BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PACIFICORP d/b/a Pacific Power & Light Company Docket Nos. UE-050684/UE-050412

Public Counsel Response to Bench Request No. 11

TO PUBLIC COUNSEL:

BENCH REQUEST NO. 11:

Please provide work papers similar to Exhibit No.___(PMW-8), Page 2.2 and Exhibit No.___(PMW-7) showing each of the adjustments you sponsor or do not contest for purposes of calculating the revenue requirement for your case.

RESPONSE:

See attached spreadsheets and schedules. Public Counsel reserves the right to make a final statement of position with regard to revenue requirement adjustments until the closure of the hearing record and filing of its final brief in this case.

Responder: David Effron, (203) 431-3012.

Schedule A1

PACIFICORP - WASHINGTON REVENUE REQUIREMENT SUMMARY (\$000)

	(1) Company Position		Ad	PC justments			Proposed Position
Adjusted Operating Income	\$	30,602	\$	3,897	(2)	\$	34,499
Rate Base	_	615,154		(48,280)	(2)	_	566,874
Earned Return on Rate Base		4.97%					6.09%
Proposed Rate of Return		<u>8.75</u> %			(3)		<u>7.51</u> %
Additional Income Required		23,250		(15,161)			8,090
Gross Revenue Conversion Factor		1.6862			(4)		1.6862
Revenue Deficiency (Excess)	<u>\$</u>	39,205	<u>\$</u>	(25,564)		<u>\$</u>	<u> 13,641</u>

Sources:

- (1) Exhibit PMW-3, Page 1.1 Total Adjusted Results
- (2) Schedule A2
- (3) Testimony of Mr. Hill
- (4) Exhibit PMW-3, Page 1.2

Note: This schedule shows the total effect of the adjustments proposed in the testimony of PC witness Effron and the effect of the rate of return proposal of PC witness Hill.

Schedule A2

37.95% PMW-3, Page 2.1

(553)

PACIFICORP - WASHINGTON ISSUES SUMMARY (\$000)

		Source	R	Effect on ate Base	Effect on Operating Income	Effect on Revenue Requirement
Acquisition Major Plan Out of Pen Amortizati Incentive IRS Tax Solution Income Tail	eous Deferred Debits In Premium Int Additions Iriod Revenue Adjustment Irion of Capital Stock Expense Compensation Settlement Irian Calculation Irion Structure Irion Settlement	(A) (B) (C) (D) (E) (F) (G) (H) (J)	\$	(7,597) (7,969) (31,163) (1,551)	\$ 985 293 281 853 106 581 388 438 (582) 553	\$ (2,782) (1,671) (5,074) (1,439) (179) (979) (883) (739) 981 (933)
Totals Rate of Re	eturn			(48,280)	3,897	(11,866)
Sources:	enue Requirement Effect of Iss	sues				\$ (25,564)
(A) (B) (C)	Schedule DJE -2.1 Schedule DJE -2.2 Schedule DJE -2.3					
(D) (E) (F)	PMW-3 Page 3.3.2 PMW-3 Page 4.1 Schedule DJE -2.4	1,439*.59 171*62.0		5		
(G) (H)	PMW-3 Page 7.4 Schedule DJE -2.5	4.	•	(40,000)		
(1)	Total of Rate Base Adjustme Weighted Cost of Debt Synchronized Interest Expen Income Tax Rate		\$	(48,280) <u>3.175%</u> (1,533) 37,95%	PMW-3, Pa	_
(J)	Income Tax Expense Adjusted Rate Base		<u>\$</u>	582 566,874	1 WW-5, F	age 2. i
(-)	Increase to Weighted Debt C Synchronized Interest Expen			0.26% 1,457	Testimony	of Mr. Hill

Income Tax Rate

Income Tax Expense

Effect of Attorney General Rate Base and Operating Income Adjustments Incremental Effect of Proposed Adjustments

