

Exh. SLC-2
Docket UE-230172
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-230172

PACIFICORP

EXHIBIT OF SHERONA L. CHEUNG

Summary of the Washington Results of Operations for Rate Year 1

March 2023 (REFILED April 19, 2023)

Revenue Requirement Adjustment Summary

The table below presents the Company's restating and pro forma ratemaking adjustments 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.	NOI	Rate Base	Rev. Req.	Reference	Reference	Reference
Unadjusted Washington Allocated Data (Per Books)				67,900,654	1,150,397,547	25,976,378	(SLC-4)	Page 1.0				
1	3.1	Temperature Normalization		(1,770,024)	-	2,354,319	(SLC-4),	Page 3.0 Total				
2	3.2	Revenue Normalizing		26,633,457	-	(35,425,311)	(SLC-4),	Page 3.0 Total				
3	3.3	Wheeling Revenue - Year 1		1,108,387	-	(1,474,272)	(SLC-4),	Page 3.0 Total				
4			Tab 3 - Revenue - Subtotal	25,971,821	-	(34,545,264)						
6	4.1	Miscellaneous Expense & Revenue		(136,543)	-	181,616	(SLC-4),	Page 4.0 Total				
7	4.2	General Wage Increase (Annualizing)		(297,094)	-	395,166	(SLC-4),	Page 4.0 Total				
8	4.3	General Wage Increase(Pro Forma) - Year 1		(1,427,582)	-	1,898,835	(SLC-4),	Page 4.0 Total				
9	4.4	Pension Related Non-Service Expense		481,483	-	(640,423)	(SLC-4),	Page 4.0 Total				
10	4.5	Insurance Expense		2,790,289	(2,506,736)	(3,964,780)	(SLC-4),	Page 4.0 Total				
11	4.6	Advertising		(13,356)	-	17,766	(SLC-4),	Page 4.0 Total				
12	4.7	Memberships & Subscriptions		607	-	(807)	(SLC-4),	Page 4.0.1 Total				
13	4.8	Revenue-Sensitive/ Uncollectible Expense		(430,973)	-	573,240	(SLC-4),	Page 4.0.1 Total				
14	4.9	Legal Expenses		497,131	-	(661,236)	(SLC-4),	Page 4.0.1 Total				
15	4.10	Remove Non-Recurring Entries		(1,585,326)	-	2,108,652	(SLC-4),	Page 4.0.1 Total				
16	4.11	Environmental Remediation		(1,048,556)	1,273,328	1,523,409	(SLC-4),	Page 4.0.1 Total				
17	4.12	Payment Services Fees		(57,811)	-	76,895	(SLC-4),	Page 4.0.1 Total				
18	4.13	Incremental O&M Expenses		(3,262,847)	-	4,339,931	(SLC-4),	Page 4.0.1 Total				
19			Tab 4 - O&M - Subtotal	(4,490,581)	(1,233,408)	5,848,264						
21	5.1	Net Power Costs (Restating)		5,642,038	-	(7,504,507)	(SLC-4),	Page 5.0 Total				
22	5.2	Net Power Costs (Pro Forma) - Year 1		(29,331,180)	-	39,013,568	(SLC-4),	Page 5.0 Total				
23	5.3	Pryor Mountain REC Revenues		209,962	-	(279,271)	(SLC-4),	Page 5.0 Total				
24	5.4	WRAP Fees		(90,171)	-	119,937	(SLC-4),	Page 5.0 Total				
25	5.5	AURORA Access Fees		(29,843)	-	39,694	(SLC-4),	Page 5.0 Total				
26			Tab 5 - NPC - Subtotal	(23,599,195)	-	31,389,421						
28	6.1	Pro Forma Depreciation & Amortization Expense - Year 1		12,327,645	-	(16,397,070)	(SLC-4),	Page 6.0 Total				
29	6.2	Pro Forma Depreciation & Amortization Reserves - Year 1		-	(87,697,953)	(8,865,213)	(SLC-4),	Page 6.0 Total				
30	6.3	End-of-Period Reserves - Historical		-	(27,898,421)	(2,820,196)	(SLC-4),	Page 6.0/6.0.1 Total				
31	6.4	Decommissioning & Other Plant Closure Costs - Year 1		(4,614,849)	(12,099,335)	4,915,138	(SLC-4),	Page 6.0.1 Total				
32			Tab 6 - Depreciation/Amortization - Subtotal	7,712,797	(127,695,709)	(23,167,341)						
34	7.1	Interest True Up - Year 1		(498,226)	-	662,693	(SLC-4),	Page 7.0 Total				
35	7.2	Property Tax Expense - Year 1		(666,609)	-	886,660	(SLC-4),	Page 7.0 Total				
36	7.3	Production Tax Credit - Year 1		6,025,906	-	(8,015,092)	(SLC-4),	Page 7.0 Total				
