

Bench Request No. 8 - Revenue Requirement Adjustment Summary (AMA)

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				
				Unadjusted Washington Allocated Data (Per Books)			NOI	Rate Base	Rev. Req.	NOI	Rate Base	Rev. Req.	NOI	Rate Base
					53,650,967		781,321,066				5,459,220			
1	3.1		Temperature Normalization		(571,522)		-				921,602			
2	3.2		Revenue Normalizing		(5,477,991)		-				8,833,475			
3	3.3		Effective Price Change		5,273,123		-				(8,503,117)			
4	3.4		SO2 Emission Allowance Sales		1,855		(1,645)				(3,184)			
5	3.5		Renewable Energy Credits		(288,402)		-				465,060			
6	3.6		Wheeling Revenue		58,936		-				(95,036)			
7			Tab 3 - Revenue - Subtotal		(1,004,003)		(1,645)				1,618,800			
8														
9	4.1		Miscellaneous Expense & Revenue - REVISED		44,464		-				(71,701)			
10	4.2		General Wage Increase - REVISED		(395,768)		-				638,191			
11	4.3		Legal Expenses		65,657		-				(105,875)			
12	4.4		Imigation Load Control Program		1,650		-				(2,661)			
13	4.5		Remove Non-Recurring Entries		(90,925)		-				146,620			
14	4.6		DSM Expense Removal		7,496,439		-				(12,088,301)			
15	4.7		Insurance Expense		(184,003)		-				296,712			
16	4.8		Advertising		15		-				(24)			
17	4.9		Memberships & Subscriptions - REVISED		7,166		-				(11,556)			
18	4.10		Revenue-Sensitive/ Uncollectible Expense		(269,665)		-				434,845			
19	4.11		Full Time Equivalent Reduction - NEW		542,591		-				(874,949)			
20			Tab 4 - O&M - Subtotal		6,675,032		-				(11,638,699)			
21														
22	5.1		Net Power Costs - Removal		4,882,290		-				(7,872,883)			
23	5.2		Colstrip #3 Removal - REVISED_BR8.1		944,969		(8,010,771)				(2,466,823)			
24	5.3		EIM Costs Removal - NEW_BR8.1		246,387		(828,831)				(494,843)			
25			Tab 5 - NPC - Subtotal		6,073,646		(8,839,602)				(10,834,549)			
26														
27	6.1		End-of-Period Plant Reserves_BR8.1		-		-				-			
28	6.2		Annualization of Base Period Depr./Amort. Expense_BR8.1		-		-				-			
29	6.3		Hydro Decommissioning_BR8.1		-		-				-			
30	6.4		Accelerated Depreciation on Jim Bridger & Colstrip - REVISED		(6,607,865)		(4,150,878)				10,166,819			
31	6.5		Retired Asset Depreciation Expense Removal - NEW		104,104		297,696				(132,828)			
32			Tab 6 - Depreciation/Amortization - Subtotal		(6,503,762)		(3,853,182)				10,033,991			
33														
34	7.1		Interest True Up - REVISED_BR8.1		186,652		-				(300,984)			
35	7.2		Property Tax Expense - REVISED		(306,725)		-				494,606			
36	7.3		Production Tax Credit - REVISED		(108,625)		-				175,162			
37	7.4		PowerTax ADIT Balance - REVISED_BR8.1		-		13,631,610				1,604,650			
38	7.5		WA Low Income Tax Credit		12,289		-				(19,816)			
39	7.6		Flow-Through Adjustment		(2,123,178)		(2,260,168)				3,157,651			
40	7.7		Remove Deferred State Tax Expense & Balance - REVISED_BR8.1		156,756		(78)				(251,172)			
41	7.8		WA Public Utility Tax Adjustment		(182,112)		-				293,662			
42	7.9		AFUDC Equity		(1,353)		-				2,183			
