholders.

X. Implementation of Direct Access Programs

A. Allocation of Costs and Benefits of Freed-Up Resources

Load of Direct Access Customers will continue to be treated as retail load in the State in which they are located for purposes of calculating all Load-Based Dynamic Allocation Factors related to Resource costs.

B. Resource Sale Approval

Any proposed sale of a Freed-Up Resource will be subject to applicable regulatory review and approval based upon a "no-harm" standard. States implementing Direct Access Programs that involve the sale of Freed-Up Resources will endeavor to propose a method for allocating the gain or loss on a sale among States in a manner that satisfies the "no-harm" standard in respect to customers in the other States. No Commission will require a sale of Freed-Up Resources to be consummated if the proposed allocation of the gain or loss from the sale among States would cause the Company to distribute more than the total gain on a sale or recover less than the full amount of the total loss on a sale.

C. Allocation of Revenues and Costs from Direct Access Purchases and Sales

Revenues and costs from Direct Access Purchases and Sales will be assigned situs to the State where the Direct Access Customers are located and will not be included in Net Power Costs.

XI. Loss or Increase in Load

Any loss or increase in retail load occurring as a result of condemnation or municipalization, sale or acquisition of new service territory which involves less than five percent of system load, realignment of service territories, changes in economic conditions or gain or loss of large customers will be reflected in changes in Load-Based Dynamic Allocation Factors. The allocation of costs and benefits arising from merger, sale and acquisition transactions proposed by the Company involving more than five percent of system load will be dealt with on a case-by-case basis in the course of Commission approval proceedings.

XII. Commission Regulation of Resources

PacifiCorp shall plan and acquire new Resources on a system-wide least cost, least risk basis. All prudently incurred investments in Resources will be reflected in rates on a cost-of-service basis.

XIII. Sustainability of Protocol

A. Issues of Interpretation

If questions of interpretation of the Protocol arise during rate proceedings and/or audits of results of PacifiCorp's operations, parties will attempt to resolve them with reference to testimony offered

during proceedings related to Commission ratification of the Protocol and Commission orders ratifying the Protocol.

B. MSP Standing Committee

An MSP Standing Committee will be organized consisting of one member of each Commission. The chair of the MSP Standing Committee will be elected each year by the members of the Committee. At least once during each calendar year, PacifiCorp will convene a meeting of the MSP Standing Committee and interested parties from all States for the purpose of discussing emerging inter-jurisdictional issues facing the Company and considering possible amendments to the Protocol that would be equitable to PacifiCorp customers in all States and to the Company. The MSP Standing Committee will have discretion to determine how best to encourage consensual resolution of issues arising under the Protocol. Its actions may include, but will not be limited to: a) appointing a subcommittee of interested parties to study an issue and make recommendations or b) retaining (at the Company's expense) one or more disinterested parties to make advisory findings on issues of fact arising under the Protocol.

C. Protocol Amendments

Proposed amendments to the Protocol will be submitted by PacifiCorp to each Commission for ratification. The Protocol will only be deemed to have been amended if each of the Commissions who initially ratified the Protocol ratifies the amendment. PacifiCorp will not seek Commission ratification of any amendment to the Protocol unless and until it has provided interested parties with at least six months advance notice of its intent to do so and endeavored

to obtain consensus regarding its proposed amendment. Prior to departing from the terms of the Protocol, consistent with their legal obligations, Commissions will endeavor to cause their concerns to be presented at meetings of the MSP Standing Committee and interested parties from all States in an attempt to achieve consensus on a proposed resolution of those concerns.

APPENDIX A

DEFINED TERMS

Defined Terms

For purposes of this Protocol, the following terms will have the following meanings:

"Coal Endowment" means the process of allocating Huntington Costs to some States.

"Coal Endowment Participants" means the Company's retail customers in Utah, Idaho and western Wyoming.

"Coincident Peak" means the hour each month that the combined demand of all PacifiCorp retail customers is greatest. In States using an historic test period, Coincident Peak is based upon actual, metered load data. In States using future test periods, Coincident Peak is based upon forecasted loads.

"Company" means PacifiCorp.

"Commission" means a utility regulatory commission in a State.

"Customer Ancillary Service Contracts" means contracts between the Company and a retail customer pursuant to which the Company pays the customer for the right to curtail service so as to lower the costs of operating the Company's system.

"Demand-Related Costs" means capital and other Fixed Costs incurred by the Company in order to be prepared to meet the maximum demand imposed upon its system.

"Demand-Side Management Programs" means programs intended to improve the efficiency of electricity use by PacifiCorp's retail customers.

"Direct Access Customers" means retail electricity consumers located in PacifiCorp's service territory who purchase electricity directly from a supplier other than PacifiCorp pursuant to a Direct Access Program.

"Direct Access Program" means a law or regulation that permits retail consumers located in PacifiCorp's service territory to purchase electricity directly from a supplier other than PacifiCorp.

"Direct Access Purchases and Sales" means Wholesale Contracts and Short-Term Purchases and Sales entered into by PacifiCorp either to supply customers who have become Direct Access Customers or to dispose of Freed-Up Resources.

"Energy-Related Costs" means costs, such as fuel costs that vary with the amount of energy delivered by the Company to its customers during any hour plus any portion of Fixed Costs that have been classified as Energy-Related.

"Exchange Contracts" means Wholesale Contracts pursuant to which PacifiCorp accepts delivery of power at one place and/or point in time and delivers power at a different place and/or point in time.

"FERC" means the Federal Energy Regulatory Commission.

"First Major New Coal Resource" means the first Resource planned to be acquired by PacifiCorp subsequent to January 1, 2004 that: (a) provides for more than 300 megawatts of capacity for at least 25 years, and (b) whose fuel source is principally coal.

"Fixed Costs" means costs incurred by the Company that do not vary with the amount of energy delivered by the Company to its customers during any hour.

"Freed-Up Resources" means Resources made available to the Company as a result of its customers becoming Direct Access Customers.

"General Plant" means capital investment included in FERC accounts 389 through 399.

