BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WUTC V. PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY	)	Docket No. UE-050684
IN THE MATTER OF THE PETITION OF PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY FOR AN ORDER APPROVING DEFERRAL OF COSTS RELATED TO DECLINING HYDRO GENERATION	)	Docket No. UE-050412

PACIFICORP

SUPPLEMENTAL TESTIMONY AND EXHIBITS

January 2006

Wrigley
Testimony (PMW-10T)

Exhibit No.___(PMW-10T)
Docket Nos. UE-050684 & UE-050412
2005 PP&L Rate Case
Witness: Paul M. Wrigley

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PACIFICORP

SUPPLEMENTAL TESTIMONY OF PAUL M. WRIGLEY

January 2006

Q. Mr. Wrigley, have you previously filed testimony in this proceeding?

A. Yes, I have filed both direct and rebuttal testimony in this proceeding.

Q. Please describe the purpose of your supplemental testimony.

A. The purpose of my supplemental testimony is to incorporate various pro forma adjustments to the requested Revenue Requirement in this case that may occur if the Commission approves the application of MidAmerican Energy Holdings Company (MEHC) to acquire PacifiCorp. In addition, I discuss further commitments that will increase capital costs and expenses in future Rate Cases.

Q. What assumptions have you made in order to adequately incorporate these adjustments into your forecasted Revenue Requirement?

A. In the Oregon Docket, the adjustments (Oregon Commitments O 8 through O 12) to revenue requirement will be made to satisfy the requirements of Paragraph 19 of the Stipulation (Exhibit No. 11) entered into by the Parties in Docket UM 1209. In rate cases filed before the close of the Transaction, the adjustments will be included as pro forma adjustments and will lower the requested revenue requirement once the Transaction closes.

In this testimony, I assume that the WUTC approves the MEHC Transaction with the Oregon-type stipulation, and that the Transaction closes before the effective date of the Final Order in this proceeding, and thus revise the revenue requirement from that laid out in my Rebuttal testimony. The adjustments are laid out as Commitments O 8 – 12 of Exhibit 1 to the UM 1209 Stipulation, and I will discuss each in sequential order.

Q. Please describe each of these adjustments.

A. **Adjustment 4.21 West Valley Non-Fuel Costs – (Commitment 0 8).** This adjustment would lower Washington expense by the Washington-allocated amount ($413,000) of the $5 million of annual non-fuel costs related to the West Valley lease. This adjustment is contingent upon the Commission accepting the Revised Protocol Allocation Methodology. If the Commission accepts a methodology in which Washington ratepayers do not pay for the West Valley plant – as proposed by WUTC Staff – this adjustment would become moot.

Adjustment 4.22 Affiliate Management Fees – (Commitment 0 9). This commitment would hold customers harmless to costs that were previously assigned to affiliates relating to management fees and sets the total company amount at $1.5 million. In the historic test year $1,155,000 was included in management fees, and this adjustment would increase the management fee to the $1.5 million level. The increase in affiliate management fees thus would reduce Washington-allocated expense by $29,000.

Commitment O 10 commits MEHC to use an existing, or to form a new, captive insurance company to provide insurance coverage for PacifiCorp's operations and would limit the insurance costs incurred by the Company from the insurance captive to the Company to be no more than $7.4 million annually. Adjustment 4.18 of Exhibit No.___(PMW-3), provided as an exhibit to my original testimony, updated the cost of property insurance in this proceeding. This adjustment included insurance costs from the present captive insurance company (Dornoch) to the Company of $7.37 million. Since these costs from Dornoch to

the Company are less than the $7.4 million commitment, no adjustment is appropriate.

Commitment O 11 would hold customers harmless for reductions in PacifiCorp corporate costs for amounts previously billed to affiliates. In the historic test year in this proceeding, $8.5 million was billed to affiliates. This amount is above the $7.9 million specified in the stipulation and therefore no adjustment is necessary.

Column 4.xx A&G Stretch – (Commitment O -12). If the total Company administrative and general ("A&G") costs approved by the Commission in this proceeding equates to at least $228.8 million, then this adjustment lowers Washington expense by the Washington-allocated amount of $6 million ($500,000). This adjustment will be reduced to zero if the Total Company A&G equates to less than $222.8 million and will be proportionally reduced if the final Total Company A&G amount is between these numbers. PacifiCorp is requesting recovery of $20.7 million in A&G costs in this proceeding (Exhibit No.___(PMW-8)), Page 1.1, Line 18, which equates to more than $228.8 million in Total Company A&G costs; therefore if this amount approved, the full adjustment would apply.