43			Tab 7 - Tax - Subtotal		(2,367,296)		11,371,363				5,155,942			
44														
45	8.1		Jim Bridger Mine Rate Base_BR8.1		-		28,996,225				3,413,301			
46	8.2		Environmental Remediation		(434,575)		(849,177)				600,808			
47	8.3		Customer Advances for Construction		-		(997,745)				(117,450)			
48	8.4		Pro Forma Major Plant Additions - REVISED		(1,209,293)		20,028,447				4,307,688			
49	8.5		Miscellaneous Rate Base		-		(23,631,671)				(2,781,811)			
50	8.6		Removal of Colstrip #4 AFUDC		17,991		(342,058)				(69,276)			
51	8.7		Trojan Unrecovered Plant		2,901		(277,124)				(37,300)			
52	8.8		Customer Service Deposits		(2,831)		(3,272,583)				(380,668)			
53	8.9		Misc. Asset Sales and Removals		-		210,870				24,823			
54	8.10		Investor Supplied Working Capital		-		23,962,204				2,820,719			
55	8.11		End-of-Period Plant Balances_BR8.1		-		-				-			
56	8.12		Chehalis Regulatory Asset Adjustment		-		(1,861,470)				(219,124)			
57	8.13		Idaho Asset Exchange_BR8.1		-		3,118,614				367,109			
58			Tab 8 - Rate Base - Subtotal		(1,625,807)		45,084,532				7,928,820			
59														
60														
61														
62			Subtotal Normalizing Adjustments		1,247,809		43,761,467				2,264,306			
63														
64			Total Adjusted Results		54,898,766		825,082,533				7,723,526			
65														
66														
67			Notes:											
68			(1) The revenue requirement column is calculated using the Company's approved return on rate base of 7.30% and the NOI conversion factor of 62.014%.											
69			The development of these percentages can be found in Exhibit No. (SEM-8) on pages 2.1 and 1.3 respectively.											

PacifiCorp
Results of Operations Summary - Bench Request No. 8, Question 1
Washington Expedited Rate Filing
12 Months Ended June 2015

		Exhibit No. (SEM-8r)							
		Tab 3	Tab 4	Tab 5	Tab 6	Tab 7	Tab 8	Tab 9	
Washington Allocated Actual Results June 2015		Revenue Adjustments	O&M Adjustments	Net Power Cost Adjustments	Depreciation & Amortization Adjustments	Tax Adjustments	Rate Base Adjustments	Production Factor	
1	Operating Revenues:								
2	General Business Revenues	336,867,108	(1,194,447)	(129,744,692)	-	-	-	-	
3	Interdepartmental	-	-	-	-	-	-	-	
4	Special Sales	13,422,783	-	(13,422,783)	-	-	-	-	
5	Other Operating Revenues	9,740,155	(419,729)	-	-	-	-	-	
6	Total Operating Revenues	360,030,046	(1,614,176)	(143,167,475)	-	-	-	-	
7									
8	Operating Expenses:								
9	Steam Production	67,493,070	(44,772)	(54,252,963)	-	-	-	-	
10	Nuclear Production	-	-	-	-	-	-	-	
11	Hydro Production	6,641,502	(18,302)	-	-	-	-	-	
12	Other Power Supply	81,408,339	251,166	(71,885,056)	-	-	-	-	
13	Transmission	31,030,201	(66,703)	(67,020)	-	-	-	-	
14	Distribution	11,025,297	-	31,614	(890)	-	-	-	
15	Customer Accounting	5,916,884	-	389,101	-	-	-	-	
16	Customer Service & Info	12,294,037	-	(11,538,556)	-	-	-	-	
17	Sales	-	-	-	-	-	-	-	
18	Administrative & General	9,604,908	-	14,292	(3,744)	-	456,622	-	