37	7.4	PowerTax ADIT Balance - Year 1		3,906,157	(32,790,654)	(8,510,344)	(SLC-4),	Page 7.0 Total				
38	7.5	Permanent Schedule M Adjustment - Year 1		(302,036)	-	401,739	(SLC-4),	Page 7.0 Total				
39	7.6	Remove Deferred State Tax Expense & Balance - Year 1		(123,664)	28,172,848	3,012,424	(SLC-4),	Page 7.0.1 Total				
40	7.7	Washington Public Utility Tax Adjustment		(1,019,512)	-	1,356,058	(SLC-4),	Page 7.0.1 Total				
41	7.8	Removal of TCJA Deferred Balances Adjustment		(8,451,410)	40,315,957	15,316,728	(SLC-4),	Page 7.0.1 Total				
42	7.9	Washington Low Income Tax Credit		13,171	-	(17,519)	(SLC-4),	Page 7.0.1 Total				
43	7.10	Wyoming Wind Generation Tax		(183,695)	-	244,333	(SLC-4),	Page 7.0.1 Total				
44			Tab 7 - Tax - Subtotal	(1,299,916)	35,698,151	5,337,682						
46	8.1	End-of-Period Plant Balances - Historical		-	30,000,112	3,032,652	(SLC-4),	Page 8.0/8.0.1 Total				
47	8.2	Regulatory Assets/ Liabilities Amortization - Year 1		(4,858,991)	26,317,589	9,123,364	(SLC-4),	Page 8.0.1 Total				
48	8.3	Customer Advances for Construction		-	(1,733,115)	(175,197)	(SLC-4),	Page 8.0.1 Total				
49	8.4	Pro Forma Major Plant Additions - Year 1		80,090	132,944,199	13,332,538	(SLC-4),	Page 8.0.1 Total				
50	8.5	Miscellaneous Rate Base		-	(27,252,977)	(2,754,950)	(SLC-4),	Page 8.0.1 Total				
51	8.6	Customer Service Deposits		(1,846)	(408,391)	(38,828)	(SLC-4),	Page 8.0.2 Total				
52	8.7	Investor Supplied Working Capital		-	29,873,668	3,019,870	(SLC-4),	Page 8.0.2 Total				
53	8.8	Labor Day Wildfire Restoration Capital Removal		-	(16,595,925)	(1,677,649)	(SLC-4),	Page 8.0.2 Total				
54	8.9	WJAM Transmission Reallocation		-	(6,227,109)	(629,486)	(SLC-4),	Page 8.0.2 Total				
55	8.10	Klamath Hydroelectric Assets Transfer - Year 1		142,928	(77,496)	(197,943)	(SLC-4),	Page 8.0.2 Total				
56	8.11	Confidential Pro Forma Capital Additions - Year 1		(180,796)	2,316,422	474,641	(SLC-4),	Page 8.0.2 Total				
57	8.12	Major Transmission Capital Additions - Year 1		(511,008)	37,655,293	4,486,193	(SLC-4),	Page 8.0.2 Total				
58			Tab 8 - Rate Base - Subtotal	(5,329,622)	206,812,270	27,995,205						
60	9.1	Production Factor - Year 1		(842,671)	(2,801)	1,120,559	(SLC-4),	Page 9.0 Total				
61			Tab 9 - Production Factor - Subtotal	(842,671)	(2,801)	1,120,559						
63	10.1	Removal of Coal-Fired Generation Assets		-	(144,705,070)	(14,627,950)	(SLC-4),	Page 10.0 Total				
64	10.2	Jim Bridger SCRs Removal		(315,586)	(22,651,762)	(1,870,059)	(SLC-4),	Page 10.0 Total				
65	10.3	Colstrip Unit 3 Removal		918,036	(9,976,935)	(2,229,634)	(SLC-4),	Page 10.0 Total				
66	10.4	Jim Bridger Mine Rate Base - Year 1		-	5,211,879	526,859	(SLC-4),	Page 10.0 Total				
67	10.5	Existing Coal-Fired Generation Assets - Year 1		(2,226,611)	797,315	3,042,227	(SLC-4),	Page 10.0 Total				
68	10.6	Pro Forma JB Units 3, 4 and Colstrip 4 Additions - Year 1		(45,557)	3,711,612	435,796	(SLC-4),	Page 10.0 Total				
69	10.7	Pro Forma JB Units 1 & 2 Additions - Year 1		(35,986)	4,061,256	458,410	(SLC-4),	Page 10.0.1 Total				
70	10.8	Fly Ash Revenues - Year 1		(806,454)	-	1,072,669	(SLC-4),	Page 10.0.1 Total				
71			Tab 10 - Thermal Generation - Subtotal	(2,512,159)	(163,551,704)	(13,191,683)						
73			Subtotal Normalizing Adjustments	(4,389,527)	(49,973,201)	786,842						
74			Total Adjusted Results	63,511,127	1,100,424,347	26,763,219	(SLC-4)	Page 1.0				