Operating Revenues:			
General Business Revenues	220,279,183		220,279,183
Interdepartmental			
Special Sales	66,195,696		66,195,696
Other Operating Revenues	5,830,462		5,830,462
Total Operating Revenues	292,305,340		292,305,340
Operating Expenses:			
Steam Production	59,580,062		59,580,062
Nuclear Production			
Hydro Production	3,311,553		3,311,553
Other Power Supply	86,040,182		86,040,182
Transmission	9,676,055		9,676,055
Distribution	13,758,365		13,758,365
Customer Accounting	7,952,082		7,952,082
Customer Service & Info	476,617		476,617
Sales	4,662		4,662
Administrative & General	20,683,067	(1,106,650)	19,576,417
Total O&M Expenses	201,482,647	(1,106,650)	200,375,997
Depreciation	31,266,029	(144,750)	31,121,279
Amortization	5,038,891	(473,000)	4,565,891
Taxes Other Than Income	5,477,913	-	5,477,913
Income Taxes: Federal	2,995,270	301,645	3,296,915
State	730,609	(290,733)	439,876
Deferred Income Taxes	12,508,941	(388,000)	12,120,941
Investment Tax Credit Adj.	(404,369)	-	(404,369)
Misc Revenue & Expense			<u> </u>
Total Operating Expenses:	259,095,931	(2,101,488)	256,994,443
Operating Rev For Return:	33,209,409	2,101,488	35,310,897
Rate Base:			
Electric Plant In Service	1,134,495,894	(4,556,654)	1,129,939,240
Plant Held for Future Use	103,004	-	103,004
Misc Deferred Debits	10,194,634	(3,192,969)	7,001,665
Elec Plant Acq Adj	7,969,300	(7,969,000)	300
Nuclear Fuel		-	-
Prepayments	2,022,441	-	2,022,441
Fuel Stock	4,242,137	-	4,242,137
Material & Supplies	7,538,018	-	7,538,018
Working Capital	4,423,879	-	4,423,879
Weatherization Loans	795,339	-	795,339
Misc Rate Base	57,761		57,761

Total Electric Plant:	1,171,842,408	(15,718,623)	1,156,123,785
			
Deductions:			
Accum Prov For Deprec	(453,093,511)	(26,789,250)	(479,882,760)
Accum Prov For Amort	(26,340,998)	-	(26,340,998)
Accum Def Income Tax	(77,318,488)	(1,367,730)	(78,686,218)
Unamortized ITC	(2,261,530)	-	(2,261,530)
Customer Adv For Const	(120,509)	-	(120,509)
Customer Service Deposits	(1,606,372)	-	(1,606,372)
Miscellaneous Deductions	(10,903,870)	-	(10,903,870)
Total Deductions:	(571,645,277)	(28,156,979)	(599,802,257)
Total Rate Base:	600,197,130	(43,875,602)	556,321,528
Return on Rate Base	5.533%		6.347%
Return on Equity	4.617%		6.476%
100 Basis Points on Equity			
Rev. Req. Impact	4,788,035		3,944,970

Note:

This schedule shows the effect of the incremental adjustments proposed in the testimony of PC witness Effron to the rebuttal position of the Company. It also recoginzes the Company acceptance of certain PC adjustments in its rebuttal testimony.

Attorney General Rate Base and Operating Income Adjustments to Company Position Incremental to Position in Wrigley Rebuttal

	Total Normalized	Deferred Debits	Acquisition Adjustment	Major Plant Additions	Capital Stock Expense	Incentive Compensation		IRS Tax SIT Interest Settlement Calculation Dividends		Structure Interest Synch.
Operating Revenues:										
General Business Revenues	•		•	•	•		•	•	•	•
Interdepartmental	•	•	•	•	•		•	•		•
Special Sales	•	•	•	•	•	•	•	,		•
Other Operating Revenues		•	•	٠	•	•	•	٠		•
Total Operating Revenues				,						-
Operating Expenses:										
Steam Production		٠			٠	•	٠			•
Nuclear Production		•			•	•	٠	•	,	•
Hydro Production			•		•	•	٠		•	
Other Power Supply	•	•	•		•		ı			
ransmission	•	٠	•		,	•	,			
Distribution	•	•				•				
Sustomer Accounting						•				
Customer Service & Info		•	•			•				
Sales	•	1								
Administrative & General	(1,106,650)	1			(171,000)	(935,650)				
Fotal O&M Expenses	(1,106,650)	١.			(171,000)	(935,650)				
Depreciation	(144,750)	,		(144,750)	•		٠			
Amortization	(473,000)		(473,000)		٠	•				1
axes Other Than Income	•		•		•		•			•
ncome Taxes: Federal	301,645	33,870	242,567	210,538	57.133	312,610	16.453	110.831	(204.475)	(477,882)
State	(290,733)	4,602	32,961	28,609	7.763		2.236	_	(27,785)	(64,936)
Deferred Income Taxes	(388,000)						(388,000)			'
nvestment Tax Credit Adj.	•								•	
disc Revenue & Expense	•								,	•
Total Operating Expenses:	(2,101,488)	38,473	(197,472)	94,396	(106,104)	(580,561)	(369,312)	(205,830)	(232,260)	(542,818)
Constitution Day Day Day	2 101 488	(38.473)	197.472	(94.396)	106 104	580.561	369 312	205.830	232.260	547 818