19	Total O&M Expenses	225,414,237	(66,703)	(10,982,477)	(151,620,580)	-	456,622	-	
20	Depreciation	44,144,438	-	(132,826)	(626,873)	9,894,884	-	1,863,915	
21	Amortization	4,714,285	-	-	(214,514)	-	-	-	
22	Taxes Other Than Income	21,184,678	-	-	(39,453)	-	733,151	-	
23	Income Taxes - Federal	8,322,675	(541,624)	3,886,412	3,110,032	(559,529)	(333,277)	(656,027)	
24	Income Taxes - State	-	-	-	-	-	-	-	
25	Income Taxes - Def Net	2,604,141	1,144	-	150,268	(2,831,594)	1,967,422	(44,057)	
26	Investment Tax Credit Adj.	-	-	-	-	-	-	-	
27	Misc Revenue & Expense	(5,365)	(2,990)	11,268	-	-	-	4,355	
28	Total Operating Expenses:	306,379,090	(610,173)	(7,217,623)	(149,241,121)	6,503,762	2,367,296	1,625,807	
29									
30	Operating Rev For Return:	53,650,957	(1,004,003)	7,217,623	6,073,646	(6,503,762)	(2,367,296)	(1,625,807)	
31									
32	Rate Base:								
33	Electric Plant In Service	1,711,240,085	-	(29,201,289)	-	-	98,493,913	-	
34	Plant Held for Future Use	424,723	-	-	-	-	-	-	
35	Misc Deferred Debits	10,635,421	-	-	-	-	(10,147,740)	-	
36	Elec Plant Acq Adj	-	-	-	-	-	-	-	
37	Nuclear Fuel	-	-	-	-	-	-	-	
38	Prepayments	1,753,737	-	-	-	-	(1,753,737)	-	
39	Fuel Stock	6,572,936	-	-	-	-	(6,572,936)	-	
40	Material & Supplies	7,344,634	-	-	-	-	(7,344,634)	-	
41	Working Capital	2,150,960	-	-	-	-	21,811,244	-	
42	Weatherization	1,840,890	-	-	-	-	-	-	
43	Misc Rate Base	-	-	-	-	-	-	-	
44	Total Electric Plant:	1,741,963,386	-	(29,201,289)	-	-	94,486,111	-	
45									
46	Rate Base Deductions:								
47	Accum Prov For Deprec	(650,698,309)	-	18,821,762	(5,027,522)	-	(42,963,214)	-	
48	Accum Prov For Amort	(51,041,927)	-	67,574	-	-	-	-	
49	Accum Def Income Tax	(254,566,534)	1,006	1,471,529	1,174,340	11,371,363	(3,072,465)	-	
50	Unamortized ITC	(107,192)	-	823	-	-	-	-	
51	Customer Adv For Const	25,235	-	-	-	-	(997,745)	-	
52	Customer Service Deposits	-	-	-	-	-	(3,272,583)	-	
53	Misc Rate Base Deductions	(4,253,593)	(2,651)	-	-	-	904,429	-	
54									
55	Total Rate Base Deductions	(960,642,319)	(1,645)	20,361,687	(3,853,182)	11,371,363	(49,401,578)	-	
56									
57	Total Rate Base:	781,321,066	(1,645)	(8,839,602)	(3,853,182)	11,371,363	45,084,532	-	
58									
59	Return on Equity	8.62%	-0.26%	1.88%	1.76%	-1.63%	-0.81%	-1.16%	0.00%
60	Price Change	5,459,221	1,618,800	(11,638,699)	(10,834,549)	10,033,991	5,155,942	7,926,820	-
61									
62	TAX CALCULATION:								
63	Operating Revenue	64,577,772	(1,544,463)	11,104,035	9,333,946	(9,894,884)	(733,151)	(2,324,892)	
64	Other Deductions	-	-	-	-	-	-	-	
65	Interest (AFUDC)	(2,382,085)	-	-	-	-	(3,867)	-	
66	Interest	21,200,191	-	-	-	533,292	-	-	
67	Schedule "M" Additions	64,495,489	-	(52,188)	8,296,230	-	1,382,994	-	
68	Schedule "M" Deductions	72,317,680	3,015	395,953	-	-	939,607	-	
69	Income Before Tax	37,937,475	(1,547,497)	11,104,035	8,885,804	(1,598,655)	(1,262,576)	(1,871,505)	
70									
71	State Income Taxes	-	-	-	-	-	-	-	
72	Taxable Income	37,937,475	(1,547,497)	11,104,035	8,885,804	(1,598,655)	(1,262,576)	(1,871,505)	