"Huntington Costs" means the costs of owning and operating the Huntington Generating Station and a portion of the costs of owning and operating the Deer Creek Mine equal to the percentage of the coal produced at the Deer Creek Mine used to fuel the Huntington Generating Station.

"Hydro-Electric Resources" means: (a) Company-owned hydro-electric plants located in Oregon, Washington or California; (b) Mid-Columbia Hydro Contracts, or (c) Wholesale Contracts entered into by PacifiCorp to directly amend or replace Mid-Columbia Hydro Contracts.

"Hydro-Endowment" means the process of allocating the costs of Hydro-Electric Resources to some States.

"Hydro-Endowment Participants" means the Company's retail customers in Oregon, Washington, eastern Wyoming and California.

"Intangible Plant" means capital investment included in FERC accounts 301 through 303.

"Last Major New Baseload Resource" means the last Resource going into to service prior to the commercial operation date of the First Major New Coal Resource that: (a) provides for more than 300 megawatts of capacity for at least 25 years, and (b) that is not fueled principally by coal.

"Load-Based Dynamic Allocation Factor" means an allocation factor that is calculated using States' monthly energy usage and/or States' contribution to monthly system Coincident Peak.

"Mid-Columbia Hydro Contracts" means Wholesale Contracts in effect on January 1, 2004 pursuant to which all the power supplied to PacifiCorp is generated at hydro-electric plants located in the Mid-Columbia region.

"Net Power Costs" means PacifiCorp's fuel and wheeling expenses and costs and revenues associated with Wholesale Contracts, Seasonal Contracts, Short-Term Purchases and Sales and Non-Firm Purchases and Sales.

"Non-Firm Purchases and Sales" means transactions at wholesale that are not Wholesale Contracts, Seasonal Contracts, Short-term Purchases or Sales or Direct Access Purchases or Sales.

"Portfolio Standard" means a State law or regulation that requires PacifiCorp to acquire: (a) a particular type of Resource, (b) a particular quantity of Resources, (c) Resources in a prescribed manner or (d) Resources located in a particular geographic area.

"Protocol" means this PacifiCorp Inter-Jurisdictional Cost Allocation Protocol.

"Regional Resources" means Resources whose associated costs and revenues are allocated to more than one State but fewer than all States so as to accommodate regional policy preferences.

"Resources" means Company-owned and leased generating plants and mines, Wholesale Contracts, Seasonal Contracts, Short-Term Purchases and Sales and Non-firm Purchases and Sales.

"RTO" means a Regional Transmission Organization.

"Short-Term Purchases and Sales" means physical or financial contracts pursuant to which PacifiCorp purchases, sells or exchanges firm power at wholesale and Customer Ancillary Service Contracts that are less than one year in duration.

"Simple-Cycle Combustion Turbines" or "SCCTs" means simple-cycle combustion turbine generating units.

"Seasonal Contract" means a Wholesale Contract pursuant to which the Company acquires power for five or less months during more than one year.

"Seasonal Resource" means: (a) a SCCT owned or leased by the Company, (b) any Seasonal Contract or c) Cholla Unit 4.

"Special Contract" means a contract entered between PacifiCorp's and one of its retail customers with prices, term and conditions different from otherwise-applicable tariff rates. Special Contracts may provide for a discount to reflect Customer Ancillary Services Contract attributes.

"State Resources" means Resources whose costs are assigned to a single State to accommodate State-specific policy preferences.

"System Resources" means Resources that are not Seasonal Resources, Regional Resources or State Resources and whose associated costs and revenues are allocated among all States on a dynamic basis.

"State" means Utah, Oregon, Wyoming, Idaho, Washington or California.

"Variable Costs" means costs incurred by the Company that vary with the amount of energy delivered by the Company to its customers during any hour.

"Wholesale Contracts" means physical or financial contracts pursuant to which PacifiCorp purchases, sells or exchanges firm power at wholesale and Customer Ancillary Service Contracts that have a term of one year or longer.

APPENDIX B

ALLOCATION FACTOR APPLIED TO EACH COMPONENT OF REVENUE REQUIREMENT

APPENDIX B

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
Sales to Ultimate Customers		
440	Residential Sales	
	Direct assigned - Jurisdiction	S
442	Commercial & Industrial Sales	
	Direct assigned - Jurisdiction	S
444	Public Street & Highway Lighting	
	Direct assigned - Jurisdiction	S
445	Other Sales to Public Authority	
	Direct assigned - Jurisdiction	S
448	Interdepartmental	
	Direct assigned - Jurisdiction	S
447	Sales for Resale	
	Direct assigned - Jurisdiction	S
	Non-Firm	SE
	Firm	SG
449	Provision for Rate Refund	
	Direct assigned - Jurisdiction	S
		SG
Other Electric Operating Revenues		
450	Forfeited Discounts & Interest	
	Direct assigned - Jurisdiction	S
451	Misc Electric Revenue	
	Direct assigned - Jurisdiction	S
	Other - Common	SO
454	Rent of Electric Property	
	Direct assigned - Jurisdiction	S
	Common	SG

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
456	Other Electric Revenue	
	Direct assigned - Jurisdiction	S
	Wheeling Non-firm, Other	SE
	Common	SO
	Wheeling - Firm, Other	SG
Miscellaneous Revenues		
41160	Gain on Sale of Utility Plant - CR	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	General Office	SO
41170	Loss on Sale of Utility Plant	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	General Office	SO
4118	Gain from Emission Allowances	
	SO2 Emission Allowance sales	SE
41181	Gain from Disposition of NOX Credits	
	NOX Emission Allowance sales	SE
421	(Gain) / Loss on Sale of Utility Plant	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	General Office	SO
Miscellaneous Expenses		
4311	Interest on Customer Deposits	
	Utah Customer Service Deposits	CN