Notes:

(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%. 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-4

	Washington Allocated Actual Results June 2022	Tab 3	Tab 4	Tab 5	Tab 6	Tab 7	Tab 8	Tab 9	Tab 10
		Revenue Adjustments	O&M Adjustments	Net Power Cost Adjustments	Depreciation & Amortization Adjustments	Tax Adjustments	Rate Base Adjustments	Other Adjustment	Thermal Generation Adjustment
1 Operating Revenues:									
2 General Business Revenues	373,551,616	31,472,700	-	-	-	-	-	-	-
3 Interdepartmental	-	-	-	-	-	-	-	-	-
4 Special Sales	1,285,829	-	-	19,038,327	-	-	-	110,157	-
5 Other Operating Revenues	20,011,924	1,403,022	-	265,774	-	-	-	(5,533)	(1,020,828)
6 Total Operating Revenues	394,849,369	32,875,722	-	19,304,101	-	-	-	104,624	(1,020,828)
7									
8 Operating Expenses:									
9 Steam Production	59,399,958	-	372,494	(2,185,033)	2,233,092	-	-	212,943	(1,201,933)
10 Nuclear Production	-	-	-	-	-	-	-	-	-
11 Hydro Production	1,451,886	-	2,245,814	-	-	-	(253,659)	573	-
12 Other Power Supply	124,223,583	-	153,854	50,693,580	-	-	131,145	902,275	-
13 Transmission	18,668,675	-	610,878	630,177	-	-	-	72,376	-
14 Distribution	14,095,288	-	4,495,602	-	-	-	-	-	-
15 Customer Accounting	6,726,005	-	27,612	-	-	-	-	-	-
16 Customer Service & Info	664,977	-	44,716	-	-	-	-	-	-
17 Sales	-	-	-	-	-	-	-	-	-
18 Administrative & General	17,574,535	-	(2,400,033)	37,776	-	-	-	-	(15,196)
19 Total O&M Expenses	242,804,906	-	5,550,938	49,176,500	2,233,092	-	(122,514)	1,188,168	(1,217,129)
20 Depreciation	67,617,925	-	-	-	(16,220,473)	-	744,556	23,210	3,454,318
21 Amortization	4,068,762	-	-	-	4,316,442	-	7,087,455	-	-
22 Taxes Other Than Income	26,622,827	-	-	-	-	2,350,183	-	1,260	(76,110)
23 Income Taxes - Federal	(11,584,544)	6,903,902	(1,431,267)	(6,273,204)	2,456,889	(6,322,845)	2,846,372	(265,344)	(522,400)
24 Income Taxes - State	-	-	-	-	-	-	-	-	-
25 Income Taxes - Def Net	(2,401,026)	-	291,371	-	(498,746)	5,272,578	(5,228,583)	-	(147,349)
26 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-
27 Misc Revenue & Expense	(180,134)	-	79,538	-	-	-	2,337	-	-
28 Total Operating Expenses:	326,948,715	6,903,902	4,490,581	42,903,296	(7,712,797)	1,299,916	5,329,622	947,295	1,491,331
29									
30 Operating Rev For Return:	67,900,654	25,971,821	(4,490,581)	(23,599,195)	7,712,797	(1,299,916)	(5,329,622)	(842,671)	(2,512,159)
31									
32 Rate Base:									
33 Electric Plant In Service	2,263,546,946	-	-	-	-	-	173,486,737	192,349	(28,684,344)
