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January 28, 2015

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Attn: Steven V. King
Executive Director and Secretary

RE: UE-140762—Final Joint Issues List

Pacific Power & Light Company submits for filing the final joint issues list in the above-referenced proceeding. The issues list has been updated from the issues list filed on December 11, 2014, to reflect three items agreed to by Commission Staff after the list was filed. The attached list is the same as the version provided to Administrative Law Judge Moss at the hearing.

Please direct any informal inquiries regarding this filing to Natasha Siores, Director, Regulatory Affairs & Revenue Requirement, at (503) 813-6583.

Sincerely,

R. Bryce Dalley
Vice President, Regulation

Enclosures

cc: Service List UE-140762

CERTIFICATE OF SERVICE

I hereby certify that I have this day served this document upon all parties of record in this proceeding by electronic mail and/or Overnight Delivery.

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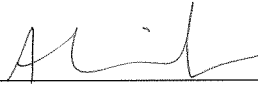
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DATED at Portland, OR this 28th of January, 2015.



Amy Eissler
Coordinator, Regulatory Operations

**PACIFICORP GENERAL RATE CASE DOCKET UE-140762
ISSUES MATRIX – DECEMBER 11, 2014**

ISSUE	PACIFIC POWER Initial Filing	PACIFIC POWER Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL—REVISED	BOISE WHITE PAPER	THE ENERGY PROJECT	THE ALLIANCE FOR SOLAR CHOICE	WAL-MART STORES, INC.
Overall Revenue/ Rate Increase	\$27,201,266 8.5%	\$31,938,957 9.9%	\$7,740,733 2.41%	\$11,126,556* (*Reduced to \$1,126,556 if the current WCA approach confirmed in UE-130043, Order 05, is applied.)	\$(2,736,141) -0.85%			
Capital Structure and Cost of Capital	<p>Capital Structure Short-term Debt: 0.19% Long-term Debt: 48.06% Preferred Stock: 0.02% Common Equity: 51.73% Cost of Capital: Short-term Debt: 1.73% Long-term Debt: 5.19% Preferred Stock: 6.75% Common Equity: 10.00% Overall Rate of Return: 7.67% Capital structure, cost of debt, and cost of preferred stock are addressed in Exhibit No. BNW- 1T. Cost of common equity is addressed in Exhibit No. KGS- 1T.</p>	<p>Capital Structure <u>No change from initial filing.</u> Short-term Debt: 0.19% Long-term Debt: 48.06% Preferred Stock: 0.02% Common Equity: 51.73% Cost of Capital: Short-term Debt: 1.73% Long-term Debt: 5.19% Preferred Stock: 6.75% Common Equity: 10.00% Overall Rate of Return: 7.67% Rebuttal capital structure, cost of debt, and cost of preferred stock are addressed in Exhibit No. BNW-16T. Rebuttal cost of common equity is addressed in Exhibit No. KGS-17T.</p>	<p>Capital Structure Long-term Debt: 50.62% Preferred Stock: 0.028% Common Equity: 49.10% Cost of Capital: Long-term Debt: 5.19% Preferred Stock: 6.75% Common Equity: 9.0 - 9.5% Overall Rate of Return: 7.07 - 7.31% Capital Structure; same as the one approved by the Commission in the last rate case in UE-130043, Order 05. Cost of debt, equity and preferred stock are addressed in David Parcell’s Exhibit No. DCP-1T.</p>	<p>Capital Structure Short-term Debt: 0.19% Long-term Debt: 49.1% Preferred Stock: 0.2% Common Equity: 50.69% Cost of Capital: Short-term Debt: 2.11% Long-term Debt: 5.19% Preferred Stock: 6.75% Common Equity: 8.90% Overall Rate of Return: 7.01% Capital Structure, Cost of debt, equity and preferred stock are addressed in testimony and exhibits of Stephen G. Hill.</p>	<p>Capital Structure Long-term Debt: 50.69% Short-term Debt: 0.19% Preferred Stock: 0.02% Common Equity: 49.10% Cost of Capital: Long-term Debt: 5.19% Short-term Debt: 1.73% Preferred Stock: 6.75% Common Equity: 9.30% Overall Rate of Return: 7.20% Cost of debt, equity and preferred stock are addressed in Michael P. Gorman’s Exhibit No. MPG-1T.</p>			
Revenue Requirement Adjustments to Operating Revenues (Tab 3 of Exhibit No. NCS-3 and Exhibit No. NCS-11)								
3.1 Temperature Normalization	<p>This adjustment normalizes revenues by comparing actual sales to temperature normalized sales. Temperature normalization is calculated consistently with the Commission-approved method in the Company’s previous rate cases, including the 2013 rate case, Docket UE-130043. Decreases NOI by \$3,700,295. Exhibit No. NCS-3, Page 3.0; Total, line 30.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$3,700,295. Exhibit No. NCS-11, Page 1.7, column 3.1.</p>	Uncontested					

ISSUE	PACIFIC POWER Initial Filing	PACIFIC POWER Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL—REVISED	BOISE WHITE PAPER	THE ENERGY PROJECT	THE ALLIANCE FOR SOLAR CHOICE	WAL-MART STORES, INC.
3.2 <i>Revenue Normalization</i>	This adjustment removes revenue items that should not be included in regulatory results. Decreases NOI by \$4,827,930. Exhibit No. NCS-3, Page 3.0; Total, line 30.	<u>No change from initial filing.</u> Decreases NOI by \$4,827,930. Exhibit No. NCS-11, Page 1.7, column 3.2.	Uncontested					
3.3 <i>Effective Price Change</i>	This adjustment normalizes retail revenues for known and measurable changes after December 2013. Increases NOI by \$11,066,786. Exhibit No. NCS-3, Page 3.0; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$11,066,786. Exhibit No. NCS-11, Page 1.7, column 3.3.	Uncontested					
3.4 <i>SO2 Emission Allowance Sales</i>	This adjustment removes sales revenue booked during the 12 months ended December 2013 and includes amortization of sales over a five-year period, consistent with Order 06 in Docket UE-100749. Increases NOI by \$481,473. Decreases rate base by \$249,925. Exhibit No. NCS-3, Page 3.0; Totals, lines 30 and 57	<u>No change from initial filing.</u> Increases NOI by \$481,473. Decreases rate base by \$249,925. Exhibit No. NCS-11, Page 1.7, column 3.4.	Uncontested					
3.5 <i>Renewable Energy Credit and Renewable Energy Attribute Revenue</i>	This adjustment removes REC/REA revenues recorded during the 12 months ended December 2013. Consistent with Order 06 in Docket UE-100749, REC revenues are passed back to customers through a separate tariff rider effective April 2011. Decreases NOI by \$1,464,670. Exhibit No. NCS-3, Page 3.0; Total, line 30.	<u>No change from initial filing.</u> Decreases NOI by \$1,464,670. Exhibit No. NCS-11, Page 1.7, column 3.5.	Uncontested					
3.6 <i>Wheeling Revenue Adjustment</i>	This adjustment reflects known and measurable changes to wheeling revenues for the 12 months ended December 2013. Decreases NOI by \$225,695. Exhibit No. NCS-3, Page 3.0; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$225,695. Exhibit No. NCS-11, Page 1.7, column 3.6.	Uncontested					