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION		ALLOCATION FACTOR
Steam Power Generation			
500, 502, 504-514	Operation Supervision & Engineering		
		Remaining Steam Plants	SG
		Peaking Plants	SSCCT
		Cholla	SSGCH
		Huntington	DGU
501	Fuel Related		
		Remaining steam plants	SE
		Peaking Plants	SSECT
		Cholla	SSECH
		Huntington	DEU
503	Steam From Other Sources		
		Steam Royalties	SE
Nuclear Power Generation			
517 - 532	Nuclear Power O&M		
		Nuclear Plants	SG
Hydraulic Power Generation			
535 - 545	Hydro O&M		
		Pacific Hydro	DGP
		East Hydro	SG
Other Power Generation			
546, 548-554	Operation Super & Engineering		
		Other Production Plant	SG
547	Fuel		
		Other Fuel Expense	SE
Other Power Supply			
555	Purchased Power		
		Direct assigned - Jurisdiction	S
		Firm	SG
		Non-firm	SE
		Mid C Contracts, 100 MW Hydro Extension	DGP
		Peaking Contracts	SSGC
556 - 557	System Control & Load Dispatch		
		Other Expenses	SG

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION		ALLOCATION FACTOR
TRANSMISSION EXPENSE			
560-564, 566-573	Transmission O&M		
		Transmission Plant	SG
565	Transmission of Electricity by Others		
		Firm Wheeling	SG
		Non-Firm Wheeling	SE
DISTRIBUTION EXPENSE			
580 - 598	Distribution O&M		
		Direct assigned - Jurisdiction	S
		Other Distribution	SNPD
CUSTOMER ACCOUNTS EXPENSE			
901 - 905	Customer Accounts O&M		
		Direct assigned - Jurisdiction	S
		Total System Customer Related	CN
CUSTOMER SERVICE EXPENSE			
907 - 910	Customer Service O&M		
		Direct assigned - Jurisdiction	S
		Total System Customer Related	CN
SALES EXPENSE			
911 - 916	Sales Expense O&M		
		Direct assigned - Jurisdiction	S
		Total System Customer Related	CN
ADMINISTRATIVE & GEN EXPENSE			
920-935	Administrative & General Expense		
		Direct assigned - Jurisdiction	S
		Customer Related	CN
		General	SO
		FERC Regulatory Expense	SG

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION		ALLOCATION FACTOR
DEPRECIATION EXPENSE			
403SP	Steam Depreciation		
		Remaining Steam Plants	SG
		Peaking Plants	SSCCT
		Cholla	SSGCH
		Huntington	DGU
403NP	Nuclear Depreciation		
		Nuclear Plant	SG
403HP	Hydro Depreciation		
		Pacific Hydro	DGP
		East Hydro	SG
403OP	Other Production Depreciation		
		Other Production Plant	SG
403TP	Transmission Depreciation		
		Transmission Plant	SG
403	Distribution Depreciation Direct assigned - Jurisdiction		
		Land & Land Rights	S
		Structures	S
		Station Equipment	S
		Poles & Towers	S
		OH Conductors	S
		UG Conduit	S
		UG Conductor	S
		Line Trans	S
		Services	S
		Meters	S
		Inst Cust Prem	S
		Leased Property	S
		Street Lighting	S

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT		DESCRIPTION	ALLOCATION FACTOR
403GP	General Depreciation		
		Distribution	S
		Remaining Steam Plants	SG
		Peaking Plants	SSCCT
		Cholla	SSGCH
		Huntington	DGU
		Pacific Hydro	DGP
		East Hydro	SG
		Transmission	SG
		Customer Related	CN
		General SO	SO
403MP	Mining Depreciation		
		Remaining Mining Plant	SE
		Deer Creek/Energy West (Huntington)	DGU

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
AMORTIZATION EXPENSE		
404GP	Amort of LT Plant - Capital Lease Gen	
	Direct assigned - Jurisdiction	S
	General	SO
	Customer Related	CN
404SP	Amort of LT Plant - Cap Lease Steam	
	Steam Production Plant	SG
404IP	Amort of LT Plant - Intangible Plant	
	Distribution	S
	Production, Transmission	SG
	General	SO
	Mining Plant	SE
	Customer Related	CN
404MP	Amort of LT Plant - Mining Plant	
	Mining Plant	SE
404HP	Amortization of Other Electric Plant	
	Pacific Hydro	DGP
	East Hydro	SG
405	Amortization of Other Electric Plant	
	Direct assigned - Jurisdiction	S
406	Amortization of Plant Acquisition Adj	
	Direct assigned - Jurisdiction	S
	Production Plant	SG
407	Amort of Prop Losses, Unrec Plant, etc	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Trojan	TROJP

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
Taxes Other Than Income		
408	Taxes Other Than Income	
	Direct assigned - Jurisdiction	S
	Property	GPS
	General Payroll Taxes	SO
	Misc Energy	SE
	Misc Production	SG
DEFERRED ITC		
41140	Deferred Investment Tax Credit - Fed	
	ITC	DGU
41141	Deferred Investment Tax Credit - Idaho	
	ITC	DGU
Interest Expense		
427	Interest on Long-Term Debt	
	Direct assigned - Jurisdiction	S
	Interest Expense	SNP
428	Amortization of Debt Disc & Exp	
	Interest Expense	SNP
429	Amortization of Premium on Debt	
	Interest Expense	SNP
431	Other Interest Expense	
	Interest Expense	SNP
432	AFUDC - Borrowed	
	AFUDC	SNP
Interest & Dividends		
419	Interest & Dividends	
	Interest & Dividends	SNP

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
DEFERRED INCOME TAXES		
41010	Deferred Income Tax - Federal-DR	
	Direct assigned - Jurisdiction	S
	Electric Plant in Service	DITEXP
	Pacific Hydro	DGP
	Production, Transmission	SG
	Customer Related	CN
	General	SO
	Property Tax related	GPS
	Miscellaneous	SNP
	Trojan	TROJP
	Distribution	SNPD
	Mining Plant	SE
41011	Deferred Income Tax - State-DR	
	Direct assigned - Jurisdiction	S
	Electric Plant in Service	DITEXP
	Pacific Hydro	DGP
	Production, Transmission	SG
	Customer Related	CN
	General	SO
	Property Tax related	GPS
	Miscellaneous	SNP
	Trojan	TROJP
	Distribution	SNPD
	Mining Plant	SE
41110	Deferred Income Tax - Federal-CR	
	Direct assigned - Jurisdiction	S
	Electric Plant in Service	DITEXP
	Pacific Hydro	DGP
	Production, Transmission	SG
	Customer Related	CN
	General	SO
	Property Tax related	GPS
	Miscellaneous	SNP
	Trojan	TROJP
	Distribution	SNPD
	Mining Plant	SE