34 Plant Held for Future Use	467,185	-	-	-	-	-	-	-	-
35 Misc Deferred Debits	9,959,814	-	-	-	-	-	(9,567,567)	-	-
36 Elec Plant Acq Adj	115,844	-	-	-	-	-	-	-	-
37 Nuclear Fuel	-	-	-	-	-	-	-	-	-
38 Prepayments	3,284,761	-	-	-	-	-	(3,284,761)	-	-
39 Fuel Stock	9,196,315	-	-	-	-	-	(9,196,315)	-	-
40 Material & Supplies	12,260,467	-	-	-	-	-	(12,260,467)	-	-
41 Working Capital	2,747,159	-	-	-	-	-	27,126,509	-	-
42 Weatherization	3,312	-	-	-	-	-	-	-	-
43 Misc Rate Base	-	-	-	-	-	-	-	-	-
44 Total Electric Plant:	2,301,581,803	-	-	-	-	-	166,304,137	192,349	(28,684,344)
45									
46 Rate Base Deductions:									
47 Accum Prov For Deprec	(750,094,987)	-	-	-	(106,560,177)	-	3,786,568	(195,150)	(152,437,361)
48 Accum Prov For Amort	(55,896,700)	-	-	-	(9,036,197)	-	-	-	-
49 Accum Def Income Tax	(161,876,853)	-	(1,233,408)	-	4,379,287	(17,626,246)	(6,168,690)	-	17,570,001
50 Unamortized ITC	(14,943)	-	-	-	-	-	-	-	-
51 Customer Adv For Const	(6,092,042)	-	-	-	-	-	(1,733,115)	-	-
52 Customer Service Deposits	-	-	-	-	-	-	(408,391)	-	-
53 Misc Rate Base Deductions	(177,208,730)	-	-	-	(16,478,623)	53,324,397	45,031,761	-	-
54									
55 Total Rate Base Deductions	(1,151,184,256)	-	(1,233,408)	-	(127,695,709)	35,698,151	40,508,134	(195,150)	(134,867,360)
56									
57 Total Rate Base:	1,150,397,547	-	(1,233,408)	-	(127,695,709)	35,698,151	206,812,270	(2,801)	(163,551,704)
58									
59 Return on Equity	6.98%	4.403%	-0.750%	-4.001%	2.908%	-0.560%	-2.520%	-0.143%	1.411%
60 Price Change	25,976,377	(34,545,264)	5,848,264	31,389,421	(23,167,341)	5,337,682	27,995,205	1,120,559	(13,191,683)
61									
62 TAX CALCULATION:									
63 Operating Revenue	53,915,083	32,875,722	(5,630,476)	(29,872,399)	9,670,939	(2,350,183)	(7,711,833)	(1,108,015)	(3,181,908)
64 Other Deductions	-	-	-	-	-	-	-	-	-
65 Interest (AFUDC)	(3,636,275)	-	-	-	-	-	-	-	-
66 Interest	27,945,750	-	-	-	-	(2,372,504)	-	-	-
67 Schedule "M" Additions	75,168,483	-	(770,947)	-	2,028,531	5,421,811	17,129,663	-	3,454,318
68 Schedule "M" Deductions	107,655,465	-	414,134	-	-	6,950,739	(4,136,323)	-	2,760,030
69 Income Before Tax	(2,881,374)	32,875,722	(6,815,557)	(29,872,399)	11,699,470	(1,506,606)	13,554,152	(1,108,015)	(2,487,620)
70									
71 State Income Taxes	-	-	-	-	-	-	-	-	-
72 Taxable Income	(2,881,374)	32,875,722	(6,815,557)	(29,872,399)	11,699,470	(1,506,606)	13,554,152	(1,108,015)	(2,487,620)
73									
74 Federal Income Taxes + Other	(11,584,544)	6,903,902	(1,431,267)	(6,273,204)	2,456,889	(6,322,845)	2,846,372	(265,344)	(522,400)

