

**PACIFICORP**  
**COST ALLOCATION METHODS**  
**FROM PACIFICORP - UTAH POWER MERGER (1989) TO MAY 2004**

	1989 (All States) BOLD COURSE	1990 -1992 (All States) CONSENSUS	1993 -1996 (All States) PITA ACCORD	1997 - 2004 (All States But Utah) MODIFIED ACCORD	1997 - 2004 (Utah) ROLLED-IN
<b>FACTORS (Before Line Losses)</b>					
System Capacity (SC)	12 CP	12 CP - Adjusted for Pre-Merger Off-System Firm Sales, Hydro Capacity for Division Where Dam is Located and Interruptible Contracts	12 CP - Adjusted for Hydro Capacity for Division Where Dam is Located and Interruptible Contracts	12 CP - Adjusted for non-tariff based special contracts and interruptible contracts	12 CP - Adjusted for non-tariff based special contracts and interruptible contracts
System Energy (SE)	Annual Energy	Annual Energy - Adjusted for Pre-Merger Off-System Firm Sales, Hydro Capacity for Division Where Dam is Located and Interruptible Contracts	Annual Energy - Adjusted for Hydro Capacity for Division Where Dam is Located and Interruptible Contracts	Annual Energy - Adjusted for non-tariff based special contracts and interruptible contracts	Annual Energy - Adjusted for non-tariff based special contracts and interruptible contracts
System Generation (SG)	75% SC Weighting 25% SE Weighting	75% SC Weighting 25% SE Weighting	75% SC Weighting 25% SE Weighting	75% SC Weighting 25% SE Weighting	75% SC Weighting 25% SE Weighting
<b>REVENUES</b>					
Retail Revenue	Situs (S)	Situs (S)	Situs (S)	Situs (S)	Situs (S)
Interruptible Contracts	System (SE)	System (SE)	System (SE)	System (SE)	System (SE)
Special Industrial Contracts	Situs (S)	Situs (S)	Situs (S)	System Firm (SG); Non-Firm (SE)	System Firm (SG); Non-Firm (SE)
Pre-Merger Firm Off-System Sales	Direct	Divisional (DG)	System (SG)	System (SG)	System (SG)
Post-Merger Firm Sales	Divisional Generation (DG)	System (SG)	System (SG)	System (SG)	System (SG)
Non-Firm Sales	Divisional Energy (DE)	System (SE)	System (SE)	System (SE)	System (SE)
<b>EXPENSES</b>					
Non-Fuel O&M	Related Plant	Functional Divisional (DNP)	Functional System (SNP)	Functional System (SNP)	Functional System (SNP)
Administrative and General	Divisional Gross Plant (DO)	System (SO)	System (SO)	System (SO)	System (SO)
Fuel Expense	Divisional Energy (DE)	System (SE)	System (SE)	System (SE) <sup>2</sup>	System (SE)
Pre-Merger Firm Purchase Power	Divisional Generation (DG)	Divisional (DG)	System (SG)	System (SG)	System (SG)
Post-Merger Firm Purchase Power	Divisional Generation (DG)	System (SG) <sup>1</sup>	System (SG)	System (SG)	System (SG)
Pre-Merger Firm Wheeling	Divisional Generation (DG)	Divisional (DG)	System (SG)	System (SG)	System (SG)
State Income Taxes	Situs (S)	Situs (S)	System (IBT)	System (IBT)	System (IBT)
Property Taxes	Related Plant	Functional Divisional (DNP)	Functional System (SNP)	Functional System (SNP)	Functional System (SNP)
<b>PLANT</b>					
Pre-Merger Net Plant	Direct	Divisional (DG)	Divisional (DG)	Divisional (DG)	System (SG)
Post-Merger Net Plant	Divisional Generation (DG)	System (SG) <sup>3</sup>	System (SG) <sup>3</sup>	System (SG)	System (SG)
Conservation	Situs (S)	Situs (S)	Situs (S)	Situs (S)	Situs (S)
Plant Held For Future Use	Direct	Functional Divisional (DNP)	Functional System (SNP)	Functional System (SNP)	Functional System (SNP)
<b>ENDOWMENTS</b>					
Post-Merger Hydro Plant	NA	Divisional (DG)	Divisional (DG)	System (SG)	System (SG)
Hydro Expense	NA	Divisional (DG)	Divisional (DG)	Functional System (SNPPH)	System (SG)
Firm Transmission Revenue	NA	Divisional (DG)	Divisional (DG)	System (SG)	System (SG)
Hydro Fuel Adjustment	NA	NA	NA	Fuel Credit for 5 year average difference between Thermal and Divisional Hydro Running Costs (DE)	NA

1. \$48 million post-merger BPA capacity purchase is assigned to the Pacific Division.

2. Hydro Fuel Adjustment allocated on Divisional Energy factors (see Hydro Fuel Adjustment under Endowments).

3. Post-Merger Hydro Plant allocated on Divisional Generation factors (see Post-Merger Hydro Plant under Endowments).