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
41111	Deferred Income Tax - State-CR	
	Direct assigned - Jurisdiction	S
	Electric Plant in Service	DITEXP
	Pacific Hydro	DGP
	Production, Transmission	SG
	Customer Related	CN
	General	SO
	Property Tax related	GPS
	Miscellaneous	SNP
	Trojan	TROJP
	Distribution	SNPD
	Mining Plant	SE

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
SCHEDULE - M ADDITIONS		
SCHMAF	Additions - Flow Through	
	Direct assigned - Jurisdiction	S
SCHMAP	Additions - Permanent	
	Mining related	SE
	General	SO
SCHMAT	Additions - Temporary	
	Direct assigned - Jurisdiction	S
	Contributions in aid of construction	CIAC
	Miscellaneous	SNP
	Trojan	TROJP
	Pacific Hydro	DGP
	Mining Plant	SE
	Production, Transmission	SG
	Property Tax	GPS
	General	SO
	Depreciation	SCHMDEXP
SCHEDULE - M DEDUCTIONS		
SCHMDF	Deductions - Flow Through	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Pacific Hydro	DGP
SCHMDP	Deductions - Permanent	
	Direct assigned - Jurisdiction	S
	Mining Related	SE
	Miscellaneous	SNP
	General	SO
SCHMDT	Deductions - Temporary	
	Direct assigned - Jurisdiction	S
	Bad Debt	BADDEBT
	Miscellaneous	SNP
	Pacific Hydro	DGP
	Mining related	SE
	Production, Transmission	SG
	Property Tax	GPS
	General	SO
	Depreciation	TAXDEPR
	Distribution	SNPD

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT		DESCRIPTION	ALLOCATION FACTOR
State Income Taxes			
40911	State Income Taxes		
		Income Before Taxes	IBT
40910		FIT True-up	S
40910		Wyoming Wind Tax Credit	SG

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
Steam Production Plant		
310 - 316		
	Remaining Steam Plants	SG
	Peaking Plants	SSCCT
	Cholla	SSGCH
	Huntington	DGU
Nuclear Production Plant		
320-325		
	Nuclear Plant	SG
Hydraulic Plant		
330-336		
	Pacific Hydro	DGP
	East Hydro	SG
Other Production Plant		
340-346		
	Other Production Plant	SG
TRANSMISSION PLANT		
350-359		
	Transmission Plant	SG
DISTRIBUTION PLANT		
360-373		
	Direct assigned - Jurisdiction	S

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION		ALLOCATION FACTOR
GENERAL PLANT			
389 - 398			
		Distribution	S
		Remaining Steam Plants	SG
		Peaking Plants	SSCCT
		Cholla	SSGCH
		Huntington	DGU
		Pacific Hydro	DGP
		East Hydro	SG
		Transmission	SG
		Customer Related	CN
		General SO	SO
399	Coal Mine		
		Remaining Mining Plant	SE
		Deer Creek/Energy West (Huntington)	DEU
399L	WIDCO Capital Lease		
		WIDCO Capital Lease	SE
1011390	General Capital Leases		
		Direct assigned - Jurisdiction	S
		General	SO
GP	Unclassified Gen Plant - Acct 300		
		Distribution	S
		Remaining Steam Plants	SG
		Peaking Plants	SSCCT
		Cholla	SSGCH
		Huntington	DGU
		Pacific Hydro	DGP
		East Hydro	SG
		Transmission	SG
		Customer Related	CN
		General	SO

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT		DESCRIPTION	ALLOCATION FACTOR
INTANGIBLE PLANT			
301	Organization		
		Direct assigned - Jurisdiction	S
302	Franchise & Consent		
		Direct assigned - Jurisdiction	S
		Production, Transmission	SG
303	Miscellaneous Intangible Plant		
		Distribution	S
		Remaining Steam Plants	SG
		Peaking Plants	SSCCT
		Cholla	SSGCH
		Huntington	DGU
		Pacific Hydro	DGP
		East Hydro	SG
		Transmission	SG
		Customer Related	CN
		General	SO
303	Less Non-Utility Plant		
		Direct assigned - Jurisdiction	S

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
Rate Base Additions		
105	Plant Held For Future Use	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Mining Plant	SE
114	Electric Plant Acquisition Adjustments	
	Direct assigned - Jurisdiction	S
	Production Plant	SG
115	Accum Provision for Asset Acquisition Adjustments	
	Direct assigned - Jurisdiction	S
	Production Plant	SG
120	Nuclear Fuel	
	Nuclear Fuel	SE
124	Weatherization	
	Direct assigned - Jurisdiction	S
	General	SO
182W	Weatherization	
	Direct assigned - Jurisdiction	S
186W	Weatherization	
	Direct assigned - Jurisdiction	S
151	Fuel Stock	
	Other Steam Production Plant	SE
	Huntington	DEU
152	Fuel Stock - Undistributed	
	Other Steam Production Plant	SE
	Huntington	DEU
25316	DG&T Working Capital Deposit	
	Mining Plant	SE
25317	DG&T Working Capital Deposit	
	Mining Plant	SE

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
25319	Provo Working Capital Deposit	
	Mining Plant	SE
154	Materials and Supplies	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Mining	SE
	General	SO
	Production - Common	SNPPS
	Hydro	SNPPH
	Distribution	SNPD
		SG
163	Stores Expense Undistributed	
	General	SO
25318	Provo Working Capital Deposit	
	Provo Working Capital Deposit	SNPPS
165	Prepayments	
	Direct assigned - Jurisdiction	S
	Property Tax	GPS
	Production, Transmission	SG
	Mining	SE
	General	SO
182M	Misc Regulatory Assets	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Cholla Transaction Costs	SSGCH
	Mining	SE
	General	SO
186M	Misc Deferred Debits	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	General	SO
	Mining	SE
	Production - Common	SNPPS

