

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

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	Rev. Req.		
					53,650,957		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)						
					Tab 3 - Revenue - Subtotal							(1,004,003)			(1,645)	1,618,800	
9	4.1	<i>Miscellaneous Expense & Revenue - REVISED</i>			44,464		-				(71,701)						
10	4.2	<i>General Wage Increase - REVISED</i>			(395,768)		-				638,191						
11	4.3	Legal Expenses			65,657		-				(105,875)						
12	4.4	Irrigation 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	<i>Memberships & Subscriptions - REVISED</i>			7,166		-				(11,556)						
18	4.10	Revenue-Sensitive/ Uncollectible Expense			(269,665)		-				434,845						
19	4.11	<i>Full Time Equivalent Reduction - NEW</i>			542,591		-				(874,949)						
					Tab 4 - O&M - Subtotal							6,675,032				(11,638,699)	
22	5.1	Net Power Costs - Removal			4,882,290		-				(7,872,883)						
23	5.2	Colstrip #3 Removal - REVISED			944,989		(7,809,780)				(2,443,163)						
24	5.3	EIM Costs Removal - NEW			246,367		(1,226,330)				(541,635)						
					Tab 5 - NPC - Subtotal							6,073,646				(9,036,110)	(10,857,681)
27	6.1	End-of-Period Plant Reserves			-		(15,072,680)				(1,774,286)						
28	6.2	Annualization of Base Period Depr./Amort. Expense			(350,091)		214,125				589,741						
29	6.3	Hydro Decommissioning			-		(160,400)				(18,882)						
30	6.4	<i>Accelerated Depreciation on Jim Bridger & Colstrip - REVISED_BR8.2</i>			(6,607,865)		(8,765,943)				9,623,555						
31	6.5	Retired Asset Depreciation Expense Removal - NEW			104,104		297,696				(132,828)						
					Tab 6 - Depreciation/Amortization - Subtotal							(6,853,852)				(23,487,202)	8,287,300
34	7.1	<i>Interest True Up - REVISED_BR8.2</i>			200,269		-				(322,942)						
35	7.2	<i>Property Tax Expense - REVISED</i>			(306,725)		-				494,606						
36	7.3	<i>Production Tax Credit - REVISED</i>			(108,825)		-				175,162						
37	7.4	<i>PowerTax ADIT Balance - REVISED_BR8.2</i>			-		9,473,629				1,115,192						
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	<i>Remove Deferred State Tax Expense & Balance - REVISED</i>			139,106		(78)				(224,323)						
41	7.8	WA Public Utility Tax Adjustment			(182,112)		-				293,662						
42	7.9	AFUDC Equity			(1,353)		-				2,183						
					Tab 7 - Tax- Subtotal							(2,370,329)				7,213,383	4,671,374
45	8.1	Jim Bridger Mine Rate Base			-		27,838,518				3,277,021						
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	<i>Pro Forma Major Plant Additions - REVISED_BR8.2</i>			(1,209,293)		19,113,658				4,198,992						
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)		(3,272,563)				(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			-		27,245,532				3,207,217						
56	8.12	Chehalis Regulatory Asset Adjustment			-		(1,861,470)				(219,124)						
57	8.13	Idaho Asset Exchange			-		3,411,203				401,551						
					Tab 8 - Rate Base- Subtotal							(1,625,807)				70,550,058	10,926,503
62		Subtotal Normalizing Adjustments									894,686					45,238,483	3,007,599
64		Total Adjusted Results									54,545,643					626,559,549	8,466,819

Notes:

(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%.

