

PacifiCorp General Rate Case			
Conversion Factor			Nominal Tax Rate
1	Operating Revenue	100.0000%	
2	Operating Revenue Deductions:		
3	Uncollectible Accounts	0.3600% *1	
4	Franchise Tax	0.0000%	
5	WA Revenue Tax	3.8591% *2	
6	WUTC Fee	0.1900% *3	
7	Sub-Total	<u>95.5909%</u>	
8	State Income Tax	4.3398%	4.540%
9	Sub-Total	<u>91.2511%</u>	
10	Federal Income Tax @ 35%	<u>31.9379%</u>	35%
11	Net Operating Income Conversion Factor	<u>59.3132%</u>	
12	Company uses inverse known as "Net to Gross Bump-up".	168.5965%	
13			
14	Per Company for Comparison		
15	Exhibit No. ____ (PMW-3), Tab 1, pages 1.3, Net Operating Income	59.3046%	
16	Exhibit No. ____ (PMW-3), Tab 1, page 1.2, Net to Gross Bump-up	168.6211%	
17			
18			
19	Revenue Sensitive Tax Rates		
20	customer accounting	0.3600%	
21	other taxes	4.0491%	
22			
23	*1 Uncollectible Rate		
24	uncollectible rate per Company	<u><u>0.36000%</u></u>	
25			
26			
27			
28			
29	*2 Effective WA Revenue Tax		
30	Total Revenue	100.0000%	
31	Uncollectible	0.36000%	
32	Revenue Tax Base	99.6400%	
33	Revenue Tax Rate	<u>3.8730%</u>	
34	Effective rate	<u><u>3.8591%</u></u>	