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
Working Capital		
CWC	Cash Working Capital	
	Direct assigned - Jurisdiction	S
OWC	Other Working Capital	
131	Cash	SNP
135	Working Funds	SG
143	Other Accounts Receivable	SO
232	Accounts Payable	SO
232	Accounts Payable	SE
253	Deferred Hedge	SE
25330	Other Deferred Credits - Misc	SE
Miscellaneous Rate Base		
18221	Unrec Plant & Reg Study Costs	
	Direct assigned - Jurisdiction	S
18222	Nuclear Plant - Trojan	
	Trojan Plant	TROJP
	Trojan Plant	TROJD
141	Impact Housing - Notes Receivable	
	Employee Loans - Hunter Plant	SG

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
Rate Base Deductions		
235	Customer Service Deposits	
	Direct assigned - Jurisdiction	S
2281	Prov for Property Insurance	SO
2282	Prov for Injuries & Damages	SO
2283	Prov for Pensions and Benefits	SO
22841	Accum Misc Oper Prov-Black Lung	
	Mining	SE
22842	Accum Misc Oper Prov-Trojan	
	Trojan Plant	TROJD
252	Customer Advances for Construction	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Customer Related	CN
25399	Other Deferred Credits	
	Direct assigned - Jurisdiction	S
	Production, Transmission	SG
	Mining	SE
190	Accumulated Deferred Income Taxes	
	Direct assigned - Jurisdiction	S
	Bad Debt	BADDEBT
	Pacific Hydro	DGP
	Production, Transmission	SG
	Customer Related	CN
	General	SO
	Miscellaneous	SNP
	Trojan	TROJP
281	Accumulated Deferred Income Taxes	
	Production, Transmission	SG

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
282	Accumulated Deferred Income Taxes	
	Direct assigned - Jurisdiction	S
	Depreciation	DITBAL
	Hydro Pacific	DGP
	Production, Transmission	SG
	Customer Related	CN
	General	SO
	Miscellaneous	SNP
	Trojan	TROJP
283	Accumulated Deferred Income Taxes	
	Direct assigned - Jurisdiction	S
	Depreciation	DITBAL
	Hydro Pacific	DGP
	Production, Transmission	SG
	Customer Related	CN
	General	SO
	Miscellaneous	SNP
	Trojan	TROJP
255	Accumulated Investment Tax Credit	
	Direct assigned - Jurisdiction	S
	Investment Tax Credits	ITC84
	Investment Tax Credits	ITC85
	Investment Tax Credits	ITC86
	Investment Tax Credits	ITC88
	Investment Tax Credits	ITC89
	Investment Tax Credits	ITC90
	Investment Tax Credits	DGU

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
PRODUCTION PLANT ACCUM DEPRECIATION		
108SP	Steam Prod Plant Accumulated Depr	
	Remaining Steam Plants	SG
	Peaking Plants	SSCCT
	Cholla	SSGCH
	Huntington	DGU
108NP	Nuclear Prod Plant Accumulated Depr	
	Nuclear Plant	SG
108HP	Hydraulic Prod Plant Accum Depr	
	Pacific Hydro	DGP
	East Hydro	SG
108OP	Other Production Plant - Accum Depr	
	Other Production Plant	SG
TRANS PLANT ACCUM DEPR		
108TP	Transmission Plant Accumulated Depr	
	Transmission Plant	SG
DISTRIBUTION PLANT ACCUM DEPR		
108360 - 108373	Distribution Plant Accumulated Depr	
	Direct assigned - Jurisdiction	S
108D00	Unclassified Dist Plant - Acct 300	
	Direct assigned - Jurisdiction	S
108DS	Unclassified Dist Sub Plant - Acct 300	
	Direct assigned - Jurisdiction	S
108DP	Unclassified Dist Sub Plant - Acct 300	
	Direct assigned - Jurisdiction	S

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
GENERAL PLANT ACCUM DEPR		
108GP	General Plant Accumulated Depr	
	Distribution	S
	Remaining Steam Plants	SG
	Peaking Plants	SSCCT
	Cholla	SSGCH
	Huntington	DGU
	Pacific Hydro	DGP
	East Hydro	SG
	Transmission	SG
	Customer Related	CN
	General SO	SO
108MP	Mining Plant Accumulated Depr.	
	Other Mining Plant	SE
	Deer Creek/Energy West (Huntington)	DEU
108MP	Less Centralia Situs Depreciation	
	Direct assigned - Jurisdiction	S
1081390	Accum Depr - Capital Lease	
	General	SO
1081399	Accum Depr - Capital Lease	
	Direct assigned - Jurisdiction	S

Allocation Factor Applied to each Component of Revenue Requirement

FERC ACCT	DESCRIPTION	ALLOCATION FACTOR
ACCUM PROVISION FOR AMORTIZATION		
111SP	Accum Prov for Amort-Steam	
	Remaining Steam Plants	SG
	Peaking Plants	SSCCT
	Cholla	SSGCH
	Huntington	DGU
111GP	Accum Prov for Amort-General	
	Distribution	S
	Remaining Steam Plants	SG
	Peaking Plants	SSCCT
	Cholla	SSGCH
	Huntington	DGU
	Pacific Hydro	DGP
	East Hydro	SG
	Transmission	SG
	Customer Related	CN
	General SO	SO
111HP	Accum Prov for Amort-Hydro	
	Pacific Hydro	DGP
	East Hydro	SG
111IP	Accum Prov for Amort-Intangible Plant	
	Distribution	S
	Pacific Hydro	DGP
	Production, Transmission	SG
	General	SO
	Mining	SE
	Customer Related	CN
111IP	Less Non-Utility Plant	
	Direct assigned - Jurisdiction	S
111399	Accum Prov for Amort-Mining	
	Other Mining Plant	SE
	Deer Creek/Energy West (Huntington)	DEU

APPENDIX C

ALGEBRAIC DERIVATION OF ALLOCATION FACTORS

Allocation Factors

PacifiCorp serves eight jurisdictions. Jurisdictions are represented by the index i = California, Idaho, Oregon, Utah, Washington, Eastern Wyoming, Western Wyoming, & FERC.

The following assumptions are made in the factor definitions:

It is assumed that the 12CP (j=1 to 12) method is used in defining the System Capacity.