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3.7 <i>Ancillary Revenue</i>	This adjustment reflects known and measurable changes to ancillary revenues for the Seattle City Light Contract for the 12 months ending March 2016. Increases NOI by \$26,862. Exhibit No. NCS-3, Page 3.0.1; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$26,862. Exhibit No. NCS-11, Page 1.7, column 3.7.	Uncontested					
3.8 <i>Schedule 300 Changes</i>	This adjustment reflects proposed changes associated with Schedule 300. Increases NOI by \$55,085. Exhibit No. NCS-3, Page 3.0.1; Total, line 30.	<u>This adjustment has been revised in rebuttal.</u> The Company withdrew its proposed adjustment associated with proposed disconnection/reconnection changes, with exception of the Tampering/Unauthorized Reconnect Charge changes, which were uncontested. Increases NOI by \$925. Exhibit No. NCS-11, Page 1.8, column 3.8.	Staff opposes the Company's proposed increases to charges on its Schedule 300. No adjustment to actual. Roger Kouchi Exhibit No. RK-1T, Page 11.	The Company's proposed changes associated with Schedule 300 should be rejected. Decreases adjusted NOI by \$55,086. Revised Exhibit No. DMR-2, line 12 and Revised Exhibit No. DMR-3, p. 4, line 28. Exhibit No. SAJ-1T, p. 12.		The Energy Project opposes PacifiCorp's proposed Schedule 300 customer charges. Charles M. Eberdt (Exh. No.CME-1T), pp. 5-13.		
3.9 <i>Wind Wake Loss Revenues</i>	This adjustment adds forecast indemnity payments for lost renewable energy credits and production tax credits during the 12 months ending March 2016. Increases NOI by \$16,828. Exhibit No. NCS-3, Page 3.0.1; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$16,828. Exhibit No. NCS-11, Page 1.89 column 3.9.	Uncontested					
Operation and Maintenance (O&M) Expense Revenue Requirement Adjustments (Tab 4 of Exhibit No. NCS-3 and Exhibit No. NCS-11)								
4.1 <i>Miscellaneous General Expense Adjustment</i>	This adjustment removes certain miscellaneous expenses and revenues that should not be included in regulated results. Increases NOI by \$14,374. Exhibit No. NCS-3, Page 4.0; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$14,374. Exhibit No. NCS-11, Page 1.8, column 4.1.	Uncontested					

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<p>4.2 <i>General Wage Increase— Restating Adjustment</i></p>	<p>This restating adjustment annualizes wage increases that occurred during the 12 months ended December 2013. This adjustment also removes SERP expenses from the test period. Increases NOI by \$30,934. Exhibit No. NCS-3, Page 4.0; Total, line 30.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$30,933. Exhibit No. NCS-11, Page 1.8, column 4.2.</p>	<p>Uncontested</p>	<p>See 4.3, below</p>				
<p>4.3 <i>General Wage Increase— Pro Forma Adjustment</i></p>	<p>This adjustment recognizes wage increases that have occurred or are projected to occur during the 12 months ending March 2016. Decreases NOI by \$801,979. Exhibit No. NCS-3, Page 4.0; Total, line 30.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$801,979. Exhibit No. NCS-11, Page 1.8, column 4.3.</p>	<p>Uncontested</p>	<p>Public Counsel recommends four separate adjustments to the proposed labor costs, identified below: The wage increases should be limited to the known and measurable increases occurring by December 31, 2014. Increases adjusted NOI by \$443,699. Labor costs should be reduced to reflect the known and measurable reduction in employees that occurred during the test year and subsequent through June 2014. Increases adjusted NOI by \$245,463. Pension expense should be reduced to reflect the known and measurable changes based on the most recent actuarial report. Increases adjusted NOI by \$495,005. OPEB expense should be reduced to reflect the known and measurable changes based on the most recent actuarial report. Increases adjusted NOI by \$65,466. Revised Exhibit No. DMR-3, p. 3, line 28 and Revised Exhibit No. DMR-2, lines 6–9. Revised Exhibit No. DMR-1CT, pp.19-29.</p>				

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4.4 <i>Irrigation Load Control Program</i>	This adjustment situs assigns to Idaho payments made to Idaho irrigators as part of the Idaho Irrigation Load Control Program. Increases NOI by \$3,471. Exhibit No. NCS-3, Page 4.0; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$3,471. Exhibit No. NCS-11, Page 1.8, column 4.4.	Uncontested					
4.5 <i>Remove Non-Recurring Entries</i>	This adjustment removes a variety of accounting entries made to expense accounts during the 12 months ended December 2013 that are non-recurring or relate to a prior period. Decreases NOI by \$101,034. Exhibit No. NCS-3, Page 4.0; Total, line 30.	<u>No change from initial filing.</u> Decreases NOI by \$101,034. Exhibit No. NCS-11, Page 1.8, column 4.5.	Uncontested					
4.6 <i>DSM Revenue and Expense Removal</i>	This adjustment removes demand-side management (DSM) revenues and expenses from regulated results because they are recovered through a separate tariff rider (Schedule 191). Increases NOI by \$6,923,689. Exhibit No NCS-3, Page 4.0; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$6,923,689. Exhibit No. NCS-11, Page 1.8, column 4.6.	Uncontested					
4.7 <i>Insurance Expense</i>	This adjustment replaces the base period liability and property damage expense with a six-year average consistent with the Company's last two general rate cases (Dockets UE-111190 and UE-130043). Increases NOI by \$1,590,633. Exhibit No. NCS-3, Page 4.0.1; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$1,590,633. Exhibit No. NCS-11, Page 1.9, column 4.7.	Staff calculates a rolling six-year average insurance expense using the 2007 insurance expense level of \$10,087,289 in place of the 2012 insurance expense level used by the Company of \$30,859,248. Increases NOI by \$1,744,866. Jason Ball Exhibit No. JLB-1T, Page 13 and Exhibit No. JLB-3.	Prior to calculating the six-year average liability and property damage expense, the 2012 amount should be reduced by an additional \$20,000,000 to remove the large single year anomaly and to remove several specific items discussed in Ms. Ramas' confidential testimony. Increases adjusted NOI by \$148,504. Revised Exhibit No. DMR-2, line 11 and Revised Exhibit No. DMR-3, p. 4, line 28. Revised Exhibit No. DMR-1CT, pp. 31-35.				

