

Exh. SLC-3  
Docket UE-23\_\_\_\_  
Witness: Sherona L. Cheung

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba  
PACIFIC POWER & LIGHT COMPANY

Respondent.

Docket UE-23\_\_\_\_

**PACIFICORP**

**EXHIBIT OF SHERONA L. CHEUNG**

**Summary of the Washington Results of Operations for Rate Year 2**

**March 2023**

## Revenue Requirement Adjustment Summary

The table below presents the Company's pro forma ratemaking adjustments for Rate Year 2 and their impact on net operating income (NOI), rate base, and the Washington revenue requirement.

Line No.	Adj. No.	A	B	C	D	E	F
				NOI	Rate Base	Rev. Req.	Reference
Rate Year 1 Washington Allocated Data (Per Books)				83,632,236	1,100,424,347	-	(SLC-5) Page 1
1	13.1	Wheeling Revenues - Year 2		1,818,118	-	(2,418,289)	(SLC-5), Page 4
2	13.2	General Wage Increase (Pro Forma) - Year 2		(478,248)	-	636,120	(SLC-5), Page 4
3	13.3	Pryor Mountain REC Revenues - Year 2		(158,501)	-	210,823	(SLC-5), Page 4
4		<b>Tab 13 - Revenue &amp; Expenses RY2 - Subtotal</b>		<b>1,181,369</b>	<b>-</b>	<b>(1,571,346)</b>	
5							
6	14.1	Pro Forma Major Plant Additions - Year 2		(123,696)	112,345,974	11,521,362	(SLC-5), Page 4
7	14.2	Pro Forma Depreciation & Amortization Expense - Year 2		(2,989,857)	-	3,976,826	(SLC-5), Page 4
8	14.3	Pro Forma Depreciation & Amortization Reserve - Year 2		-	(47,426,374)	(4,794,239)	(SLC-5), Page 5
9	14.4	Decommissioning and Other Plant Closure Costs - Year 2		-	(4,474,786)	(452,347)	(SLC-5), Page 5
10	14.5	Jim Bridger Mine Rate Base - Year 2		-	(883,608)	(89,322)	(SLC-5), Page 5
11	14.6	Existing Coal-Fired Generation Assets - Year 2		-	(2,226,609)	(225,084)	(SLC-5), Page 5
12	14.7	Pro Forma JB Units 3, 4 and Colstrip 4 Additions - Year 2		(12,092)	650,369	81,828	(SLC-5), Page 5
13	14.8	Pro Forma JB Units 1 & 2 Additions - Year 2		(19,059)	1,683,546	195,537	(SLC-5), Page 5
14	14.9	Confidential Wind Generation Capital Additions - Year 2		(2,196,411)	55,614,054	8,543,374	(SLC-5), Page 6
15	14.10	Major Transmission Capital Additions - Year 2		(2,212,095)	161,088,064	19,226,395	(SLC-5), Page 6
15		<b>Tab 14 - Capital Additions &amp; Depreciation RY2 - Subtotal</b>		<b>(7,553,211)</b>	<b>276,370,630</b>	<b>37,984,330</b>	
16							
17	15.1	Interest True-Up - Year 2		1,254,531	-	(1,668,659)	(SLC-5), Page 6
18	15.2	Property Taxes - Year 2		(1,487,354)	-	1,978,338	(SLC-5), Page 6
19	15.3	Removal of TCJA Balances Adjustment - Year 2		-	2,003,148	202,494	(SLC-5), Page 6
20	15.4	PowerTax ADIT Balance Adjustment - Year 2		(897,340)	(24,209,006)	(1,253,684)	(SLC-5), Page 6
21	15.5	Permanent Schedule M Adjustment - Year 2		-	-	-	(SLC-5), Page 6
22	15.6	Remove Deferred State Tax Expense & Balance - Year 2		517,664	3,265,398	(358,455)	(SLC-5), Page 7
23		<b>Tab 15 - Interest &amp; Taxes RY2 - Subtotal</b>		<b>(612,499)</b>	<b>(18,940,461)</b>	<b>(1,099,966)</b>	
24							
25	16.1	Regulatory Assets & Liabilities Amortization - Year 2		5,509,265	(311,492)	(7,359,393)	(SLC-5), Page 7
26	16.2	Klamath Hydroelectric Assets Amortization - Year 2		-	(57,463)	(5,809)	(SLC-5), Page 7
27		<b>Tab 16 - Other Adjustments RY2 - Subtotal</b>		<b>5,509,265</b>	<b>(368,955)</b>	<b>(7,365,201)</b>	
28							
29		<b>Subtotal Normalizing Adjustments</b>		<b>(1,475,076)</b>	<b>257,061,214</b>	<b>27,947,817</b>	
30							
31		<b>Total Adjusted Results</b>		<b>82,157,160</b>	<b>1,357,485,561</b>	<b>27,947,817</b>	(SLC-5) Page 1

33 Notes:

- 34 (1) The revenue requirement column is calculated using the Company's proposed return on rate base of 7.60% and the NOI conversion factor of 75.182%.
- 35 The development of these percentages can be found in Exhibit No. SLC-4 on pages 2.1 and 1.3 respectively.