It is assumed that twelve months (j=1 to 12) method is used in defining the System Energy.

In defining the System Generation Factor, the weighting of 75% System Capacity, 25% System Energy is assumed to continue.

While it is agreed that the peak loads & input energy should be temperature adjusted, no decision has been made upon the methodology to do these adjustments.

System Capacity Factor (SC)

$$SCi = \frac{\sum_{j=1}^{12} TAP_{ij}}{\sum_{i=1}^{8}\sum_{j=1}^{12} TAP_{ij}}$$

where:

SC_i = **System Capacity Factor** for jurisdiction i.

TAP_{ij} = Temperature Adjusted Peak Load of jurisdiction i in month j at the time of the System Peak.

System Energy Factor (SE)

$$SEi = \frac{\sum_{j=1}^{12} TAE_j}{\sum_{i=1}^{8}\sum_{j=1}^{12} TAE_{ij}}$$

where:

SE_i = **System Energy Factor** for jurisdiction i.

$TAEi_j$ = Temperature Adjusted Input Energy of jurisdiction i in month j.

Division Energy - Pacific Factor (DEP)

$$DEP_i = \frac{SE_i^*}{\sum_{i=1}^{i=8} SE_i^*}$$

where:

DEP_i = **Division Energy - Pacific Factor** for jurisdiction i.

$SE_i^* = SE_i$ if i is a Pacific jurisdiction, otherwise

$SE_i^* = 0.$

SE_i = System Energy for jurisdiction i.

Division Energy - Utah Factor (DEU)

$$DEU_i = \frac{SE_i^*}{\sum_{i=1}^{i=8} SE_i^*}$$

where:

DEU_i = **Division Energy - Utah Factor** for jurisdiction i.

$SE_i^* = SE_i$ if i is a Utah jurisdiction, otherwise

$SE_i^* = 0$.

SE_i = System Energy for jurisdiction i.

System Generation Factor (SG)

$$SG_i = .75 * SC_i + .25 * SE_i$$

where:

SG_i = **System Generation Factor** for jurisdiction i.

SC_i = System Capacity for jurisdiction i.

SE_i = System Energy for jurisdiction i.

Seasonal System Capacity Combustion Turbine (SSCCT)

$$SSCCTi = \frac{\sum_{j=1}^{12} WMO_{jct} * TAP_{ij}}{\sum_{i=1}^{8}\sum_{j=1}^{12} WMO_{jct} * TAP_{ij}}$$

where:

$SSCCTi$ = **Seasonal System Capacity Combustion Turbine Factor** for jurisdiction i.

$$WMO_{jct} = \frac{\sum_{ct=1}^{n} E_{jct}}{\sum_{j=1}^{12}\sum_{i=1}^{8} E_{jct}}$$ Weighted monthly energy generation of combustion turbine

where:

E_{jct} = Monthly Energy generation of combustion turbine ct in month j.

n = Number of combustion turbines

TAP_{ij} = Temperature Adjusted Peak Load of jurisdiction i in month j at the time of the System Peak.

Seasonal System Energy Combustion Turbine (SSECT)

$$SSECTi = \frac{\sum_{j=1}^{12} WMO_{jct} * TAE_{ij}}{\sum_{i=1}^{8}\sum_{j=1}^{12} WMO_{jct} * TAE_{ij}}$$

where:

$SSECTi$ = **Seasonal System Capacity Combustion Turbine Factor** for jurisdiction i.

$$WMO_{jct} = \frac{\sum_{ct=1}^{n} E_{jct}}{\sum_{j=1}^{12}\sum_{i=1}^{8} E_{jct}}$$

Weighted monthly energy generation of combustion turbine

where:

E_{jct} = Monthly Energy generation of combustion turbine ct in month j.

n = Number of combustion turbines

TAE_{ij} = Temperature Adjusted Input Energy of jurisdiction i in month j.

Appendix C

Seasonal System Generation Purchases (SSGP)

$$SSGPi = \left(\frac{\sum_{j=1}^{12} WMO_{jsp} * TAP_{ij}}{\sum_{i=1}^{8}\sum_{j=1}^{12} WMO_{jsp} * TAP_{ij}} \right) * .75 + \left(\frac{\sum_{j=1}^{12} WMO_{jsp} * TAE_{ij}}{\sum_{i=1}^{8}\sum_{j=1}^{12} WMO_{jsp} * TAE_{ij}} \right) * .25$$

where:

$SSGPi$ = **Seasonal System Generation Purchases Factor** for jurisdiction i.

$$WMO_{jsp} = \frac{\sum_{sp=1}^{n} E_{jsp}}{\sum_{j=1}^{12}\sum_{i=1}^{8} E_{jsp}}$$ Weighted monthly energy from seasonal purchases

where:

E_{jsp} = Monthly Energy from seasonal purchases sp in month j.

n = Number of seasonal purchases

TAP_{ij} = Temperature Adjusted Peak Load of jurisdiction i in month j at the time of the System Peak.

TAE_{ij} = Temperature Adjusted Input Energy of jurisdiction i in month j.

Seasonal System Generation Cholla (SSGCH)

$$SSGCHi = \left(\frac{\sum_{j=1}^{12} WMO_{jch} * TAP_{ij}}{\sum_{i=1}^{8}\sum_{j=1}^{12} WMO_{jch} * TAP_{ij}} \right) * .75 + \left(\frac{\sum_{j=1}^{12} WMO_{jch} * TAE_{ij}}{\sum_{i=1}^{8}\sum_{j=1}^{12} WMO_{jch} * TAE_{ij}} \right) * .25$$

where:

$SSGCHi$ = **Seasonal System Generation Cholla Factor** for jurisdiction i.

$$WMO_{jch} = \frac{E_{jch}}{\sum_{j=1}^{12}\sum_{i=1}^{8} E_{jch}}$$ Weighted monthly energy generation of Cholla plant

where:

E_{jch} = Monthly Energy generation of Cholla plant ch in month j.

TAP_{ij} = Temperature Adjusted Peak Load of jurisdiction i in month j at the time of the System Peak.