32	Rate Base:										
33	Electric Plant In Service	(4,556,654)		•	(4,556,654)		•				
34	Plant Held for Future Use	•	•			,		,	,		
_	Misc Deferred Debits	(3,192,969)	(3.192,969)	,		,	•				
_	Elec Plant Acq Adj	(000'696'2)		(7.969.000)		,	,				
37 1	Auclear Fuel	· '	•	` '		,	•				
38	Prepayments	•	,				•				
39	-uel Stock	•		•							
40	Material & Supplies	•					•				
4	Norking Capital	,	•			•					
42	Weatherization Loans		٠	,		•	•				
43	Visc Rate Base	•	•	٠							
4	Total Electric Plant:	(15,718,623)	(3,192,969)	(000,696,7)	(4,556,654)		١.				
5											
9	Deductions:										
	Acquir Day For Donna	(030,000,007)			(050 001 00)						
	Selfed to Act III	(007'607'07)			(007'607'07)			•			
-	Accum Prov For Amort	•		•		•	•	ı	•		
•	Accum Def Income Tax	(1,367,730)			183,270		•	(1,551,000)			
_	Jnamortized ITC	•	•	•		٠			,		
2	Customer Adv For Const	•	•								
22	Customer Service Deposits	٠		,				٠	,		
8	Miscellaneous Deductions	•	•			•		٠			
2											
55	Total Deductions:	(28.156.979)	 - 	.	(26.605.979)			(1 551 000)			
တ္ထ											
22	Total Rate Base:	(43,875,602)	(3,192,969)	(7,969,000)	(31,162,634)	•		(1,551,000)	,		
58											
59											
	Estimated ROE impact	2.000%	0.081%	0.301%	0.886%	0.036%	0.195%	0.170%	0.069%	0.078%	0.183%
61											
: 6											
: :											
3											
£	TAX CALCULATION:										
92											
99	Operating Revenue	1,724,400	,	473.000	144.750	171,000	935,650	•			
67	other Dedications	000 010								000	
	Aniel Courciolis	000,210								0.00,21.0	•
_	nterest (Ar UDC)				•			•	,		
_	nterest	37,291	(101,375)	(253,011)	(989,394)		•	(49,243)			1,430,314
٠,	Schedule "M" Additions	•						•	•		
71 8	Schedule "M" Deductions	504,000			504.000		•	,	•		
72 11	ncome Before Tax	571,110	101,375	726,011	630,145	171,000	935,650	49,243	١.	(612,000)	(1.430.314)
73											
74 S	State Income Taxes	(290,733)	4.602	32.961	28.609	7.763	42.478	2.236	(316.661)	(27,785)	(64 936)
22								•			
76 T	Taxable Income	861.842	96.772	693.050	601.536	163.237	893.171	47.008	316.661	(584 215)	(1 365 378)
										()	,
78 .	Federal Income Taxes	301 645	33.870	242 567	210 538	57 133	312 610	16.453	110 831 /204 475)	(374 475)	(477 882)
		2: 2:22	,	. 76,35.3	3	22.50	71014	25.5	20.0	12021	1370.77

4.54%	35.00%	3.175%	600,197,130	49.50%	297,097,579	11.13%	8 75%
SIT Rate	FIT Rate	Debt Component	Company Rate Base	Common Equity Ratio	Common Equity Supporting Rate Base	Company Retum on Equity	Company Rate of Return

Schedule DJE-1 Page 1

PACIFICORP - WASHINGTON ISSUES SUMMARY (\$000)

	Source	Effect on Rate Base		iffect on erating come	Re	iffect on venue uirement
Miscellaneous Deferred Debits	(A)	\$ (3,193)	\$	-	\$	(406)
Acquisition Premium	(B)	(7,969)		293		(1,509)
Major Plant Additions	(C)	(31,163)		281		(4,441)
Out of Period Revenue Adjustment	(D)			-		-
Amortization of Capital Stock Expense	(E)			106		(179)
Incentive Compensation	(F)			581		(979)
IRS Tax Settlement	(G)	(1,551)		388		(852)
Income Tax Calculation	(H)			438		(739)
Rate of Return Return on Equity Capital Structure	(I) (I)					(9,287) (3,273)
Total Revenue Requirement Effect of Iss	sues				\$	(21,665)