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4.8 <i>Advertising Expense</i>	This adjustment situs assigns system-allocated advertising expenses incurred during the 12 months ended December 2013 attributable to a specific jurisdiction. Increases NOI by \$261. Exhibit No. NCS-3, Page 4.0.1; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$261. Exhibit No. NCS-11, Page 1.9, column 4.8.	Uncontested					
4.9 <i>Memberships and Subscriptions</i>	This adjustment situs assigns membership and subscription expenses incurred during the 12 months ended December 2013 attributable to a specific state. Decreases NOI by \$973. Exhibit No. NCS-3, Page 4.0.1; Total, line 30.	<u>No change from initial filing.</u> Decreases NOI by \$973. Exhibit No. NCS-11, Page 1.9, column 4.9.	Uncontested					
4.10 <i>Uncollectible Expenses</i>	This adjustment normalizes the Company's actual December 2013 uncollectible expense using a four-year average, consistent with Docket UE-130043. Decreases NOI by \$274,576. Exhibit No. NCS-3, Page 4.0.1; Total, line 30.	<u>No change from initial filing.</u> Decreases NOI by \$274,576. Exhibit No. NCS-11, Page 1.9, column 4.10.	Uncontested					
4.11-4.11.1 <i>Legal Expenses</i>	This 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 \$139,979. Exhibit No. NCS-3, Page 4.0.1; Total, line 30.	<u>This adjustment has been revised in rebuttal.</u> This revised adjustment reflects the removal of certain legal expenses as agreed to in the Company's response to Boise Data Request 8.4. Decreases NOI by \$60,983. Exhibit No. NCS-11, Page 1.9, columns 4.11- 4.11.1.	Uncontested					
4.12 <i>Collection Agency Fees</i>	This adjusts Collection Agency Fee expenses to reflect expected savings resulting from the Company's proposed changes. Increases NOI by \$27,339. Exhibit No. NCS-3, Page 4.0.1; Total, line 30.	<u>This adjustment has been revised in rebuttal.</u> The Company withdrew its proposed adjustment associated with Collection Agency Fees. Increases NOI by \$0. Exhibit No. NCS-11, Page 1.9, column 4.12.	Staff opposes the Company's proposed new language to Rule 11D in its tariff which would make individual customers responsible for paying collection agency costs associated with the collection of their unpaid debt. No change to NOI. Roger Kouchi Exhibit No. RK-1T.	The Company's proposed changes in Collection Agency Fees should be rejected. Decreases adjusted NOI by \$27,339. Revised Exhibit No. DMR-2, line 13 and Revised Exhibit No. DMR-3, p. 4, line 28. Exhibit No. SAJ-1T, p. 12.		The Energy Project opposes PacifiCorp's proposed changes to Rule 11D altering the method by which the Company recovers collection costs associated with unpaid debt from customers. Charles M. Eberdt (Exh. CME-1T), pp. 13-21.		

ISSUE	PACIFIC POWER Initial Filing	PACIFIC POWER Rebuttal Filing	COMMISSION STAFF	PUBLIC COUNSEL—REVISED	BOISE WHITE PAPER	THE ENERGY PROJECT	THE ALLIANCE FOR SOLAR CHOICE	WAL-MART STORES, INC.
<p>4.13 <i>IHS Global Insight Escalation</i></p>	<p>This adjustment applies IHS Global Insight indices to escalate December 2013 to reflect anticipated cost levels for the rate effective period. Decreases NOI by \$936,191. Exhibit No. NCS-3, Page 4.0.2; Total, line 30.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> This adjustment is revised to reflect the removal the change in legal expenses noted in revised Adjustment 4.11. Decreases NOI by \$931,911. Exhibit No. NCS-11, Page 1.10, columns 4.13.1–4.13.5.</p>	<p>Staff opposes the Company’s use of IHS indices to escalate non-labor and non-power cost related O&M expenses. No change to NOI. Jason Ball Exhibit No. JLB-1T, Page 15; Exhibit No. JLB-5 and Exhibit No. JLB-6C.</p>	<p>The Company’s proposed post-test year pro forma adjustment to escalate non-labor and non-NPC expenses by IHS Global Insight indices should be rejected. Increases NOI by \$936, 190. Revised Exhibit No. DMR-2, line 10 and Revised Exhibit No. DMR-3, p. 4, line 28. Revised Exhibit No. DMR-1CT, p. 29-31</p>	<p>Oppose. Eliminating this adjustment will reduce the Washington revenue requirement deficiency by \$1.5 million. Increases NOI by \$936,191. Exh. No.__(BGM-1CT) at 18.</p>			
<i>Net Power Costs Revenue Requirement Adjustments (Tab 5 of Exhibit No. NCS-3 and Exhibit No. NCS-11)</i>								
<p>5.1 <i>Net Power Costs—Restating</i></p>	<p>The net power cost 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 temperature conditions on a west control area basis to reflect normalized power costs for the 12 months ended December 2013. Increases NOI by \$7,484,568. Exhibit No. NCS-3, Page 5.0; Total, line 30.</p>	<p><u><i>No change from initial filing.</i></u> Increases NOI by \$7,484,568. Exhibit No. NCS-11, Page 1.10, column 5.1.</p>	<p>Uncontested</p>					

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<p>5.1.1 <i>Net Power Costs—Pro Forma</i></p>	<p>The net power cost adjustment projects 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 to reflect normalized power costs for the 12 months ending March 2016. Decreases NOI by \$5,539,983. Exhibit No. NCS-3, Page 5.0; Total, line 30.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> This revised adjustment reflects an update to the pro forma net power costs as stated in the Company’s rebuttal testimony. Decreases NOI by \$9,066,299. Exhibit No. NCS-11, Page 1.10, column 5.1.1.</p>	<p>Staff opposes the Company’s renewed proposal to allocate to Washington ratepayers the full cost of Oregon and California QF PPAs previously rejected by the Commission in Docket UE-130043, Order 05. Increases NOI by \$590,409. David Gomez Exhibit No. CT DCG-1CT, Page 5; Exhibit No. DCG-2; Exhibit No. DCG-3 and Exhibit No. DCG-4.</p>	<p>Public Counsel is supportive of the Commission’s findings in Order 05 of UE-130043. Ms. Ramas does not opine on the appropriate allocation of the QF PPAs, but does provide the revenue requirement that would result if the current WCA approach is applied (i.e. a \$10 M reduction from \$11.1M to 1.1M). Revised Exhibit No. DMR-1CT, pp. 4-5. Revised Exhibit No. DMR-2, line 16 for QF PPA adjustment.</p>	<p>Oppose. Collectively, proposed power cost adjustments result in a \$16.7 million reduction to the proposed Washington revenue requirement deficiency. Increase NOI by \$10,363,888. Exh. No. ____ (BGM-1CT) at 21-53. Power Cost Adjustments: a. Out-of-State Qualifying Facility Resources. The Commission should continue to require the Company to allocate the costs of qualifying facility (“QF”) resources on a situs-basis, in accordance with Order 05 in the Company’s 2013 General Rate Case, Docket No. UE-130043 (“2013 GRC”). Removing costs associated with out-of-state QF resources in the Company’s filing reduces NPC by \$43.3 million on a Western Control Area (“WCA”) basis, with \$10.0 million allocated to Washington. b. Interregional EIM Dispatch Benefits. The Commission should require the Company to include in NPC the interregional dispatch benefits expected in relation to its participation in the EIM. These benefits reflect reduced transactional friction between the Company and the California Independent System Operator (“Cal-ISO”) resulting in a \$4.0 million reduction to WCA NPC, with \$913,257 allocated to Washington.</p>			

