

## Revenue Requirement Effect of Adjustments

## PACIFICORP - WASHINGTON

## ISSUES SUMMARY

(\$000)

|                                       | <u>Source</u> | <u>Effect<br/>on<br/>Rate Base</u> | <u>Effect<br/>on<br/>Operating<br/>Income</u> |
|---------------------------------------|---------------|------------------------------------|---|
| Miscellaneous Deferred Debits         | (A)           | \$ (7,597)                         | \$ 985  |
| Acquisition Premium                   | (B)           | (7,969)                            | 293   |
| Major Plant Additions                 | (C)           | (31,163)                           | 281   |
| Out of Period Revenue Adjustment      | (D)           |                                    | 853   |
| Amortization of Capital Stock Expense | (E)           |                                    | 106   |
| Incentive Compensation                | (F)           |                                    | 581   |
| IRS Tax Settlement                    | (G)           | (1,551)                            | 388   |
| Income Tax Calculation                | (H)           |                                    | 438   |
| <b>Rate of Return</b>                 |               |                                    |   |
| Return on Equity                      | (I)           |                                    |   |
| Capital Structure                     | (I)           |                                    |   |

## Total Revenue Requirement Effect of Issues

## Sources:

- (A) Exhibit No. \_\_\_\_ (DJE-4), p. 1
- (B) Exhibit No. \_\_\_\_ (DJE-4), p. 2
- (C) Exhibit No. \_\_\_\_ (DJE-4), p. 3
- (D) PacifiCorp Page 3.3.2 1,439\*.59305
- (E) PacifiCorp Page 4.1 171\*62.05%
- (F) Exhibit No. \_\_\_\_ (DJE-4), p 5
- (G) PacifiCorp Page 7.4
- (H) Exhibit No. \_\_\_\_ (DJE-4), p. 6
- (I) Exhibit No. \_\_\_\_ (DJE-5)

Note: This schedule incorporates the effect on the interest synchronization into each individual adjustment

PACIFICORP - WASHINGTON  
ISSUES SUMMARY

(\$000)

| <u>Effect<br/>on<br/>Revenue<br/>Requirement</u>     | <u>Source</u> | <u>Effect<br/>on<br/>Rate Base</u> | <u>Effect<br/>on<br/>Operating<br/>Income</u> |
|--|---------------|------------------------------------|---|
| \$ (2,628) Miscellaneous Deferred Debits             | (A)           | \$ (7,597)                         | \$ 985  |
| Acquisition Premium                                  | (B)           | (7,969)                            | 293   |
| (1,509) Major Plant Additions                        | (C)           | (31,163)                           | 281   |
| Out of Period Revenue Adjustment                     | (D)           |                                    | 853   |
| (4,441) Amortization of Capital Stock Expense        | (E)           |                                    | 106   |
| Incentive Compensation                               | (F)           |                                    | 581   |
| (1,439) IRS Tax Settlement                           | (G)           | (1,551)                            | 388   |
| Income Tax Calculation                               | (H)           |                                    | 438   |
| (179) Interest Synchronization Effect                | (I)           |                                    | (582)   |
| <br>(979) <b>Rate of Return</b>                      |               |                                    |   |
| Return on Equity                                     | (J)           |                                    |   |
| (852) Capital Structure                              | (J)           |                                    |   |
| <br>(739) Total Revenue Requirement Effect of Issues |               |                                    |   |

Sources:

|                    |     |                                |                  |
|--------------------|-----|--------------------------------|------------------|
| (9,463)            | (A) | Exhibit No. ____ (DJE-4), p. 1 |                  |
| (3,335)            | (B) | Exhibit No. ____ (DJE-4), p. 2 |                  |
|                    | (C) | Exhibit No. ____ (DJE-4), p. 3 |                  |
| <u>\$ (25,564)</u> | (D) | PacifiCorp Page 3.3.2          | 1,439*.59305     |
|                    | (E) | PacifiCorp Page 4.1            | 1/1*62.05%       |
|                    | (F) | Exhibit No. ____ (DJE-4), p. 5 |                  |
|                    | (G) | PacifiCorp Page 7.4            |                  |
|                    | (H) | Exhibit No. ____ (DJE-4), p. 6 |                  |
|                    | (I) | Total of Rate Base Adjustments | \$ (48,280)      |
|                    |     | Weighted Cost of Debt          | 3.175% DJE-5,p.2 |
|                    |     | Synchronized Interest Expense  | (1,533)          |
|                    |     | Income Tax Rate                | 37.95%           |
|                    |     | Income Tax Expense             | <u>\$ 582</u>    |
|                    | (J) | Exhibit No. ____ (DJE- 5,p.1)  |                  |

Note: This schedule shows the effect on the interest synchronization of the aggregate of the adjustments to rate base as a separate adjustment

PACIFICORP - WASHINGTON  
 FACTORS USED IN CALCULATION OF REVENUE REQUIREMENT EFFECTS  
 (\$000)

| Effect<br>on<br>Revenue<br>Requirement |       |                                  |                                   |
|--|-------|----------------------------------|-----------------------------------|
|  | A     | SIT Rate                         | 4.54%                             |
|  | B     | FIT Rate                         | 35.00%                            |
|  | C     | Combined Tax Rate                | 37.95%                            |
| \$ (2,782)                             | D     | Complement                       | 62.05%                            |
| (1,671)                                | E     | Revenue Sensitive Expense Factor | 0.9558                            |
| (5,074)                                | F     | Revenue Conversion Factor        | 0.5930                            |
| (1,439)                                | G     | Company Pre-Tax Return           | 12.17%                            |
| (179)                                  | H     | Rate Base Adjustment Factor      | 0.1273                            |
| (979)                                  |       |                                  |                                   |
| (883)                                  |       |                                  |                                   |
| (739)                                  | Notes |                                  |                                   |
| 981                                    | A     | PacifiCorp Page 2.1              |                                   |
|  | B     | PacifiCorp Page 2.1              |                                   |
|  | C     | = B+(1-B)*A                      |                                   |
| (9,463)                                | D     | = 1 - C                          |                                   |
| (3,335)                                | E     | Uncollectible Accounts           | 0.360% PacifiCorp Page 1.2        |
|  |       | WA Revenue Tax                   | 3.873% PacifiCorp Page 1.2        |
|  |       | WUTC Fee                         | <u>0.190%</u> PacifiCorp Page 1.2 |
|  |       | Total                            | 4.423%                            |
|  |       | Complement                       | 95.577%                           |
|  | F     | = D * E                          |                                   |
|  | G     | Exhibit No. ____ (DJE-5)         |                                   |
|  | H     | = G / E                          |                                   |
| <u>\$ (25,564)</u>                     |       |                                  |                                   |