73									
74	Federal Income Taxes + Other	8,322,675	(541,624)	3,886,412	3,110,032	(559,529)	(333,277)	(656,027)	

PacifiCorp
Results of Operations Summary -
Washington Expedited Rate Filing
12 Months Ended June 2015

	Total Tabs 3-9	
	Normalizing Adjustments	Washington Normalized Results
1 Operating Revenues:		
2 General Business Revenues	(130,939,139)	205,927,969
3 Interdepartmental	-	-
4 Special Sales	(13,422,783)	-
5 Other Operating Revenues	(419,729)	9,320,426
6 Total Operating Revenues	<u>(144,781,651)</u>	<u>215,248,395</u>
7		
8 Operating Expenses:		
9 Steam Production	(54,297,735)	13,195,334
10 Nuclear Production	-	-
11 Hydro Production	(18,302)	6,623,200
12 Other Power Supply	(71,633,890)	9,774,449
13 Transmission	(25,611,650)	5,418,552
14 Distribution	30,723	11,056,020
15 Customer Accounting	389,101	6,305,985
16 Customer Service & Info	(11,538,556)	756,481
17 Sales	-	-
18 Administrative & General	467,170	10,072,078
19 Total O&M Expenses	(162,213,139)	63,201,099
20 Depreciation	10,999,099	55,143,538
21 Amortization	(214,514)	4,499,771
22 Taxes Other Than Income	693,698	21,878,376
23 Income Taxes - Federal	4,906,987	13,229,662
24 Income Taxes - State	-	-
25 Income Taxes - Def Net	(756,817)	1,847,324
26 Investment Tax Credit Adj.	-	-
27 Misc Revenue & Expense	12,634	7,269
28 Total Operating Expenses:	<u>(146,572,052)</u>	<u>159,607,038</u>
29		
30 Operating Rev For Return:	<u>1,790,401</u>	<u>55,441,357</u>
31		
32 Rate Base:		
33 Electric Plant In Service	69,292,624	1,780,532,710
34 Plant Held for Future Use	-	424,723
35 Misc Deferred Debits	(10,147,740)	487,681
36 Elec Plant Acq Adj	-	-
37 Nuclear Fuel	-	-
38 Prepayments	(1,753,737)	(0)
39 Fuel Stock	(6,572,936)	0
40 Material & Supplies	(7,344,634)	0
41 Working Capital	21,811,244	23,962,204
42 Weatherization	-	1,840,890
43 Misc Rate Base	-	-
44 Total Electric Plant:	<u>65,284,821</u>	<u>1,807,246,207</u>
45		
46 Rate Base Deductions:		
47 Accum Prov For Deprec	(29,168,975)	(679,867,284)
48 Accum Prov For Amort	67,574	(50,974,353)
49 Accum Def Income Tax	10,945,774	(243,620,760)
50 Unamortized ITC	823	(106,369)
51 Customer Adv For Const	(997,745)	(972,510)
52 Customer Service Deposits	(3,272,583)	(3,272,583)
53 Misc Rate Base Deductions	901,777	(3,351,815)
54		
55 Total Rate Base Deductions	<u>(21,523,355)</u>	<u>(982,165,674)</u>
56		
57 Total Rate Base:	<u>43,761,467</u>	<u>825,082,533</u>
58		
59 Return on Equity		8.32%
60 Price Change	2,264,306	7,723,526
61		
62 TAX CALCULATION:		
63 Operating Revenue	5,940,571	70,518,343
64 Other Deductions		
65 Interest (AFUDC)	(3,867)	(2,385,952)
66 Interest	533,292	21,733,483
67 Schedule "M" Additions	9,637,035	74,132,524
68 Schedule "M" Deductions	1,338,575	73,656,255
69 Income Before Tax	<u>13,709,606</u>	<u>51,647,081</u>
70		
71 State Income Taxes	-	-
72 Taxable Income	<u>13,709,606</u>	<u>51,647,081</u>
73		
74 Federal Income Taxes + Other	<u>4,906,987</u>	<u>13,229,662</u>