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5.2 <i>James River Royalty Offset</i>	This adjustment adds the royalty offset to FERC account 456 associated with the James River/Georgia Pacific contract for the 12 months ending March 2016. Increases NOI by \$441,934. Exhibit No. NCS-3, Page 5.0; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$441,934. Exhibit No. NCS-11, Page 1.11, column 5.2.	Uncontested					
5.3 <i>Colstrip Unit #3 Removal</i>	This adjustment removes the Colstrip #3 plant investments and associated costs from the test period in compliance with the Commission's order in Cause No. U-83-57. Increases NOI by \$314,399. Decreases rate base by \$8,567,345. Exhibit No NCS-3, Page 5.0; Total, line 30.	<u>No change from initial filing.</u> Increases NOI by \$314,399. Decreases rate base by \$8,567,345. Exhibit No. NCS-11, Page 1.11, column 5.3.	Uncontested					
<i>Renewable Resource Tracking Mechanism (RRTM)</i>	The Company proposes a RRTM to collect or credit differences between the value of resources included in Washington rates and eligible to comply with Washington's renewable portfolio standard, established in the Energy Independence Act, and the actual value of these resources used to serve Washington customers. Exhibit No. GND-1CT, Page 38.	<u>No change from initial filing.</u> Addressed in rebuttal in Exhibit No. GND-4T, Page 51.	Staff recommends the Commission reject the Company's proposed Mechanism. Jeremy Twitchell Exhibit No. JBT-1T, Page 5 and Exhibit No. JBT-2.	The Company's proposed RRTM should be rejected. Revised Exhibit No. DMR-1CT, p. 36.	Oppose. The Commission should reject the Company's proposal for a renewable resource tracking mechanism ("RRTM") to track the market value associated with RPS resources. The mechanism is conceptually and structurally flawed and does not accurately isolate the costs associated with RPS resources. Exh. No.__(BGM-1CT) at 53.			

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Hydro Deferral Petition Docket UE-140094	The Company seeks authorization to defer costs associated with fluctuations in hydro generation. PacifiCorp also requests that it be allowed to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital (7.36 percent) most recently approved by the Commission in Docket No. UE-130043. Docket UE-140094, PacifiCorp's Petition for an Accounting Order.	The Company's proposal has not changed from initial filing. However, the deferral amount proposed for amortization was updated to reflect the most recent net power cost information. Exhibit No. NCS-10T, page 26, Table 1.	Staff opposes the Company's petition and recommends the Commission reject it in its entirety. David Gomez Exhibit No. CT DCG-1CT, Page 16	The proposed low hydro deferral should be disallowed and not recovered from Washington ratepayers. Revised Exhibit No. DMR-1CT, p. 42	Oppose. The Commission should reject the Company's proposal for deferred accounting treatment related to poor hydro conditions in 2014. Hydro conditions have not, in fact, been poor in 2014. The Company's power cost forecasts also represent median hydro conditions, so it would be inappropriate to grant a one-sided deferral for years with poor hydro conditions, while disregarding years with good hydro conditions. Exh. No. ___(BGM-1CT) at 67-68			
PCAM		Oppose. The Company cannot accept Staff's proposed PCAM in lieu of the RRTM because it insufficiently addresses the issues facing the Company, including the significant variability and unpredictability of renewable generation. Exhibit No. GND-4T, Page 52.	Staff recommends a properly designed PCAM. David Gomez Exhibit No. CT DCG-1CT, Page 18 and Exhibit No. DCG-5C.		Oppose. The Company has not demonstrated that it is possible to accurately calculate actual Washington power costs. In addition the design elements of such a mechanism have not been proposed.			
Depreciation Revenue Requirement Adjustments (Tab 6 of Exhibit No. NCS-3 and Exhibit No. NCS-11)								
6.1 Hydro Decommissioning	This adjustment adjusts the decommissioning expenditures through December 2014 based on the Company's most recent depreciation study, approved in Docket UE-130052. Decreases NOI by \$3,781. Decreases rate base by \$212,765. Exhibit No. NCS-3, Page 6.0; Totals, lines 30 and 57.	<u>No change from initial filing.</u> Decreases NOI by \$3,781. Exhibit No. NCS-11, Page 1.11, column 6.1.	Uncontested					

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6.2-6.2.2 <i>Depreciation and Amortization Reserve to December 2013 Balance</i>	This adjustment restates depreciation and amortization reserve balances from the December 2013 average-of-monthly-averages balance to the December 2013 period-end balance. Decreases rate base by \$6,526,993. Exhibit No. NCS-3, Page 6.0; Total, line 57.	<u><i>This adjustment has been revised in rebuttal.</i></u> This revised adjustment corrects for a formula error in the Company’s initial filing resulting in some adjustment amounts not being properly allocated. Decreases rate base by \$17,976,136. Exhibit No. NCS-11, Page 1.11, column 6.2–6.2.2.	Uncontested		Oppose. See also 8.12. The Commission should reject the Company’s proposal to include end of period (“EOP”) rate base balances in revenue requirement. The Company’s current practice of almost continuous rate cases mitigates the impact of regulatory lag and the need to deviate from the traditional Commission methodology using average of monthly average (“AMA”) rate base balances. This adjustment results in a \$1.8 million reduction to the Company’s revenue requirement. Decrease rate base by \$15,865,718. Exh. No. BGM-1CT at 16.			
6.3-6.3.2 <i>Depreciation Study and Annual Depreciation</i>	This adjustment normalizes the depreciation expense and reserve to reflect the approved depreciation rates in Docket No. UE-130052. It also adjusts for the impact of capital additions that have been added to rate base in adjustment 8.4. Decreases NOI by \$1,249,180. Decreases rate base by \$1,249,180. Exhibit No. NCS-3, Pages 6.0 & 6.0.1; Totals, lines 30 and 57.	<u><i>No change from initial filing.</i></u> Decreases NOI by \$1,249,180. Decreases rate base by \$1,249,180. Exhibit No. NCS-11, Page 1.12, columns 6.3-6.3.2.	Uncontested	Depreciation expense should be reduced to remove the depreciation on three plant retirements that occurred post-test year exceeding the \$250,000 threshold used by the Company for the major plant additions adjustment. Increases adjusted NOI by \$18,306. Revised Exhibit No. DMR-2, line 5 and Revised Exhibit No. DMR-3, p. 3, line 28. Revised Exhibit No. DMR-1CT, p. 17-19				
6.4-6.4.2 <i>Vehicle Depreciation— Depreciation Study¹</i>	This adjustment normalizes depreciation expense to reflect the impact of the depreciation rates approved by the Commission in Docket No. UE-130052. Increases NOI by \$74,724. Decreases rate base by \$143,764. Exhibit No. NCS-3, Pages 6.0.1; Totals, lines 30 and 57.	<u><i>No change from initial filing.</i></u> Increases NOI by \$74,724. Decreases rate base by \$143,764. Exhibit No. NCS-11, Page 1.12, columns 6.4-6.4.2.						

¹ This adjustment was included in the Company’s initial filing but was inadvertently omitted from the issues list.