Q. What is the overall effect of these adjustments?

A. The overall effect would be to lower the requested increase in Revenue Requirement from $32.6 million to $31.6 million.

Q. Please describe Exhibit No.___(PMW-11).

A. This exhibit provides the detail of each of adjustments discussed above.

Q. Please describe Exhibit No.___(PMW-12).

A. This exhibit revises Tabs 1 & 2 of Exhibit No.___(PMW-3), provided as an exhibit to my direct testimony, to reflect the adjustments contained in Exhibit No.___(PMW-7) and Exhibit No.___(PMW-11). That is, Exhibit No.___(PMW-12) includes all the adjustments accepted by the Company and described in either its rebuttal testimony or in my supplemental testimony.

Q. Please discuss further commitments in the stipulation which will increase capital and expense spending in future rate cases.

A. MEHC and PacifiCorp have made the following commitments to improve system reliability if the acquisition is approved:

- Investment in the Asset Risk Program of $75 million over the three years, FY 2007 – 2009. Spending in the State of Washington is estimated to be $1.7, $1.6 and $2.1 million respectively for each of the Fiscal Years. The program will address aging of transmission and distribution assets as well as improve the Company's customer reliability performance;
- O&M expense for the Accelerated Distribution Circuit Fusing Program across all states will be increased by $1.5 million per year for five years after the close of the transaction. This is an aggressive program established in 2005 to routinely review and re-coordinate protective system (fuses, reclosers, etc.), focusing initially on underperforming circuits; and
- Extension of the O&M investment across all states of the Saving SAIDI Initiative for three additional years at an estimated cost of $2 million per

year. As part of the Initiative, reliability results were evaluated and circuits identified that were contributing substantially to beyond-plan reliability performance. Underperforming circuits were detail inspected for conditions, some of which could impact reliability. Corrective maintenance and capital work is then performed on the circuit.

Q. Does this conclude your supplemental testimony?

A. Yes.

Wrigley
Exhibit No.__(PMW-11)

Exhibit No.___(PMW-11)
Docket Nos. UE-050684 &
UE-050412
2005 PP&L Rate Case
Witness: Paul M. Wrigley