TAE_{ij} = Temperature Adjusted Energy Output of jurisdiction i in month j.

Seasonal System Energy Cholla (SSECH)

$$SSECHi = \frac{\sum_{j=1}^{12} WMO_{jch} * TAE_{ij}}{\sum_{i=1}^{8}\sum_{j=1}^{12} WMO_{jch} * TAE_{ij}}$$

where:

$SSECHi$ = **Seasonal System Energy Cholla Factor** for jurisdiction i.

$$WMO_{jch} = \frac{E_{jch}}{\sum_{j=1}^{12}\sum_{i=1}^{8} E_{jch}}$$ Weighted monthly energy generation of Cholla plant

where:

E_{jch} = Monthly Energy generation of Cholla plant ch in month j.

TAE_{ij} = Temperature Adjusted Energy Output of jurisdiction i in month j.

Division Generation - Pacific Factor (DGP)

$$DGP_i = \frac{SG_i^*}{\sum_{i=1}^{i=8} SG_i^*}$$

where:

DGP_i = **Division Generation - Pacific Factor** for jurisdiction i.

$SG_i^* = SG_i$ if i is a Pacific jurisdiction, otherwise

$SG_i^* = 0$.

SG_i = System Generation for jurisdiction i.

Appendix C

Division Generation - Utah Factor (DGU)

$$DGU_i = \frac{SG_i^*}{\sum_{i=1}^{i=8} SG_i^*}$$

where:

DGU_i = **Division Generation - Utah Factor** for jurisdiction i.

SG_i^* = SG_i if i is a Utah jurisdiction, otherwise

SG_i^* = 0.

SG_i = System Generation for jurisdiction i.

System Net Plant Production - Steam Factor (SNPPS)

$$SNPPS_i = \frac{SG_i * (PPSO - ADPPSO) + DGU_i * (PPSRH - ADPPSRH) + SSCCT_i * (PPSCT - ADPPSCT) + SSGCH_i * (PPSCH - ADPPSCH)}{(PPS - ADPPS)}$$

where:

$SNPPS_i$	=	**System Net Plant - Steam Factor** for jurisdiction i.
SG_i	=	System Generation for jurisdiction i.
DGU_i	=	Division Generation - Utah for jurisdiction i.
$SSCCT_i$	=	Seasonal System Capacity Combustion Turbine Generation for jurisdiction i.
$SSGCH_i$	=	Seasonal System Generation Cholla for jurisdiction i.
$PPSO$	=	Steam Production Plant less Huntington, Combustion Turbine and Cholla.
$ADPPSO$	=	Accumulated Depreciation Steam Production Plant less Huntington, Combustion Turbine and Cholla.
$PPSRH$	=	Steam Production Plant – Huntington.
$ADPPSRH$	=	Accumulated Depreciation Steam Production Plant – Huntington.
$PPSCT$	=	Steam Production Plant – Combustion Turbine.
$ADPPSCT$	=	Accumulated Depreciation Steam Production Plant – Combustion Turbine.
$PPSCH$	=	Steam Production Plant – Cholla.
$ADPPSCH$	=	Accumulated Depreciation Steam Production Plant – Cholla.
PPS	=	Steam Production Plant .
$ADPPS$	=	Accumulated Depreciation Steam Production Plant.

System Net Plant Production - Hydro Factor (SNPPH)

$$SNPPH_i = \frac{SG_i * (PPHE - ADPPHE) + DGP_i * (PPHRP - ADPPHRP)}{(PPH - ADPPH)}$$

where:

$SNPPH_i$	=	**System Net Plant - Hydro Factor** for jurisdiction i.
SG_i	=	System Generation for jurisdiction i.
DGP_i	=	Division Generation - Pacific for jurisdiction i.
$PPHE$	=	Hydro Production Plant – East.
$ADPPHE$	=	Accumulated Depreciation & Amortization Hydro Production Plant - East.
$PPHRP$	=	Hydro Production Plant - Pacific.
$ADPPHRP$	=	Accumulated Depreciation & Amortization Hydro Production Plant - Pacific.
PPH	=	Hydro Production Plant.
$ADPPH$	=	Accumulated Depreciation & Amortization Hydro Production Plant.

System Net Plant - Distribution Factor (SNPD)

$$SNPD_i = \frac{PD_i - ADPD_i}{(PD - ADPD)}$$

where:

$SNPD_i$	=	**System Net Plant - Distribution Factor** for jurisdiction i.
PD_i	=	Distribution Plant - for jurisdiction i.
$ADPD_i$	=	Accumulated Depreciation Distribution Plant - for jurisdiction i.
PD	=	Distribution Plant.
$ADPD$	=	Accumulated Depreciation Distribution Plant.

System Gross Plant - System Factor (GPS)

$$GPS_i = \frac{PP_i + PT_i + PD_i + PG_i + PI_i}{\sum_{i=1}^{i=8}(PP_i + PT_i + PD_i + PG_i + PI_i)}$$

$GP\text{-}S_i$ = **Gross Plant - System Factor** for jurisdiction i.
PP_i = Production Plant for jurisdiction i.
PT_i = Transmission Plant for jurisdiction i.
PD_i = Distribution Plant for jurisdiction i.
PG_i = General Plant for jurisdiction i.
PI_i = Intangible Plant for jurisdiction i.

System Net Plant Factor (SNP)

$$SNP_i = \frac{PP_i + PT_i + PD_i + PG_i + PI_i - ADPP_i - ADPT_i - ADPD_i - ADPG_i - ADPI_i}{\sum_{i=1}^{i=8}(PP_i + PT_i + PD_i + PG_i + PI_i - ADPPi - ADPT_i - ADPD_i - ADPG_i - ADPI_i)}$$

SNP_i = **System Net Plant Factor** for jurisdiction i.
PP_i = Production Plant for jurisdiction i.
PT_i = Transmission Plant for jurisdiction i.
PD_i = Distribution Plant for jurisdiction i.
PG_i = General Plant for jurisdiction i.
PI_i = Intangible Plant for jurisdiction i.
$ADPP_i$ = Accumulated Depreciation Production Plant for jurisdiction i.
$ADPT_i$ = Accumulated Depreciation Transmission Plant for jurisdiction i.
$ADPD_i$ = Accumulated Depreciation Distribution Plant for jurisdiction i.
$ADPG_i$ = Accumulated Depreciation General Plant for jurisdiction i.
$ADPI_i$ = Accumulated Depreciation Intangible Plant for jurisdiction i.