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6.5 <i>Retired Assets Depreciation Expense Removal—NEW</i>		<u><i>The Company accepts Public Counsel's proposed adjustment noted in 6.3-6.3.2 above.</i></u> The Company accepts Public Counsel's proposed adjustment to include post-test year major plant retirements in determining revenue requirement. Increases NOI by \$17,449. Decreases rate base by \$5,336. Exhibit No. NCS-11, Page 1.13, column 6.5.						
Tax Revenue Requirement Adjustments (Tab 7 of Exhibit No. NCS-3 and Exhibit No. NCS-11)								
7.1 <i>Interest True Up</i>	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 \$87,526. Exhibit No. NCS-3, Page 7.0; Total, line 30.	<u><i>This adjustment has been revised in rebuttal.</i></u> This revised adjustment has been updated for the impacts of other revisions, corrections, and updates made in the calculation of rebuttal revenue requirement. Decreases NOI by \$156,220. Exhibit No. NCS-11, Page 1.13, column 7.1.	Staff's weighted cost of debt results in an increase in NOI of \$339,757.	Pubic Counsel's recommended rate base and weighted cost of debt differ from the amounts proposed by the Company. These differences impact the interest expense required to synchronize the test period expense with rate base. Increases adjusted NOI by \$202,482. Revised Exhibit No. DMR-1CT, p. 35. Revised Exhibit No. DMR-2, line 14 and Revised Exhibit No. DMR-3, p. 4, line 28.				
7.2 <i>Property Tax Expense</i>	This adjustment normalizes the difference between per books accrued property tax expense and pro forma property tax expense. Decreases NOI by \$335,269. Exhibit No. NCS-3, Page 7.0; Total, line 30.	<u><i>This adjustment has been revised in rebuttal.</i></u> Decreases NOI by \$70,366. Exhibit No. NCS-11, Page 1.13, column 7.2.	<u><i>This adjustment has been revised.</i></u> Staff accepts the Company's updated property tax adjustment as set forth in its rebuttal testimony.					

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<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.</p> <p>Increases NOI by \$661,917. Exhibit No. NCS-3, Page 7.0; Total, line 30.</p>	<p><u>No change from initial filing.</u> Increases NOI by \$661,917. Exhibit No. NCS-11, Page 1.13, column 7.3.</p>	<p>Uncontested</p>					
<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.</p> <p>Decreases rate base by \$1,637,024. Exhibit No. NCS-3, Page 7.0; Total, line 57.</p>	<p><u>No change from initial filing.</u> Decreases rate base by \$1,637,024. Exhibit No. NCS-11, Page 1.13, column 7.4.</p>	<p>Uncontested</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 2014 authorized credit amount, per a July 2013 letter from the Washington Department of Revenue.</p> <p>Decreases NOI by \$25,873. Exhibit No. NCS-3, Page 7.0; Total, line 30.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$25,873. Exhibit No. NCS-11, Page 1.13, column 7.5.</p>	<p><u>Withdrawn.</u> Staff accepts the Company's Low-Income Tax Credit adjustment as set forth in its direct testimony.</p>					

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<p>7.6-7.6.1 <i>Washington Flow-Through Adjustment</i></p>	<p>This adjustment reflects the removal of the December 2013 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.</p> <p>Increases NOI by \$407,649.</p> <p>Decreases rate base by \$9,662,969.</p> <p>Exhibit No. NCS-3, Page 7A & 7.0.1; Totals, lines 30 and 57.</p>	<p><u>No change from initial filing.</u></p> <p>Increases NOI by \$407,649.</p> <p>Decreases rate base by \$9,662,969.</p> <p>Exhibit No. NCS-11, Page 1.13–1.14, columns 7.6–7.6.1.</p>	<p>Uncontested</p>					
<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.</p> <p>Increases NOI by \$493,727.</p> <p>Increases rate base by \$246,864.</p> <p>Exhibit No. NCS-3, Page 7.0 .1; Total, lines 30 and 57.</p>	<p><u>This adjustment has been revised in rebuttal.</u></p> <p>This revised adjustment has been updated to reflect changes and updates incorporated in the Company’s revised pro forma plant additions adjustment (8.4).</p> <p>Increases NOI by \$493,334.</p> <p>Increases rate base by \$246,667.</p> <p>Exhibit No. NCS-11, Page 1.14, column 7.7.</p>	<p>Uncontested</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.</p> <p>Increases NOI by \$524,709.</p> <p>Exhibit No. NCS-3, Page 7.0 .1; Total, line 30.</p>	<p><u>No change from initial filing.</u></p> <p>Increases NOI by \$524,709.</p> <p>Exhibit No. NCS-11, Page 1.14, column 7.8.</p>	<p>Uncontested</p>					

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<i>Rate Base Revenue Requirement Adjustments (Tab 8 of Exhibit No. NCS-3 and Exhibit No. NCS-11)</i>								
<p>8.1 Jim Bridger Mine Rate Base Adjustment</p>	<p>PacifiCorp 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 December 30, 2013.</p> <p>Decreases NOI \$138,615 Increases rate base by \$26,734,872. Exhibit No. NCS-3, Page 8.0; Total, line 57.</p>	<p><u>No change from initial filing.</u> Decreases NOI \$138,615 Increases rate base by \$26,734,872. Exhibit No. NCS-11, Page 1.14, column 8.1.</p>	<p>Uncontested</p>					

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<p>8.2 <i>Environmental Remediation Adjustment</i></p>	<p>On April 27, 2005, in Docket UE-031658, the Commission authorized the Company to 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 10-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 under the Commission's 2005 order. Decreases NOI by \$171,517. Decreases rate base by \$250,034. Exhibit No. NCS-3, Page 8.0; Totals, lines 30 and 57.</p>	<p><u><i>No change from initial filing.</i></u> Decreases NOI by \$171,517. Decreases rate base by \$250,034 Exhibit No. NCS-11, Page 1.14, column 8.2.</p>	<p>Uncontested</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 adjustment corrects the allocation of customer advances for construction in the account. Decreases rate base by \$481,414. Exhibit No. NCS-3, Page 8.0; Total, line 57.</p>	<p><u><i>No change from initial filing.</i></u> Decreases rate base by \$481,414. Exhibit No. NCS-11, Page 1.14, column 8.3.</p>	<p>Uncontested</p>					

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<p>8.4-8.4.1 <i>Pro-Forma Major Plant Additions</i></p>	<p>This adjustment places into rate base west-side plant additions greater than \$250K on a Washington-allocated basis from January 2014 to March 2015 using ending balances. This adjustment also incorporates the associated depreciation expense and accumulated reserve impacts. Decreases NOI by \$633,488. Increases rate base by \$37,099,265. Exhibit No. NCS-3, Page 8.0; Total, lines 30 and 57.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> Decreases NOI by \$599,629. Increases rate base by \$37,115,553. Exhibit No. NCS-11, Revised Page 1.14-1.15, columns 8.4-8.4.1. <u><i>Since the company's rebuttal filing, the Company further revises this adjustment by accepting Staff's position.</i></u> As stated in the Company's 1st Supplemental Response to Public Counsel Data Request 130, the Company accepts Staff's proposal to include only those pro forma major capital additions placed in service as of the Company's rebuttal filing. This reduces the Company's revenue requirement by approximately \$1.5 million from the amounts reflected in Company's rebuttal filing.</p>	<p>Staff will support the Company's adjustment provided Pacific Power updates Adjustment 8.4, major plant additions, to reflect actual costs for rate base placed into service. Staff's position reflects the Commission's statements in Order 05 from Docket UE-130043. Betty Erdahl Exhibit No. T BAE-1T, Page 7.</p>	<p>The post-test year major plant additions to include in rate base should be limited to the actual known and measurable costs for the projects actually placed into service. This adjustment incorporates the associated depreciation expense and accumulated reserve impacts. Increases adjusted NOI by \$320,881. Decreases adjusted rate base by \$21,726,982. Revised Exhibit No. DMR-2, line 4 and Revised Exhibit No. DMR-3, p. 3, lines 28 and 51. Revised Exhibit No. DMR-1CT, p. 12</p>	<p>Oppose. The Commission should reject the Company's proposal to include pro-forma capital additions in revenue requirement, with the exception of the Merwin Fish Collector. Removing these expenditures will result in a \$3.8 million reduction to revenue requirement. Increase NOI by \$402,106. Decrease rate base by \$27,077,373. Exh. No.__(BGM-1CT) at 6-16.</p>			
<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. Decreases rate base by \$23,721,364. Exhibit No. NCS-3, Pages 8.0; Total, line 57.</p>	<p><u><i>This adjustment has been revised in rebuttal.</i></u> This revised adjustment removes two additional miscellaneous rate base items that should have been removed in the initial filing. Decreases rate base by \$20,135,895 Exhibit No. NCS-11, Page 1.15, columns 8.5-8.5.1.</p>	<p>Uncontested</p>					