PacifiCorp  
Summary  
Washington 2023 General Rate Case  
12 Months Ended June 2022

		Exhibit No. SLC-5				Total	
		Tab 13	Tab 14	Tab 15	Tab 16	Tabs 13-16	
Washington Allocated Year 1 Adjusted Results with Price Change		Revenue & Expense Adjustments - Year 2	Capital Additions / Depr. & Amort. - Year 2	Tax Adjustments - Year 2	Other Adjustments - Year 2	Provisional Adjustments	Washington Allocated Year 2 Provisional Results
1	Operating Revenues:						
2	General Business Revenues	431,787,535	-	-	-	-	431,787,535
3	Interdepartmental	-	-	-	-	-	-
4	Special Sales	20,434,313	-	-	-	-	20,434,313
5	Other Operating Revenues	20,654,359	2,100,781	-	-	2,100,781	22,755,140
6	Total Operating Revenues	472,876,207	2,100,781	-	-	2,100,781	474,976,988
7							
8	Operating Expenses:						
9	Steam Production	58,831,521	103,292	-	-	103,292	58,934,813
10	Nuclear Production	-	-	-	-	-	-
11	Hydro Production	3,444,614	36,953	-	-	36,953	3,481,567
12	Other Power Supply	176,104,438	61,589	395,580	-	457,169	176,561,607
13	Transmission	19,982,106	59,701	-	-	59,701	20,041,807
14	Distribution	18,590,890	240,363	-	-	240,363	18,831,253
15	Customer Accounting	6,903,379	50,978	-	-	50,978	6,954,357
16	Customer Service & Info	709,693	7,676	-	-	7,676	717,369
17	Sales	-	-	-	-	-	-
18	Administrative & General	15,197,082	44,824	-	-	44,824	15,241,906
19	Total O&M Expenses	299,763,723	605,377	395,580	-	1,000,956	300,764,680
20	Depreciation	55,619,536	-	7,769,788	-	7,769,788	63,389,323
21	Amortization	15,472,659	-	1,230,831	(7,011,258)	(5,780,427)	9,692,232
22	Taxes Other Than Income	30,041,859	-	1,882,727	-	1,882,727	31,924,586
23	Income Taxes - Federal	(8,843,792)	314,035	(2,735,618)	(3,081,811)	(4,204,509)	(13,048,301)
24	Income Taxes - State	-	-	-	-	-	-
25	Income Taxes - Def Net	(2,711,755)	-	892,631	1,811,582	203,108	195,567
26	Investment Tax Credit Adj.	-	-	-	-	-	-
27	Misc Revenue & Expense	(98,259)	-	-	-	-	(98,259)
28	Total Operating Expenses:	389,243,972	919,412	7,553,211	612,499	(5,509,265)	392,819,828
29							
30	Operating Rev For Return:	83,632,236	1,181,369	(7,553,211)	(612,499)	5,509,265	82,157,160
31							
32	Rate Base:						
33	Electric Plant In Service	2,408,541,689	-	335,866,633	-	335,866,633	2,744,408,321
34	Plant Held for Future Use	467,185	-	-	-	-	467,185
35	Misc Deferred Debits	392,247	-	-	(489,243)	(489,243)	(96,997)
36	Elec Plant Acq Adj	115,844	-	-	-	-	115,844
37	Nuclear Fuel	-	-	-	-	-	-
38	Prepayments	0	-	-	-	-	0
39	Fuel Stock	0	-	-	-	-	0
40	Material & Supplies	0	-	-	-	-	0
41	Working Capital	29,873,668	-	-	-	-	29,873,668
42	Weatherization	3,312	-	-	-	-	3,312
43	Misc Rate Base	-	-	-	-	-	-
44	Total Electric Plant:	2,439,393,945	-	335,866,633	(489,243)	335,377,389	2,774,771,334
45							
46	Rate Base Deductions:						
47	Accum Prov For Deprec	(1,005,501,106)	-	(51,320,415)	-	(51,320,415)	(1,056,821,521)
48	Accum Prov For Amort	(64,932,897)	-	(4,541,117)	-	(4,541,117)	(69,474,014)
49	Accum Def Income Tax	(164,955,908)	-	2,299,204	(21,538,852)	120,288	(184,075,268)
50	Unamortized ITC	(14,943)	-	-	-	-	(14,943)
51	Customer Adv For Const	(7,825,157)	-	-	-	-	(7,825,157)
52	Customer Service Deposits	(408,391)	-	-	-	-	(408,391)
53	Misc Rate Base Deductions	(95,331,195)	-	(5,933,675)	2,598,391	(3,335,284)	(98,666,479)
54							
55	Total Rate Base Deductions	(1,338,969,598)	-	(59,496,003)	(18,940,461)	120,288	(1,417,285,773)
56							
57	Total Rate Base:	1,100,424,347	-	276,370,630	(18,940,461)	(368,955)	1,357,485,561
58							
59	Return on Equity	10.30%	0.20%	-4.06%	0.14%	0.97%	7.27%
60	Price Change	26,763,219	(1,571,346)	37,984,330	(1,099,966)	(7,365,201)	27,947,817
61							
62	TAX CALCULATION:						
63	Operating Revenue	72,076,690	1,495,404	(9,396,198)	(1,882,727)	7,011,258	(2,772,263)
64	Other Deductions	-	-	-	-	-	-
65	Interest (AFUDC)	(3,636,275)	-	-	-	-	(3,636,275)
66	Interest	25,573,246	-	-	5,973,959	-	31,547,204
67	Schedule "M" Additions	102,431,859	-	289,966	10,157,136	-	112,878,961
68	Schedule "M" Deductions	113,644,046	-	3,920,520	16,975,739	826,093	135,366,398
69	Income Before Tax	38,927,532	1,495,404	(13,026,753)	(14,675,288)	6,185,165	18,906,060
70							
71	State Income Taxes	-	-	-	-	-	-
72	Taxable Income	38,927,532	1,495,404	(13,026,753)	(14,675,288)	6,185,165	18,906,060
73							
74	Federal Income Taxes + Other	(8,843,792)	314,035	(2,735,618)	(3,081,811)	1,298,885	(13,048,301)