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PACIFICORP

Exhibit To
Supplemental Testimony of Paul M. Wrigley

Pro Forma Adjustment

January 2006

WASHINGTON REVISED PROTOCOL
Misc 1 (Tab 11)
TOTAL

Page 11.0 Total

		4.21	4.22	4.23	0	0	0
	Total Normalized	West Valley Lease - MEHC Adj	Affiliate Mgmt Fee MEHC Adj	A & G Stretch - MEHC Adj	0	0	0
1 Operating Revenues:							
2 General Business Revenues	-	-	-	-	-	-	-
3 Interdepartmental	-	-	-	-	-	-	-
4 Special Sales	-	-	-	-	-	-	-
5 Other Operating Revenues	-	-	-	-	-	-	-
6 Total Operating Revenues	-	-	-	-	-	-	-
7							
8 Operating Expenses:							
9 Steam Production	-	-	-	-	-	-	-
10 Nuclear Production	-	-	-	-	-	-	-
11 Hydro Production	-	-	-	-	-	-	-
12 Other Power Supply	(413,163)	(413,163)	-	-	-	-	-
13 Transmission	-	-	-	-	-	-	-
14 Distribution	-	-	-	-	-	-	-
15 Customer Accounting	-	-	-	-	-	-	-
16 Customer Service & Info	-	-	-	-	-	-	-
17 Sales	-	-	-	-	-	-	-
18 Administrative & General	(528,427)	-	(28,733)	(499,694)	-	-	-
19 Total O&M Expenses	(941,590)	(413,163)	(28,733)	(499,694)	-	-	-
20 Depreciation	-	-	-	-	-	-	-
21 Amortization	-	-	-	-	-	-	-
22 Taxes Other Than Income	-	-	-	-	-	-	-
23 Income Taxes: Federal	314,595	138,042	9,600	166,953	-	-	-
24 State	42,748	18,758	1,304	22,686	-	-	-
25 Deferred Income Taxes	-	-	-	-	-	-	-
26 Investment Tax Credit Adj.	-	-	-	-	-	-	-
27 Misc Revenue & Expense	-	-	-	-	-	-	-
28 Total Operating Expenses:	(584,247)	(256,364)	(17,829)	(310,055)	-	-	-
29							
30 Operating Rev For Return:	584,247	256,364	17,829	310,055	-	-	-
31							
32 Rate Base:							
33 Electric Plant In Service	-	-	-	-	-	-	-
34 Plant Held for Future Use	-	-	-	-	-	-	-
35 Misc Deferred Debits	-	-	-	-	-	-	-
36 Elec Plant Acq Adj	-	-	-	-	-	-	-
37 Nuclear Fuel	-	-	-	-	-	-	-
38 Prepayments	-	-	-	-	-	-	-
39 Fuel Stock	-	-	-	-	-	-	-
40 Material & Supplies	-	-	-	-	-	-	-
41 Working Capital	-	-	-	-	-	-	-
42 Weatherization Loans	-	-	-	-	-	-	-
43 Misc Rate Base	-	-	-	-	-	-	-
44 Total Electric Plant:	-	-	-	-	-	-	-
45							
46 Deductions:							
47 Accum Prov For Deprec	-	-	-	-	-	-	-
48 Accum Prov For Amort	-	-	-	-	-	-	-
49 Accum Def Income Tax	-	-	-	-	-	-	-
50 Unamortized ITC	-	-	-	-	-	-	-
51 Customer Adv For Const	-	-	-	-	-	-	-
52 Customer Service Deposits	-	-	-	-	-	-	-
53 Miscellaneous Deductions	-	-	-	-	-	-	-
54							
55 Total Deductions:	-	-	-	-	-	-	-
56							
57 Total Rate Base:	-	-	-	-	-	-	-
58							
59							
60 Estimated ROE impact	0.202%	0.089%	0.006%	0.107%	0.000%	0.000%	0.000%
61							
62							
63							
64 TAX CALCULATION:							
65							
66 Operating Revenue	941,590	413,163	28,733	499,694	-	-	-
67 Other Deductions							
68 Interest (AFUDC)	-	-	-	-	-	-	-
69 Interest	-	-	-	-	-	-	-
70 Schedule "M" Additions	-	-	-	-	-	-	-
71 Schedule "M" Deductions	-	-	-	-	-	-	-
72 Income Before Tax	941,590	413,163	28,733	499,694	-	-	-
73							
74 State Income Taxes	42,748	18,758	1,304	22,686	-	-	-
75							
76 Taxable Income	898,842	394,406	27,429	477,008	-	-	-
77							
78 Federal Income Taxes	314,595	138,042	9,600	166,953	-	-	-

PacifiCorp PAGE 4.21
Washington Results of Operations September 2004
West Valley Lease - MEHC Adj

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustment to Expense:							
Lease Expense	550	1	(5,000,000)	SSGCT	8.263%	(413,163)	4.21.1

Description of Adjustments:

This adjustment reduces the annual West Valley lease amount through May 2008 as stipulated in Oregon UM 1209 (MEHC Transaction, Item O8). The terms of the stipulation allow for each jurisdiction to elect to apply this item to its Results of Operation.

PacifiCorp
Washington General Rate Case - September 2004
West Valley Lease

O 8.a) MEHC and PacifiCorp commit to reduce the annual non-fuel costs to PacifiCorp customers of the West Valley lease by $0.417 million per month (total company) or an expected $3.7 million in 2006 (assuming a March 31, 2006 transaction closing), $5 million in 2007 and $2.1 million in 2008 (the lease terminates May 31, 2008), which shall be the amounts of the total company rate credit. Beginning with the first month after the close of the transaction to purchase PacifiCorp, Oregon's share of the monthly rate credit will be deferred for the benefit of customers and accrue interest at PacifiCorp's authorized rate of return. (This commitment is reflected in Row 1 of Appendix 2.)

b) This commitment is offsetable, on a prospective basis, to the extent PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case, that such West Valley non-fuel cost savings:
   i) are reflected in PacifiCorp's rates; and,
   ii) there are no offsetting actions or agreements by MEHC or PacifiCorp for which value is obtained by PPM or an affiliated company, which, directly or indirectly, increases the costs PacifiCorp would otherwise incur.