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<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. The Company began amortizing the decommissioning regulatory asset in April 2011 as authorized in dockets. UE-100749 and UE-111190. This adjustment removes the December 2013 operating expense and asset balance associated with the decommissioning of Powerdale and imputes the 12 months ending December 2014 amortization expense and asset balances.</p> <p>Decreases NOI by \$58,361. Increases rate base by \$97,700. Exhibit No. NCS-3, Page 8.0.1; Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$58,361. Increases rate base by \$97,700. Exhibit No. NCS-11, Page 1.15, column 8.6.</p>	<p>Uncontested</p>					
<p>8.7 <i>Removal of Colstrip #4 AFUDC</i></p>	<p>This restating 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.</p> <p>Increases NOI by \$17,991. Decreases rate base by \$360,049. Exhibit No. NCS-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 \$360,049. Exhibit No. NCS-11, Page 1.15, column 8.7.</p>	<p>Uncontested</p>					

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<p>8.8 <i>Trojan Removal Adjustment</i></p>	<p>This 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 \$99,762. Decreases rate base by \$83,643. Exhibit No. NCS-3, Page 8.0.1; Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$99,762. Decreases rate base by \$83,643. Exhibit No. NCS-11, Page 1.15, column 8.8.</p>	<p>Uncontested</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 its final order in Docket UE-061546 and has been included in all subsequent filings. Decreases NOI by \$2,710. Decreases rate base by \$3,361,134. Exhibit No. NCS-3, Page 8.0.1; Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$2,710. Decreases rate base by \$3,361,134. Exhibit No. NCS-11, Page 1.15, column 8.9.</p>	<p>Uncontested</p>					
<p>8.10 <i>Regulatory Asset Amortization</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 recognizes the amortization of the regulatory asset for the 12-months ended December 2013. Decreases NOI by \$1,950,000. Exhibit No. NCS-3, Page 8.0.1; Total, lines 30 and 57.</p>	<p><u>No change from initial filing.</u> Decreases NOI by \$1,950,000. Exhibit No. NCS-11, Page 1.15, column 8.10.</p>	<p>Staff proposes recovery of the net power cost and depreciation expense related to Colstrip outage Merwin and the amount of the Depreciation Deferral from Docket UE-132350 as part of the revenue requirement determination. Decreases NOI by \$2,944,621 Betty Erdahl Exhibit No. T BAE-1T, Page 10 and Exhibit No. BAE-2. Jason Ball Exhibit No. JLB-2, Page 17.</p>					

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<p>8.11 <i>Miscellaneous Asset Sales and Removals</i></p>	<p>This adjusts the Company’s filing for various assets that were sold or removed, including the sale of Snake Creek hydroelectric plant to Heber Light and Power Company, the removal of Deseret Power’s portion of the Hunter unit 2 scrubber and turbine upgrade, the decommissioning of the Condit hydroelectric plant, and the sale of St. Anthony Hydro plant in Idaho. Increases NOI by \$236,963. Exhibit No. NCS-3, Page 8.0.1; Total, line 30.</p>	<p><u>This adjustment has been revised in rebuttal.</u> In the initial filing, accrued hydro decommissioning expenses related to hydro facilities in the amount of \$1.5 million were removed inadvertently as Condit Dam depreciation expense. Upon review, The Company determined that the expenses removed are not related to the Condit Dam. This revised adjustment reflects this correction as identified in the Company’s response to WUTC Data Request 60. Increases NOI by \$4,540. Exhibit No. NCS-11, Page 1.16, column 8.11.</p>	<p>The Company will correct an error in the Condit expense removal in the rebuttal filing.</p>					
<p>8.12–8.12.6 <i>Adjust Average of Monthly Averages (AMA) to Plant Balances as of December 31, 2013</i></p>	<p>This adjustment walks the plant balances from December 2013 AMA to December 2013 year-end. The associated accumulated reserve impacts are accounted for in adjustment 6.2. Increases rate base by \$22,392,711. Exhibit No. NSM-3, Page 8.0.2; Total, line 57.</p>	<p><u>No change from initial filing.</u> Increases rate base by \$22,392,711. Exhibit No. NCS-11, Page 1.16, column 8.12–8.12.6.</p>	<p>Uncontested</p>	<p>Public Counsel is not challenging the Company’s use of end-of-period rate base as a means of addressing the Company’s concerns with regulatory lag and as a means of hopefully mitigating rate case frequency. Revised Exhibit No. DMR-1CT, p. 12.</p>	<p>Oppose. See also 6.2. The Commission should reject the Company’s proposal to include end of period (“EOP”) rate base balances in revenue requirement. The Company’s current practice of almost continuous rate cases mitigates the impact of regulatory lag and the need to deviate from the traditional Commission methodology using average of monthly average (“AMA”) rate base balances. This adjustment results in a \$1.8 million reduction to the Company’s revenue requirement. Decrease rate base by \$15,865,718. Exh. No.__(BGM-1CT) at 16.</p>			

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<p>8.13 <i>Investor Supplied Working Capital</i></p>	<p>This restating adjustment adds cash working capital using the Commission-approved Investor Supplied Working Capital Model (ISWC). Increases rate base by \$31,018,483. Exhibit No. NSM-3, Page 8.0.3; Total, line 57.</p>	<p><u>No change from initial filing.</u> Increases rate base by \$31,018,483. Exhibit No. NCS-11, Page 1.17, column 8.13.</p>	<p>Uncontested</p>					
<p>Production Factor Revenue Requirement Adjustments (Tab 9 of Exhibit No. NCS-3 and Exhibit No. NCS-11)</p>								
<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 \$650,291. Increases rate base by \$286,777. Exhibit No. NCS-3, Page 9.0; Totals, lines 30 and 57.</p>	<p><u>This adjustment has been revised in rebuttal.</u> This revised adjustment is updated for changes in the pro forma major plant additions (Adjustment 8.4), and pro forma net power costs (Adjustment 5.1.1). Decreases NOI by \$677,288. Increases rate base by \$286,904. Exhibit No. NCS-11, Page 1.17, columns 9.1-9.1.1.</p>	<p>Uncontested</p>					