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 2
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 Acutal 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)	(25,477,926)	-	-	-	
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)	10,415,431	-	1,863,915	
21	Amortization	4,714,285	-	(214,514)	43,669	-	-	-	
22	Taxes Other Than Income	21,184,678	-	(39,463)	-	733,151	-	-	
23	Income Taxes - Federal	8,322,675	(541,624)	3,886,412	3,110,032	(559,529)	(346,894)	(655,027)	
24	Income Taxes - State	-	-	-	-	-	-	-	
25	Income Taxes - Def Net	2,604,141	1,144	150,268	(3,045,719)	1,984,072	(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)	6,853,852	2,370,329	1,625,807	
29									
30	Operating Rev For Return:	53,650,957	(1,004,003)	7,217,623	6,073,646	(6,853,852)	(2,370,329)	(1,625,807)	
31									
32	Rate Base:								
33	Electric Plant In Service	1,711,240,085	-	(29,983,300)	-	-	126,585,158	-	
34	Plant Held for Future Use	424,723	-	-	-	-	-	-	
35	Misc Deferred Debits	10,635,421	-	-	-	-	(10,238,300)	-	
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	-	(29,983,300)	-	-	122,486,795	-	
45									
46	Rate Base Deductions:								
47	Accum Prov For Deprec	(650,698,309)	-	19,141,691	(23,373,370)	-	(45,824,788)	-	
48	Accum Prov For Amort	(51,041,927)	-	214,480	(1,914,754)	-	-	-	
49	Accum Def Income Tax	(254,566,534)	1,006	1,590,607	1,800,922	7,213,383	(2,746,050)	-	
50	Unamortized ITC	(107,192)	-	411	-	-	-	-	
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)	20,947,190	(23,487,202)	7,213,383	(51,936,737)	-	
56									
57	Total Rate Base:	781,321,066	(1,645)	(9,036,110)	(23,487,202)	7,213,383	70,550,058	-	
58									
59	Return on Equity	8.62%	-0.26%	1.88%	1.77%	-1.41%	-0.74%	-1.55%	0.00%
60	Price Change	5,459,221	1,618,800	(11,638,699)	(10,857,681)	8,287,300	4,671,374	10,926,503	-
61									
62	TAX CALCULATION:								
63	Operating Revenue	64,577,772	(1,544,483)	11,104,035	9,333,946	(10,459,100)	(733,151)	(2,324,892)	
64	Other Deductions	-	-	-	-	-	-	-	
65	Interest (AFUDC)	(2,382,085)	-	-	-	-	(3,867)	-	
66	Interest	21,200,191	-	-	-	572,198	-	-	
67	Schedule "M" Additions	64,495,489	-	(52,188)	8,860,445	-	1,392,994	-	
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)	(1,301,482)	(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)	(1,301,482)	(1,871,505)	
73									
74	Federal Income Taxes + Other	8,322,675	(541,624)	3,886,412	3,110,032	(559,529)	(346,894)	(655,027)	

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)	755,481
17 Sales	-	-
18 Administrative & General	467,170	10,072,078
19 Total O&M Expenses	<u>(162,213,139)</u>	<u>63,201,099</u>
20 Depreciation	11,519,646	55,664,084
21 Amortization	(170,845)	4,543,441
22 Taxes Other Than Income	693,698	21,878,376
23 Income Taxes - Federal	4,893,370	13,216,044
24 Income Taxes - State	-	-
25 Income Taxes - Def Net	(954,292)	1,649,849
26 Investment Tax Credit Adj.	-	-
27 Misc Revenue & Expense	12,634	7,269
28 Total Operating Expenses:	<u>(146,218,928)</u>	<u>160,160,162</u>
29		
30 Operating Rev For Return:	<u>1,437,277</u>	<u>55,088,234</u>
31		
32 Rate Base:		
33 Electric Plant In Service	96,601,858	1,807,841,943
34 Plant Held for Future Use	-	424,723
35 Misc Deferred Debits	(10,236,300)	397,121
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>92,503,495</u>	<u>1,834,466,881</u>
45		
46 Rate Base Deductions:		
47 Accum Prov For Deprec	(50,056,467)	(700,754,776)
48 Accum Prov For Amort	(1,700,274)	(52,742,201)
49 Accum Def Income Tax	7,859,868	(246,706,666)
50 Unamortized ITC	411	(106,780)
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>(47,265,012)</u>	<u>(1,007,907,331)</u>
56		
57 Total Rate Base:	<u>45,238,483</u>	<u>826,559,550</u>
58		
59 Return on Equity		8.21%
60 Price Change	3,007,599	8,466,819
61		
62 TAX CALCULATION:		
63 Operating Revenue	5,376,355	69,954,127
64 Other Deductions		
65 Interest (AFUDC)	(3,867)	(2,385,952)
66 Interest	572,198	21,772,389
67 Schedule "M" Additions	10,201,251	74,696,740
68 Schedule "M" Deductions	1,338,575	73,656,255
69 Income Before Tax	<u>13,670,700</u>	<u>51,608,175</u>
70		
71 State Income Taxes	-	-
72 Taxable Income	<u>13,670,700</u>	<u>51,608,175</u>
73		
74 Federal Income Taxes + Other	<u>4,893,370</u>	<u>13,216,044</u>