PacifiCorp PAGE 4.22
Washington Results of Operations September 2004
Affiliate Mgmt Fee - MEHC Adj

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustment to Expense							
Management Fee	929	1	(345,010)	SO	8.328%	(28,733)	4.22.1

Description of Adjustment:

The Management Fee allocated to affiliates is adjusted for 12 months ending September 2004 to reflect the $1.5 million historical level, as stipulated in Oregon UM-1209 (MEHC Transaction, Item O9). The terms of the stipulation allow for each jurisdiction to elect to apply this item to its Results of Operation.

PacifiCorp
Washington General Rate Case - September 2004
Affiliate Management Fee

	Sept 2004 Totals	
Group Expenses	22,891,752	4.22.2
Electric Ops Expenses	21,736,763	4.22.2
Affiliate Expenses	1,154,990	
Stipulated Amount UM-1209	1,500,000	4.22.3
Adjustment Amount	(345,010)	to 4.22

PacifiCorp

Washington General Rate Case - September 2004

Affiliate Management Fee

Summary of Mgmt Fee Allocation for WA test period

Comp Code		FY 04 Q3	FY 04 Q4	FY 05 Q1	FY 05 Q2	Totals - Oct03-Sep04
1000	**Mgmt Fee stays in Sending Cost Centers - Elec Ops:**	4,956,213.33	6,969,091.50	4,867,205.83	4,944,252.30	**21,736,762.96**
4100	Pac Trans Hangar OPS	520.07	730.43	506.61	529.08	**2,286.19**
1040	PERCO - Admin & Mgmt	8,314.58	11,689.81	8,105.58	6,878.26	**34,988.23**
3500	PFS - PacifiCorp Financial Services	33,776.43	47,488.70	32,928.63	31,216.81	**145,410.57**
4000	PPM Corporate	187,719.22	263,012.41	182,373.93	296,824.84	**929,930.40**
5320	Pacific Klamath Energy (PPM Dev)	9,872.86	13,881.27	9,625.32	8,994.67	**42,374.12**
	Total Non-Regulated Received:	240,203.16	336,802.62	233,540.07	344,443.66	**1,154,989.51**
	TOTAL Mgmt Fee	**5,196,416.49**	**7,305,894.12**	**5,100,745.90**	**5,288,695.96**	**22,891,752.47**

PacifiCorp
Washington General Rate Case - September 2004
Affiliate Management Fee

O 9.a) MEHC and PacifiCorp will hold customers harmless for increases in costs retained by PacifiCorp that were previously assigned to affiliates relating to management fees. The total company amount assigned to PacifiCorp's affiliates is $1.5 million per year, which is the amount of the total company rate credit. This commitment expires on December 31, 2010. This Commitment is in lieu of Commitment 38, and a state must choose between this Commitment O 9 and Commitment 38. (The commitment is reflected in Row 2 of Appendix 2).

b) This commitment is offsetable to the extent PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case the following:
   i) Corporate allocations from MEHC to PacifiCorp included in PacifiCorp's rates are less than $7.3 million;
   ii) Costs associated with functions previously carried out by parents to PacifiCorp and previously included in rates have not been shifted to PacifiCorp or otherwise included in PacifiCorp's rates; and
   iii) Costs have not been shifted to operational and maintenance accounts (FERC accounts 500-598), customer accounts (FERC accounts 901-905), customer service and informational accounts (FERC accounts 907-910), sales accounts (FERC accounts 911-916), capital accounts, deferred debit accounts, deferred credit accounts, or other regulatory accounts.

Source: Page 15 of the Stipulation for Oregon UM 1209 (MEHC Transaction)

PacifiCorp PAGE 4.23
Washington Results of Operations September 2004
A & G Stretch - MEHC Adj

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustment to Expense							
Management Fee	930	1	(6,000,000)	SO	8.328%	(499,694)	4.23.1

Description of Adjustment:

This adjustment reduces total company annual A & G costs by $6 million as stipulated in Oregon UM 1209 (MEHC Transaction, Item O 12). The terms of the stipulation allow for each jurisdiction to elect to apply this item to its Results of Operation.