Sources:

(A)	Schedule	DJE -2.1
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⁽B) Schedule DJE -2.2

(D) PacifiCorp Page 3.3.2 1,439*.59305 (E) PacifiCorp Page 4.1 171*62.05%

(F) Schedule DJE -2.4

(G) PacifiCorp Page 7.4

(H) Schedule DJE -2.5

(I) Schedule DJE -3

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

⁽C) Schedule DJE -2.3

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Schedule DJE-1 Page 2

PACIFICORP - WASHINGTON ISSUES SUMMARY (\$000)

	Source	<u>_R</u> ;	Effect on ate Base	Ope	fect on rating ome	Effect on Revenue quirement
Miscellaneous Deferred Debits Acquisition Premium Major Plant Additions Out of Period Revenue Adjustment Amortization of Capital Stock Expense Incentive Compensation IRS Tax Settlement Income Tax Calculation Interest Synchronization Effect	(A) (B) (C) (D) (E) (F) (G) (H)	\$	(3,193) (7,969) (31,163) (1,551)	\$	- 293 281 - 106 581 388 438 (529)	\$ (471) (1,671) (5,074) - (179) (979) (883) (739) 891
Rate of Return Return on Equity Capital Structure Total Revenue Requirement Effect of Iss	(J) (J) sues					\$ (9,287) (3,273) (21,665)

Sources:

(A)	Schedule DJE -2.1					
(B)	Schedule DJE -2.2					
(C)	Schedule DJE -2.3					
(D)	PacifiCorp Page 3.3.2	1,439*.5	9305	;		
(E)	PacifiCorp Page 4.1	171*62.0)5%			
(F)	Schedule DJE -2.4					
(G)	PacifiCorp Page 7.4					
(H)	Schedule DJE -2.5					
(l)	Total of Rate Base Adjustmer	nts	\$	(43,876)		
	Weighted Cost of Debt			3.175%	Schedule D.	JE-3
	Synchronized Interest Expens	se		(1,393)		
	Income Tax Rate			<u>37.95%</u>		
	Income Tax Expense		<u>\$</u>	<u>529</u>		
(J)	Schedule DJE-3					

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

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Schedule DJE-1 Page 3

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

Α	SIT Rate	4.54%
В	FIT Rate	35.00%
С	Combined Tax Rate	37.95%
D	Complement	62.05%
E	Revenue Sensitive Expense Factor	0.9558
F	Revenue Conversion Factor	0.5931
G	Company Pre-Tax Return	12.17%
Η	Rate Base Adjustment Factor	0.1273

Notes

10163			
Α	PacifiCorp Page 2.1		
В	PacifiCorp Page 2.1		
С	= B+(1-B)*A		
D	= 1 - C		
Ε	Uncollectible Accounts	0.357%	PacifiCorp Page 1.2
	WA Revenue Tax	3.873%	PacifiCorp Page 1.2
	WUTC Fee	<u>0.190%</u>	PacifiCorp Page 1.2
	Total	4.420%	
	Complement	95.580%	
F	= D*E		
G	Schedule DJE-3		
Н	= G/E		

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Schedule DJE-2.1

PACIFICORP - WASHINGTON MISCELLANEOUS DEFERRED DEBITS (\$000)

Miscellaneous Deferred Debits in Rate Base	(A)	<u>\$</u>	7,597
Amortization of Transition Plan Regulatory Asset	(B)	\$	1,587
Adjustment to Income Taxes	37.95%		(602)
Adjustment to Net Operating Income		<u>\$</u>	<u>985</u>

- (A) PacifiCorp Page 1.1
- (B) PacifiCorp Page 4.4.2

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Schedule DJE-2.2

PACIFICORP - WASHINGTON ELECTRIC PLANT ACQUISITION ADJUSTMENTS IN RATE BASE (\$000)

Plant Acquisition Adjustments in Rate Base	(A)	<u>\$</u>	<u>7,969</u>
Amortization of Plant Acquisition Adjustments	(B)	\$	473
Adjustment to Income Taxes	37.95%		(180)
Adjustment to Net Operating Income		<u>\$</u>	<u> 293</u>

- (A) PacifiCorp Page 1.1
- (B) PacifiCorp Page 2.17

Schedule DJE-2.3 Page 1

PACIFICORP - WASHINGTON MAJOR PLANT ADDITIONS (\$000)