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

	Total Tabs 3-10	
	Normalizing Adjustments	Washington Normalized Results
1 Operating Revenues:		
2 General Business Revenues	31,472,700	405,024,316
3 Interdepartmental	-	-
4 Special Sales	19,148,484	20,434,313
5 Other Operating Revenues	642,435	20,654,359
6 Total Operating Revenues	<u>51,263,620</u>	<u>446,112,988</u>
7		
8 Operating Expenses:		
9 Steam Production	(568,436)	58,831,521
10 Nuclear Production	-	-
11 Hydro Production	1,992,728	3,444,614
12 Other Power Supply	51,880,855	176,104,438
13 Transmission	1,313,431	19,982,106
14 Distribution	4,495,602	18,590,890
15 Customer Accounting	27,612	6,753,617
16 Customer Service & Info	44,716	709,693
17 Sales	-	-
18 Administrative & General	(2,377,453)	15,197,082
19 Total O&M Expenses	56,809,056	299,613,962
20 Depreciation	(11,998,389)	55,619,536
21 Amortization	11,403,896	15,472,659
22 Taxes Other Than Income	2,275,333	28,898,160
23 Income Taxes - Federal	(2,607,897)	(14,192,441)
24 Income Taxes - State	-	-
25 Income Taxes - Def Net	(310,728)	(2,711,755)
26 Investment Tax Credit Adj.	-	-
27 Misc Revenue & Expense	81,875	(98,259)
28 Total Operating Expenses:	<u>55,653,146</u>	<u>382,601,861</u>
29		
30 Operating Rev For Return:	<u>(4,389,527)</u>	<u>63,511,127</u>
31		
32 Rate Base:		
33 Electric Plant In Service	144,994,742	2,408,541,689
34 Plant Held for Future Use	-	467,185
35 Misc Deferred Debits	(9,567,567)	392,247
36 Elec Plant Acq Adj	-	115,844
37 Nuclear Fuel	-	-
38 Prepayments	(3,284,761)	0
39 Fuel Stock	(9,196,315)	-
40 Material & Supplies	(12,260,467)	0
41 Working Capital	27,126,509	29,873,668
42 Weatherization	-	3,312
43 Misc Rate Base	-	-
44 Total Electric Plant:	<u>137,812,142</u>	<u>2,439,393,945</u>
45		
46 Rate Base Deductions:		
47 Accum Prov For Deprec	(255,406,119)	(1,005,501,106)
48 Accum Prov For Amort	(9,036,197)	(64,932,897)
49 Accum Def Income Tax	(3,079,055)	(164,955,908)
50 Unamortized ITC	-	(14,943)
51 Customer Adv For Const	(1,733,115)	(7,825,157)
52 Customer Service Deposits	(408,391)	(408,391)
53 Misc Rate Base Deductions	81,877,535	(95,331,195)
54		
55 Total Rate Base Deductions	<u>(187,785,342)</u>	<u>(1,338,969,598)</u>
56		
57 Total Rate Base:	<u>(49,973,201)</u>	<u>1,100,424,347</u>
58		
59 Return on Equity		6.72%
60 Price Change	786,842	26,763,219
61		
62 TAX CALCULATION:		
63 Operating Revenue	(7,308,151)	46,606,932
64 Other Deductions		
65 Interest (AFUDC)	-	(3,636,275)
66 Interest	(2,372,504)	25,573,246
67 Schedule "M" Additions	27,263,376	102,431,859
68 Schedule "M" Deductions	5,988,581	113,644,046
69 Income Before Tax	16,339,148	13,457,774
70		
71 State Income Taxes	-	-
72 Taxable Income	<u>16,339,148</u>	<u>13,457,774</u>
73		
74 Federal Income Taxes + Other	<u>(2,607,897)</u>	<u>(14,192,441)</u>