System Overhead - Gross Factor (SO)

$$SOG_i = \frac{PP_i + PT_i + PD_i + PG_i + PI_i - PP_{oi} - PT_{oi} - PD_{oi} - PG_{oi} - PI_{oi}}{\sum_{i=1}^{i=8}(PP_i + PT_i + PD_i + PG_i + PP_i - PP_oi - PI_{oi} - PD_{oi} - PG_{oi} - PI_{oi})}$$

SOG_i = **System Overhead - Gross Factor** for jurisdiction i.
PP_i = Gross Production Plant for jurisdiction i.
PT_i = Gross Transmission Plant for jurisdiction i.
PD_i = Gross Distribution Plant for jurisdiction i.
PG_i = Gross General Plant for jurisdiction i.
PI_i = Gross Intangible Plant for jurisdiction i.
PP_{oi} = Gross Production Plant for jurisdiction i allocated on a SO factor.
PT_{oi} = Gross Transmission Plant for jurisdiction i allocated on a SO factor
PD_{oi} = Gross Distribution Plant for jurisdiction i allocated on a SO factor
PG_{oi} = Gross General Plant for jurisdiction i allocated on a SO factor
PI_{oi} = Gross Intangible Plant for jurisdiction i allocated on a SO factor

Income Before Taxes Factor (IBT)

$$IBT_i = \frac{TIBT_i}{\sum_{i=1}^{i=8} TIBT_i}$$

$IBTi$ = **Income before Taxes Factor** for jurisdiction i.
$TIBTi$ = Total Income before Taxes for jurisdiction i.

Bad Debt Expense Factor (BADDEBT)

$$BADDEBT_i = \frac{ACCT904_i}{\sum_{i=1}^{i=8} ACCT904_i}$$

$BADDEBT_i$ = **Bad Debt Expense Factor** for jurisdiction i.
$ACCT904i$ = Balance in Account 904 for jurisdiction i.

Customer Number Factor (CN)

$$CN_i = \frac{CUST_i}{\sum_{i=1}^{i=8} CUST_i}$$

where:

CN_i = **Customer Number Factor** for jurisdiction i.
$CUST_i$ = Total Electric Customers for jurisdiction i.

Contributions in Aid of Construction (CIAC)

$$CIAC_i = \frac{CIACNA_i}{\sum_{i=1}^{i=8} CIACNA_i}$$

where:

$CIAC_i$ = **Contributions in Aid of Construction Factor** for jurisdiction i.
$CIACNA_i$ = Contributions in Aid of Construction – Net additions for jurisdiction i.

Schedule M - Deductions (SCHMD)

$$SCHMD_i = \frac{DEPRC_i}{\sum_{i=1}^{i=8} DEPRC_i}$$

where:

$SCHMD_i$	=	**Schedule M - Deductions (SCHMD) Factor** for jurisdiction i.
$DEPRC_i$	=	Depreciation in Accounts 403.1 - 403.9 for jurisdiction i.

Trojan Plant (TROJP)

$$TROJP_i = \frac{ACCT18222_i}{\sum_{i=1}^{i=8} ACCT18222_i}$$

where:

$TROJP_i$	=	**Trojan Plant (TROJP) Factor** for jurisdiction i.
$ACCT18222_i$	=	Allocated Adjusted Balance in Account 182.22 for jurisdiction i.

Trojan Decommissioning (TROJD)

$$TROJD_i = \frac{ACCT22842_i}{\sum_{i=1}^{i=8} ACCT22842_i}$$

where:

$TROJD_i$	=	**Trojan Decommissioning (TROJD) Factor** for jurisdiction i.
$ACCT22842_i$	=	Allocated Adjusted Balance in Account 228.42 for jurisdiction i.

Tax Depreciation (TAXDEPR)

$$TAXDEPR_i = \frac{TAXDEPRA_i}{\sum_{i=1}^{i=8} TAXDEPRA_i}$$

where:

$TAXDEPR_i$ = **Tax Depreciation (TAXDEPR) Factor** for jurisdiction i.
$TAXDEPRA_i$ = Tax Depreciation allocated to jurisdiction i.

(Tax Depreciation is allocated based on functional pre merger and post merger splits of plant using Divisional and System allocations from above. Each jurisdiction's total allocated portion of Tax depreciation is determined by its total allocated ratio of these functional pre and post merger splits to the total Company Tax Depreciation.)

Deferred Tax Expense (DITEXP)

$$DITEXP_i = \frac{DITEXPA_i}{\sum_{i=1}^{i=8} DITEXPA_i}$$

where:

$DITEXP_i$ = **Deferred Tax Expense (DITEXP) Factor** for jurisdiction i.
$DITEXPA_i$ = Deferred Tax Expense allocated to jurisdiction i.

(Deferred Tax Expense is allocated by a run of PowerTax based upon the above factors. PowerTax is a computer software package used to track Deferred Tax Expense & Deferred Tax Balances. PowerTax allocates Deferred Tax Expense and Deferred Tax Balances to the states based upon a computer run which uses as inputs the preceding factors. If the preceding factors change, the factors generated by PowerTax change.)

Deferred Tax Balance (DITBAL)

$$DITBAL_i = \frac{DITBALA_i}{\sum_{i=1}^{i=8} DITBALA_i}$$

where:

$DITBAL_i$	=	**Deferred Tax Balance (DITBAL) Factor** for jurisdiction i.
$DITBALA_i$	=	Deferred Tax Balance allocated to jurisdiction i.

(Deferred Tax Balance is allocated by a run of PowerTax based upon the above factors. PowerTax is a computer software package used to track Deferred Tax Expense & Deferred Tax Balances. PowerTax allocates Deferred Tax Expense and Deferred Tax Balances to the states based upon a computer run which uses as inputs the preceding factors. If the preceding factors change, the factors generated by PowerTax change.)