Adjustment to Company Forecast of Plant Additions (A)				
Adjustment to Accumulated Reserve for Dep	reciation			
Modification to Plant Additions				145
Growth in Depreciation Reserve:	(B)			
	Annual	Years	Total	
Steam Plant	11,553	2	23,106	
Hydro Plant	1,091	2	2,182	
Other Production Plant	823	2	1,646	
Total	13,467		26,934	(26,934)
Accumulated Deferred Income Taxes (C)				
Total Adjustment to Company Rate Base				
Depreciation Expense			(D)	
Steam Plant	(A)	(4,190)	3.0547%	\$ (128)
Hydro Plant	(A)	435	2.4997%	11
Other Production Plant	(A)	(802)	3.4468%	(28)
Adjustment to Company Depreciation Expens	se	(4,557)		(145)
Company Depreciation Expense			(E)	1,302
Net Depreciation Expense				1,157
Income Tax Expense			37.95%	439
Adjustment to Net Operating Income				
Company Adjustment to Net Operating Income (F)				
Adjustment to Company Pro Forma Net Operating Income				

- (A) Schedule DJE-2.3, Page 2
- (B) PacifiCorp Page 2.16
- (C) PacifiCorp Page 8.4 4557/39209*1577
- (D) PacifiCorp Page 8.4.1
- (E) PacifiCorp Page 8.4
- (F) PacifiCorp Page 8.0

Schedule DJE-2.3 Page 2

PACIFICORP - WASHINGTON MAJOR PLANT ADDITIONS (\$000)

	(A)	(B)		(C)	
	Company	l la data	Difference	Alloc.	A al: a4a4
	Forecast	<u>Update</u>	Difference	<u>Factor</u>	Adjstmt.
U1 Huntington ESP	20,500	256	(20,244)	8.627%	(1,746)
U1 Huntington LNB	10,384	•	(10,384)	8.627%	(896)
U2 Jim Bridger LNB	7,030	1,425	(5,605)	8.627%	(484)
Generator Rewind	5,988	3,801	(2,187)	8.627%	(189)
UO Coal Load-in Facility	5,500	-	(5,500)	8.627%	(474)
Controls Upgrade	5,461	4,777	(684)	8.627%	(59)
Rewind #2 Main Gen. Stator	5,288	5,578	290	8.627%	25
U2 Controls	5,252	5,581	329	8.627%	28
FY 2004 Cholla Capital	4,460	_	(4,460)	8.869%	(396)
TOTAL STEAM PLANT	69,863	21,418	(48,445)		(4,190)
Replace Prospect Flumes	11,479	12,860	1,381	8.627%	119
Swift 1 Oper. & Cap Upgrade	11,324	23,688	12,364	8.627%	1,067
Cove Flume Replacement	8,701	-	(8,701)	8.627%	(751)
TOTAL HYDRO PLANT	31,504	36,548	5,044		435
Currant Creek Phase 1	150,369	163,983	13,614	8.263%	1,125
Currant Creek Phase 2	208,956	186,624	(22,332)	8.627%	(1,927)
TOTAL OTHER PLANT	359,325	350,607	(8,718)		(802)
					<u>\``</u>
TOTAL CAPITAL ADDITIONS	<u>460,692</u>	<u>408,573</u>	(52,119)		(4,557)

- (A) PacifiCorp Page 8.4.1
- (B) Response to Public Counsel Data Request 39
- (C) PacifiCorp Page 8.4

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Schedule DJE-2.4

PACIFICORP - WASHINGTON INCENTIVE COMPENSATION (\$000)

Total Pro Forma Incentive Compensation	(A)	\$	33,297
Allocation to Utility	(B)		<u>73.94%</u>
Cost Allocated to Utility			24,620
Allocation to Washington	(C)		<u>7.60%</u>
Cost Allocated to Washington			1,871
Proposed Adjustment	(D)		<u>50%</u>
Adjustment to Pro Forma Labor Expense			936
Adjustment to Income Taxes	37.95%		(355)
Adjustment to Net Operating Income		<u>\$</u>	<u>581</u>

(A)	PacifiCorp Page 4.10.5	
(B)	PacifiCorp Page 4.10.5	459431/621347
(C)	PacifiCorp Page 4.9	2482/32655
(D)	See Testimony	

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Schedule DJE-2.5

PACIFICORP - WASHINGTON ADJUSTMENT TO INCOME TAX EXPENSE (\$000)