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<i>Pro-forma EIM Costs</i>		Oppose. Exhibit No.__(GND-4T), Page 29-47.			While the Company has not proposed to include any pro-forma costs associated with the Energy Imbalance Market (“EIM”), the Company has forecast that these expenditures will produce material benefits in the rate period. Boise proposes to include both the costs and the benefits of the EIM in this proceeding, thereby preventing a financial windfall to the Company. The costs associated with the EIM increase Washington revenue requirement by \$394,087. Reduce NOI by \$154,162 Increase rate base by \$1,249,105. Exh. No.__(BGM-1CT) at 19.			
<i>Total Adjustments</i>	Increase in NOI of \$7,928,029. Increase in rate base of \$61,369,071. Exhibit No. NCS-3, Page 2.2, column “Washington Adjustments,” lines 33 and 61.	Increase in NOI of \$4,391,194. Increase in rate base of \$53,516,277. Exhibit No. NCS-11, Page 1.4 column “Total Adjustments”, lines 30and 57.	Increase of NOI of \$14,798,008. Increase in rate base of \$61,369,071. Jason Ball Exhibit No. JLB-2, Page 2.	Increase of adjusted NOI of \$12,793,551 Decrease in adjusted rate base of \$21,726,982 Revised Exhibit No. DMR-3, page 3, column “Total Public Counsel Adjustments”, lines 28 and 51; plus Revised Exhibit No. DMR-2, line 16 for PPA with QF adjustment.	Increase in NOI by \$11,548,024. Reduce rate base by \$41,693,986. Exh. No.__(BGM-3)			
<i>Normalized Results of Operations</i>	NOI of \$48,317,807. Rate base of \$849,625,445. Exhibit No. NCS-3, Page 1.0, column 5, lines 30 and 57.	NOI of \$44,780,972. Rate base of \$841,772,649. Exhibit No. NCS-11, Page 1.0, column 5, lines 30 and 57.	NOI of \$55,187,785. Rate base of \$849,625,445. Jason Ball Exhibit No. JLB-2, Page 2.	NOI of \$51,111,357 Rate base of \$827,898,461 Revised Exhibit No. DMR-3, page 1, lines 1 and 2. Also shown on page 2, “Per PC Washington Adjusted” column, lines 31 and 57.	NOI of \$58,171,053 Rate base of \$807,931,456 Exh. No.__(BGM-3)			

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<i>Other Issues</i>								
<i>Low Income Bill Assistance</i>	The Company proposes (1) to increase the number of participants from 5,192 to 5,428 via two-year certification, (2) to increase the eligibility certification fee paid to community action agencies, (3) to increase participant benefit by 19 percent, which is two times the residential general rate increase, and (4) a reduced monthly customer charge. Exhibit No. JRS-1T at 26-28 and Exhibit No. JRS-11, Page 1.	<u>No change from initial filing.</u>	Uncontested			The Energy Project supports the Company's proposed changes to the low income bill assistance (LIBA) program consistent with the Commission' Order approving the 5-year plan associated with annual changes to the LIBA program. Docket #UE-11190, Order 07.		
<i>Cost of Service Study</i>	The Company proposes the same peak credit method calculation filed in Docket UE-130043 using a west control area system diversified load factor (SDLF), which results in 43 percent of generation and transmission costs classified as demand related.	<u>No change from initial filing.</u> Exhibit No. JRS-13T, Page 5.	<u>Withdrawn.</u> Staff no longer recommends adoption of its NDG allocation factor.	Public Counsel recommends that for purposes of classifying production and transmission plant within the CCOSS, either the forward-looking load factor as developed in the most recent IRP should be utilized, or an average of multiple hours highest peak loads within a single year or multiple years annual peak load be used to determine a reasonable load factor. Exhibit No. GAW-1T, p. 12. Public Counsel recommends for future CCOSS, the Company adopt Staff's recommendation relating to the direct assignment of corporate account manager expenses. Exhibit No. GAW-1T, p.15.	Boise proposes changes to the classification and allocation of production and transmission costs: <ul style="list-style-type: none">• Allocation of production fixed costs in a more traditional demand approach/production variable costs in a more traditional energy approach• Alternatively, modification of the demand approach if Peak Credit classification retained• 4 Coincident Peaks ("CP") method for allocating production costs• 12 CP method for allocating all transmission costs Exh. No. ___(RRS-1T) at 3-28.			

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<i>Electric Rate Spread</i>	The Company proposes to allocate: (1) a below-average increase to the rate schedules where the cost of service study indicates a significantly smaller revenue increase (an increase of 4.2 percent for Schedules 24, 40, and lighting schedules); (2) an increase of 9.5 percent to all other schedules.	<u>No change from initial filing.</u> Exhibit No. JRS-13T, Page 18.	Staff propose 3.62 percent increases to Residential and Dedicated Facilities customers, a 2.41 percent increase to the Large General Service (> 1,000 kW) class, and a 1.7 percent increase to the Large General Service (< 1,000 kW) customers. Staff proposes no increase for the Small General Service, Agricultural Pumping Service, and Street Lighting customers. Jeremy Twitchell Exhibit No. JBT-1T, Page 22, JBT-3 and JBT-4.	Public Counsel recommends the Company’s proposed rate spread be scaled back in a proportional manner, i.e. individual rate class increases will be scaled back proportionally to the increases proposed by Ms. Steward. Exhibit No. GAW-1T, p.17	Boise recommends a modified approach to the Pacific Power’s proposal, which will allow greater movement toward cost of service, but retains gradualism for schedules that would require large increases to match costs. It also specifies treatment in the event the Company’s full revenue requirement is not approved. Exh. No.__(RRS-1T) at 28-33.			Walmart proposes that the Company allocate increases such that Schedules 36 and 48T(excluding dedicated facilities) receive an increase at the jurisdictional average. The difference in revenue requirement should be spread to Schedules 24, 40, and the street lighting schedules per each schedules contribution to jurisdictional revenues, which results in an increase for each schedule of approximately two-thirds of the jurisdictional average increase. Steve W. Chriss Exhibit No. SWC-1T, p. 7.
<i>Electric Rate Design</i>	The Company proposes to unbundle rates by functional category. For the monthly residential basic charge, the Company proposes an increase from \$7.75 to \$14.00 per month, with an exception for Schedule 17, with would see an increase in the basic charge from \$7.75 to \$8.75. The remainder of the allocated increase will be recovered through the current two-block energy charges. For General Service Schedule 24, the Company proposes to increase the customer charge and load size charges to recover half of the distribution costs, with the remaining increase applied to demand and energy charges. For General Service Schedules 36 and 48, the Company proposes a larger increase to the load size and 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 and lighting schedules, the Company proposes to apply a uniform percentage increase to all billing elements.	<u>This has been revised in rebuttal.</u> The Company proposes no changes in rate design from the initial filing, except to apply a higher percentage increase to the demand charges for Sch 36. Exhibit No. JRS-13T, Page 21 and Page. 50.	Staff proposes an increase in the residential basic charge to \$13.00. Staff also proposes three blocks in the residential volumetric charges. Staff proposes a uniform increase to usage-used rates except for the basic charge for the Dedicated Facilities customers. Jeremy Twitchell Exhibit No. JBT-1T, Page 22, JBT-3 and JBT-4.	Public Counsel recommends no increase to the current Residential customer charge of \$7.75 per month. Exhibit No. GAW-1T, p. 30.		The Energy Project opposes any increases at this time to the residential Basic Charge as proposed by the Company.	TASC proposes a decrease from \$7.75 per month to \$7.40 per month for the residential basic charge. The allocated increase will be recovered through the current two-block energy charges.	Walmart supports the Company’s proposal to unbundle rates and reflect the unbundled rates in the tariff. Additionally, Walmart proposes that he Company reflect the unbundled rates in customer bills. Steve W. Chriss Exhibit No. SWC-1T, p. 9. Walmart proposes that the rates for Schedule 36 be set as follows: (1) Set the unbundled generation (non-NPC) demand charge and transmission demand charge at 50 percent of their cost-based levels; (2) Accept the energy charge block structure and price ration as proposed by the Company; and (3) Reduce the generation (non-NPC) energy charge revenue requirement by an amount equal to the demand charge revenue requirement increase. Steve W. Chriss Exhibit No. SWC-1T, pp. 15-16.