*1 accepted Company number

*2 revised to reflect nominal tax rate on adjusted revenues

*3 current rate of February 2005

	Total Ratemaking Adjustments	1.1 Pre Merger ECD	1.2 Stipulated NPC	1.3 Reverse Pro- duction Factor	1.4 WAPA Transmission	1.5 Health Care	1.6 Pension & OPEB	1.7 Incentive/Bonus Expense	1.8 Consolidated Tax Adjustment	1.9 RTO Expense
Operating Revenues:										
1 General Business Revenues	-	-	-	-	-	-	-	-	-	-
2 Interdepartmental	-	-	-	-	-	-	-	-	-	-
3 Special Sales	-	-	-	-	-	-	-	-	-	-
4 Other operating revenues	240,383	-	-	-	240,383	-	-	-	-	-
5 Total Operating Revenues	240,383	-	-	-	240,383	-	-	-	-	-
Operating Expenses:										
8 Steam Production	(226,000)	-	-	-	-	-	-	-	-	(226,000)
9 Nuclear Production	-	-	-	-	-	-	-	-	-	-
10 Hydro Production	-	-	-	-	-	-	-	-	-	-
11 Other Power Supply	(21,114,877)	(8,604,686)	(2,687,108)	(9,823,083)	-	-	-	-	-	-
12 Transmission	-	-	-	-	-	-	-	-	-	-
13 Distribution	-	-	-	-	-	-	-	-	-	-
14 Customer Accounting	-	-	-	-	-	-	-	-	-	-
15 Customer Service & Info	-	-	-	-	-	-	-	-	-	-
16 Sales	-	-	-	-	-	-	-	-	-	-
17 Administrative & General	(3,133,000)	-	-	-	-	(415,000)	(668,000)	(2,050,000)	-	-
18 Total O&M Expense	(24,473,877)	(8,604,686)	(2,687,108)	(9,823,083)	-	(415,000)	(668,000)	(2,050,000)	-	(226,000)
19 Depreciation	(30,250)	-	-	-	-	(4,000)	(6,439)	(19,810)	-	-
20 Amortization	-	-	-	-	-	-	-	-	-	-
21 Taxes Other than Income	-	-	-	-	-	-	-	-	-	-
22 Income Taxes: Federal	1,297,950	2,874,912	897,790	3,281,990	80,314	139,992	225,337	691,544	(7,013,924)	75,509
23 : State	176,370	390,653	121,995	445,968	10,913	19,023	30,620	93,969	(953,076)	10,260
24 Deferred Income Taxes	-	-	-	-	-	-	-	-	-	-
25 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-	-
26 Misc. Revenue & Expense	-	-	-	-	-	-	-	-	-	-
27 Total Operating Expenses:	(23,029,806)	(5,339,122)	(1,667,324)	(6,095,125)	91,228	(259,986)	(418,483)	(1,284,297)	(7,967,000)	(140,231)
28										
29 Operating Revenue for Return	23,270,189	5,339,122	1,667,324	6,095,125	149,155	259,986	418,483	1,284,297	7,967,000	140,231
Rate Base:										
32 Electric Plant in Service	(1,104,000)	-	-	-	-	(146,000)	(235,000)	(723,000)	-	-
33 Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-
34 Misc. Deferred Debits	-	-	-	-	-	-	-	-	-	-
35 Electric Plant Acq Adj	-	-	-	-	-	-	-	-	-	-
36 Nuclear Fuel	-	-	-	-	-	-	-	-	-	-
37 Prepayments	-	-	-	-	-	-	-	-	-	-
38 Fuel Stock	-	-	-	-	-	-	-	-	-	-
39 Material & Supplies	-	-	-	-	-	-	-	-	-	-
40 Working Capital	-	-	-	-	-	-	-	-	-	-
41 Weatherization Loans	-	-	-	-	-	-	-	-	-	-
42 Misc. Rate Base	-	-	-	-	-	-	-	-	-	-
43 Total Electric Plant:	(1,104,000)	-	-	-	-	(146,000)	(235,000)	(723,000)	-	-
Deductions:										
46 Accum. Prov. for Depreciation	-	-	-	-	-	-	-	-	-	-
47 Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-	-
48 Accum. Deferred Income Tax	-	-	-	-	-	-	-	-	-	-
49 Unamortized ITC	-	-	-	-	-	-	-	-	-	-
50 Customer Advances for Const	-	-	-	-	-	-	-	-	-	-
51 Customer Service Deposits	-	-	-	-	-	-	-	-	-	-
52 Miscellaneous Deductions	-	-	-	-	-	-	-	-	-	-
53										
54 Total Deductions:	-	-	-	-	-	-	-	-	-	-
55										
56 Total Rate Base:	(1,104,000)	-	-	-	-	(146,000)	(235,000)	(723,000)	-	-
TAX CALCULATION										
60 TAX CALCULATION										
61 Per Company		State Income Tax Rate		4.54%						
62		Federal Income Tax Rate		35.00%						
63 Operating Revenue	24,744,510	8,604,686	2,687,108	9,823,083	240,383	419,000	674,439	2,069,810	-	226,000
64 Other Deductions	-	-	-	-	-	-	-	-	-	-
65 Interest (AFUDC)	-	-	-	-	-	-	-	-	-	-
66 Interest	(133,149)	-	-	-	-	-	-	-	-	-
67 Schedule "M" additions	-	-	-	-	-	-	-	-	-	-
68 Schedule "M" deductions	-	-	-	-	-	-	-	-	-	-
69										
70 Income Before Tax	24,877,659	8,604,686	2,687,108	9,823,083	240,383	419,000	674,439	2,069,810	-	226,000
71 State Income Tax	1,129,446	390,653	121,995	445,968	10,913	19,023	30,620	93,969	-	10,260
72 Taxable Income	23,748,213	8,214,033	2,565,113	9,377,115	229,470	399,978	643,819	1,975,841	-	215,740
73 Adjustments to FIT	-	-	-	-	-	-	-	-	-	-
74 Federal Income Tax	8,311,875	2,874,912	897,790	3,281,990	80,314	139,992	225,337	691,544	-	75,509