Adjusted Taxable Income before State Income Tax, per Company Interest & Dividends (AFUDC - Equity)	(A) (A)	\$ 1,367 (612)
Taxable Income before State Income Tax as Adjusted		755
State Income Tax Rate	(B)	<u>4.54%</u>
State Income Tax Expense		34
Company State Income Tax Expense	(A)	379
Adjustment to State Income Tax		<u>\$ (344)</u>
Adjusted Taxable Income before State Income Tax, per Company	(A)	\$ 1,367
Interest & Dividends (AFUDC - Equity)	(A)	(612)
State Income Tax		(34)
Taxable Income before Federal Income Tax as Adjusted		720
Federal Income Tax Rate		<u>35%</u>
Federal Income Tax Expense		252
Company Federal Income Tax Expense	(A)	346
Adjustment to Federal Income Tax		<u>\$ (94)</u>
Total Adjustment to Income Tax Expense		<u>\$ (438)</u>

- (A) PacifiCorp Page 2.22
- (B) PacifiCorp Page 2.1

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Schedule DJE-3 Page 1

PACIFICORP - WASHINGTON EFFECT OF RATE OF RETURN PROPOSAL (\$000)

Company Rate Base Proposed Adjustments Proposed Rate Base	(A) (B)	\$ 600,197 (43,876) \$ 556,321
Company Pre-Tax Rate of Return Pre-Tax Rate of Return - Public Counsel ROE, Company Cap. Structure Difference	(C) (C)	12.167% 10.571% 1.596%
Effect on Pre-Tax Return Requirement Gross-Up for Revenue Sensitive Expenses Effect on Revenue Requirement	(D)	\$ 8,876 0.9558 \$ 9,287
Proposed Rate Base	(A)	\$ 556,321
Pre-Tax Rate of Return - Public Counsel ROE, Company Cap. Structure Pre-Tax Rate of Return - Public Counsel ROE and Capital Structure Difference	(C) (C)	10.571% 10.009% 0.562%
Effect on Pre-Tax Return Requirement Gross-Up for Revenue Sensitive Expenses Effect on Revenue Requirement	(D)	\$ 3,129 0.9558 \$ 3,273

- (A) PacifiCorp Page 1.1
- (B) Schedule DJE-1, Page 1
- (C) Schedule DJE-3
- (D) Schedule DJE-1, Page 3

Schedule DJE-3 Page 2

PACIFICORP - WASHINGTON RATE OF RETURN

Per	Company:	
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	Percent	Cost	Weighted	Pre-Tax
	of Total	Rate	Cost	Cost
Long Term Debt	49.40%	6.43%	3.175%	3.175%
Preferred Stock	1.10%	6.59%	0.072%	0.117%
Common Equity	<u>49.50%</u>	11.13%	<u>5.507%</u>	<u>8.875%</u>
Total Capital	<u>100.00%</u>		<u>8.754%</u>	12.167%

With Company Capital Structure and Public Counsel Return on Equity:

	Percent of Total	Cost Rate	Weighted Cost	Pre-Tax Cost
Long Term Debt	49.40%	6.43%	3.175%	3.175%
Preferred Stock	1.10%	6.59%	0.072%	0.117%
Common Equity	<u>49.50%</u>	9.13%	<u>4.517%</u>	7.280%
Total Capital	<u>100.00%</u>		<u>7.764%</u>	<u>10.571%</u>

With Public Counsel Return on Equity and Capital Structure:

	Percent	Cost	Weighted	Pre-Tax
	of Total	_Rate_	Cost	Cost
Short Term Debt	3.00%	3.00%	0.090%	0.090%
Long Term Debt	52.00%	6.43%	3.342%	3.342%
Preferred Stock	1.00%	6.59%	0.066%	0.106%
Common Equity	<u>44.00%</u>	9.13%	<u>4.015%</u>	<u>6.471%</u>
Total Capital	<u>100.00%</u>		<u>7.513%</u>	<u>10.009%</u>

Sources: PacifiCorp Page 2.1

Testimony of Mr. Hill

	Company Position	Adjustments	Proposed Position
Rate Base	\$600,197,130	\$(43,875,602)	\$ 556,321,528
Rate of Return	<u>8.75</u> %	<u>-1.24%</u>	<u>7.51</u> %
Operating Income Requirement	52,543,075	(10,746,973)	41,796,103
Adjusted Operating Income	33,209,409	2,101,488	35,310,897
Income Deficiency (Excess)	19,333,666	(12,848,461)	6,485,205
Gross Revenue Conversion Factor	0.5931		0.5931
Revenue Deficiency (Excess)	<u>\$ 32,599,610</u>	<u>\$(21,664,531)</u>	<u>\$ 10,935,079</u>