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<i>Colstrip Deferral</i>	Docket UG-131384 (consolidated with Docket UE-140762). The Company filed a petition for an accounting order authorizing the Company to defer its costs for repair and replacement purchased power for an outage at unit 4 of the Colstrip generating plant. The Company requests that the deferral of these costs, as well as the prudence and amortization of these costs, be addressed in the 2014 rate case.	This adjustment has been revised in rebuttal. The Company removed the capital-related components of the Colstrip deferral in rebuttal. Exhibit No. NCS-10T, page 21-22.	Staff recommends that the Colstrip Deferral be allowed and recovered through general rates over one year. Staff revised the deferral amount to remove interest. See Commission Staff's position in 8.10, Regulatory Asset Amortization.		Oppose. The Commission should reject the Company's proposal for deferred accounting treatment related to an extended outage at Colstrip Unit 4. These outage costs would likely fall within a PCAM dead band and are more appropriately recovered from the plant operator, rather than ratepayers. Exh. No. ___(BGM-1CT) at 62-66.			
<i>Depreciation Deferral</i>	In Docket UE-132350, the Commission approved the Company's request to deter the reduction in depreciation expense related to the difference between the depreciation rates approved in Docket UE-130052 (tile Company's 2013 depreciation study) and the depreciation rates reflected in the Company's 2013 general rate case (Docket UE-130043). The Company requests amortization of the deferred amounts as part of the 2014 rate case.	<u>No change from initial filing.</u>	Staff recommends that the Depreciation Deferral be allowed and recovered through general rates over one year. Staff revised the deferral amount to remove interest. See Commission Staff's position in 8.10, Regulatory Asset Amortization.					
<i>Merwin Fish Collector Deferral</i>	Docket UE-140617 (consolidated with Docket UG-140762). The Commission approved deferred accounting of the full revenue requirement associated with the Merwin Fish Collector, a fish passage project mandated by the FERC licenses for the Lewis River hydroelectric project. The Company requests a prudence review and amortization of the deferred amounts as part of the 2014 rate case.	<u>Revised on rebuttal.</u> The Company's rebuttal reflects the consolidation of the dockets that occurred after the Company's initial filing, adding the Merwin Fish Collector to Schedule 92.	Staff recommends approval of the Merwin Fish Collector Project as prudent. Staff recommends that the Merwin Deferral be recovered through general rates over one year. Staff revised the deferral amount to remove interest. See Commission Staff's position in 8.10, Regulatory Asset Amortization.	The Merwin Fish Collector Deferral should be disallowed and not recovered from Washington ratepayers. Public Counsel has included the actual amounts placed into plant in service for the project, as well as the associated depreciation impacts, in the adjustment to the major pro form plant additions. Thus, the Company will recover the actual project costs through inclusion in rate base and associated depreciation expense beginning with new rates effective in this case. Revised Exhibit No. DMR-1CT, p. 45.	Oppose. The Commission should not allow the Company to include in base rates any accrual related to return on rate base, interest, or depreciation associated with the Merwin Fish Collector deferred accounting petition. Exh. No. ___(BGM-1CT) at 68-71.			

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<i>Changes to Schedule 300</i>	<p>The Company proposes changes to the following charges:</p> <ul style="list-style-type: none"> • Connection Charge: Charge from \$75 to \$160 for weekdays after business hours and from \$175 to \$295 for weekends and holidays. • Reconnection Charge: Change from \$25 to \$50 for business hours, \$50 to \$175 for weekdays after business hours, and from \$75 to \$310 on weekends and holidays. • Unauthorized Reconnection/Tampering Charge: Change from \$75 to \$110. <p>The Company proposes the following changes to the Facilities Charge in Schedule 300:</p> <ul style="list-style-type: none"> • Distribution facilities: Change from 1.67 percent on facilities installed at the Company's expense and 0.67 percent on facilities installed at customer's expense to 1.2 percent and 0.6 percent, respectively. • For Transmission facilities: Proposed charges of 0.9 percent on facilities installed at the Company's expense and 0.3 percent on facilities installed at customer's expense. 	<p><u><i>Revised on rebuttal.</i></u></p> <p>The Company withdrew its proposed adjustment associated with proposed disconnection/reconnection changes, with exception of the Tampering/Unauthorized Reconnect Charge changes, which were uncontested.</p> <p>Exhibit No. JRS-13T, Page 51-52.</p>	<p>Staff recommends the Commission reject the Company's proposed increases in both connection and reconnection charges. See 3.8 Schedule 300 Changes.</p> <p>Roger Kouchi Exhibit No. RK-1T, Page 11.</p>	<p>Public Counsel recommends the Commission reject the proposed changes to connection and reconnection charges.</p> <p>Exhibit No. SAJ-1T, p. 10.</p>		<p>The Energy Project opposes PacifiCorp's proposed increases to Schedule 300 customer charges for connections and reconnections.</p> <p>Charles M. Eberdt (Exh. No.CME-1T), pp. 5-13.</p>		

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<p><i>Changes to Tariff Rules and Regulations</i></p>	<p>The Company proposes changes to Rule 8, Metering, to address options available for a customer who prefers a non-radio frequency meter rather than the standard customer meter.</p> <p>The Company proposes additional language to Section B of Rule 11D, Field Visit Charge, to include customer actions that prevent Company personnel from performing intended disconnection or reconnection of service.</p> <p>The Company proposes to add language to Rule 11 D to specify that customers are responsible for paying the collection agency costs associated with the collection of unpaid debt.</p>	<p><u><i>Withdrawn.</i></u></p> <p>The Company withdrew the proposal for the changes in the Field Visit Charge language in Rule 11D and the proposal for collection agency fees.</p> <p>Exhibit No. JRS-13T, Page 51-52.</p>	<p>Staff opposes the inclusion of language in Rule 11D specifying customers are responsible for paying collection agency costs. See 4.12 Collection Agency Fees.</p> <p>Roger Kouchi Exhibit No. RK-1T, Page 4.</p>	<p>Public Counsel recommends the Commission reject proposed additional language to Rule 11D specifying that customers are responsible for paying the collection agency costs associated with the collection of unpaid debt.</p> <p>Exhibit No. SAJ-1T, p. 6.</p>		<p>The Energy Project opposes charging customers a field visit charge for instances where 1) the customer's electrical facilities are in an unsafe condition when such conditions are not something that the customer has any control over (e.g., where the customer rents the premises) and 2) instances involving "the customer providing the field metering specialist a receipt for payment" on the basis that this is not logical and does not justify imposition of a Field Visit charge.</p> <p>The Energy Project opposes the imposition of a Field Visit charge under the foregoing scenarios without greater clarity or conditional language incorporated into Rule 11D to address the stated concerns.</p> <p>Charles M. Eberdt (Exh. CME-1T), pp. 5-7.</p>		