

Exhibit No. ____ (DPK-9)
Docket No. UE-050684
Witness: Danny P. Kermode

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP, d/b/a Pacific Power &
Light Company, Respondent.**

DOCKET NO. UE-050684

**EXHIBIT TO
TESTIMONY OF**

Danny P. Kermode

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

RE: PACIFICORP GENERAL RATE CASE

*Excerpt from the Commission's Fourth Supplemental Order in WUTC v. Pacific Power &
Light Co., Cause No. U-86-02 (September 19, 1986), pages 1, 7 and 21*

November 3, 2005

SEP 19 1986

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION)
))
Complainant,)
))
vs.)
))
PACIFIC POWER & LIGHT)
COMPANY,)
))
Respondent.)
.)

CAUSE NO. U-86-02

SECOND SUPPLEMENTAL ORDER

PROCEEDING: On December 17, 1985, Pacific Power & Light Company, hereinafter referred to as "respondent", "company", or "PP&L", filed tariff revisions (UTF 85-387) designed to produce a general increase in its rates and charges for electric service in the state of Washington in the approximate amount of \$13 million. The tariff filings were suspended by Commission order issued January 15, 1986.

HEARINGS: Hearings were held before Chairman Sharon L. Nelson, Commissioner Robert W. Bratton, Commissioner Richard D. Casad, and Administrative Law Judge Alice L. Haenle of the Office of Administrative Hearings, pursuant to due and proper notice to all interested parties. Hearings were held in Olympia on February 14, May 5, 6 and 7, July 7, 8 and 9, and August 4 and 5, 1986. Hearings for the purpose of taking testimony from members of the public were held in Walla Walla on July 16 and in Yakima on July 17, 1986.

APPEARANCES: Respondent was represented by Leonard A. Girard, Leslie K. Bonnie, and Marcus Wood, attorneys at law, Portland, Oregon. The staff of the Washington Utilities and Transportation Commission was represented by Robert Cedarbaum and Marjorie Schaer, assistant attorneys general, Olympia. The general public was represented by Robert F. Manifold and Charles F. Adams, assistant attorneys general, Seattle. Intervenor Washington Industrial Committee for Fair Utility Rates (WICFUR) was represented by David H. Lohman, attorney at law, Portland, Oregon. Intervenor Public Power Council was represented by Paul J. Kaufman, attorney at law, Portland, Oregon. Intervenor Bonneville Power Administration (BPA) was represented by C. Clark Leone and Jeffery M. Kronick, attorneys at law by Charles V. Maichel, chief of forecasting and intervention, Portland, Oregon. Intervenor Western States

TABLE II
Pacific Power & Light Company
Uncontested Adjustments
Net Operating Income
(Thousands of Dollars)

<u>Description</u>	<u>Column Reference Exhibit 146</u>	<u>Amount</u>
Uncontested Adjustments	(B)	
Booking Adjustment	(C)	(2,115)
Normalize Revenues	(D)	8,132
Production Cost Study-		
Centralia	(E)	1,079
Colstrip	(F)	(296)
D. Johnston	(G)	(272)
Wyodak	(I)	133
Trojan	(J)	(4)
Idaho	(K)	617
Other	(L)	(13,825)
Property/Casualty Ins.	(N)	(327)
Weatherization	(O)	60
FICA	(P)	(23)
Tax Depreciation Update	(Q)	196
Malin Midpoint	(R)	196
Depreciation Plant Update	(T)	(233)
Uncol. Exp. Adj.	(W)	93
Revenue Fee Adj.	(X)	58
Misc. FIT Adj.	(Y)	503
ITC Adjustment	(Z)	(720)
Colstrip/Black Hills	(AC)	(582)
Pro Forma WDSI	(AE)	208
Colstrip 3 Disallowance	(AG)	141
Remove AFUDC--CWIP	(AH)	36
Bridger Scrubber	(AI)	(298)
		<u>\$ (7,243)</u>

TABLE V
Pacific Power & Light Company
Comparison of Staff & Company
Restating Actual and Pro Forma Adj.
Rate Base
(Thousands of Dollars)

<u>Description</u>	<u>Column Reference</u>	<u>Staff</u>	<u>Company</u>	<u>Difference</u>
Rate Base Actual		<u>\$326,342</u>	<u>\$326,342</u>	<u>\$ 0</u>
Uncontested Adjustments				
Production Cost Adj.-- Trojan	(J)	\$ (4)	\$ (4)	\$ 0
Production Cost Adj.-- Other	(L)	815	815	0
Tax Depreciation Update	(Q)	(7)	(7)	0
Malin Midpoint Adj. Depreciation Plant Update	(R)	(6,064)	(6,064)	0
ITC Adjustment	(T)	(66)	(66)	0
Alloc. Error Cor.	(Z)	39	39	0
Plant Held Future Use	(AA)	(72)	(72)	0
Colstrip/Black Hills Adj.	(AB)	(357)	(357)	0
Remove AFUDC CWIP/ Colstrip 4	(AC)	(18,618)	(18,618)	0
Bridger Scrubber	(AH)	(1,256)	(1,256)	0
	(AI)	<u>7,813</u>	<u>7,813</u>	<u>0</u>
Total Uncontested Adj.		<u>\$ (17,777)</u>	<u>\$ (17,777)</u>	<u>\$ 0</u>
Contested Adjustments				
Depreciation Reserve Adj. Colstrip 4	(V)	\$ (1,333)	\$ (952)	\$ (381)
	(AF)	<u>20,708</u>	<u>20,708</u>	<u>0</u>
Total Contested Adj.		<u>\$ 19,375</u>	<u>\$ 19,756</u>	<u>\$ (381)</u>
Rate Base Adjusted		<u>\$327,940</u>	<u>\$328,321</u>	<u>\$ (381)</u>