PacifiCorp
Washington General Rate Case - September 2004
A & G Stretch

Source: Pages 16-17 of the Stipulation for Oregon UM 1209 (MEHC Transaction)

O 12.a) MEHC and PacifiCorp commit that PacifiCorp's total company A&G costs will be reduced by $6 million annually based on the A&G categories, assumptions, and values contained in Appendix 3 titled, "UM 1209 A & G Stretch". The amount of the total company rate credit is $6 million per year. This commitment expires December 31, 2010. Beginning with the first month after the close of the transaction, Oregon's share of the $0.5 million monthly rate credit will be deferred for the benefit of customers and accrue interest at PacifiCorp's authorized rate of return. This Commitment is in lieu of Commitments 22 and U 23 from the Utah settlement, and a state must choose between this Commitment O 12 and Commitments 22 and U23.

b) The credit will be offsetable, on a prospective basis, by the amount that PacifiCorp demonstrates to the Commission's satisfaction, in a general rate case, that total Company A&G expenses included in PacifiCorp's rates are lower than the benchmark and have not been shifted to other regulatory accounts. The 2006 benchmark will be $228.8 million. Subsequent benchmarks shall equal the 2006 benchmark multiplied by the ratio of the Global Insight's Utility Cost Information Service (UCIS)-Administrative and General - Total Operations and Maintenance Index (INDEX CODE Series JEADGOMMS), for the test period divided by the 2006 index value. If another index is adopted in a future PacifiCorp case that index will replace the aforementioned index and will be used on a prospective basis only. If this occurs, the benchmark for future years will equal the benchmark from the rate case in which a new index was adopted multiplied by the ratio of the new index for the test period divided by the index value for the first year that the index is adopted.

Wrigley
Exhibit No.__(PMW-12)

Exhibit No.___(PMW-12)
Docket Nos. UE-050684 &
UE-050412
2005 PP&L Rate Case
Witness: Paul M. Wrigley

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PACIFICORP

Exhibit To
Supplemental Testimony of Paul M. Wrigley

Revised Revenue Requirement

January 2006

PACIFICORP
WASHINGTON
Normalized Results of Operations - MSP Revised Protocol
12 Months Ended 12 MTH END SEPTEMBER 2004

		(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1	Operating Revenues:			
2	General Business Revenues	220,279,183	31,639,779	251,918,962
3	Interdepartmental	0		
4	Special Sales	66,195,696		
5	Other Operating Revenues	5,830,462		
6	Total Operating Revenues	292,305,340		
7				
8	Operating Expenses:			
9	Steam Production	59,580,062		
10	Nuclear Production	-		
11	Hydro Production	3,311,553		
12	Other Power Supply	85,651,205		
13	Transmission	9,676,055		
14	Distribution	13,758,365		
15	Customer Accounting	7,952,082	112,958	8,065,040
16	Customer Service & Info	476,617		
17	Sales	4,662		
18	Administrative & General	20,154,641		
19	Total O&M Expenses	200,565,243		
20	Depreciation	31,266,029		
21	Amortization	5,038,891		
22	Taxes Other Than Income	5,477,913	1,285,524	6,763,437
23	Income Taxes - Federal	3,301,501	10,103,920	13,405,421
24	Income Taxes - State	773,365	1,372,955	2,146,320
25	Income Taxes - Def Net	12,508,941		
26	Investment Tax Credit Adj.	-		
27	Misc Revenue & Expense	(404,369)		
28	Total Operating Expenses:	258,527,515	12,875,357	271,402,872
29				
30	Operating Rev For Return:	33,777,825	18,764,423	52,542,248
31				
32	Rate Base:			
33	Electric Plant In Service	1,134,495,894		
34	Plant Held for Future Use	103,004		
35	Misc Deferred Debits	10,194,634		
36	Elec Plant Acq Adj	7,969,300		
37	Nuclear Fuel	-		
38	Prepayments	2,022,441		
39	Fuel Stock	4,242,137		
40	Material & Supplies	7,538,018		
41	Working Capital	4,414,426		
42	Weatherization Loans	795,339		
43	Misc Rate Base	57,761		
44	Total Electric Plant:	1,171,832,955	-	1,171,832,955
45				
46	Rate Base Deductions:			
47	Accum Prov For Deprec	(453,093,511)		
48	Accum Prov For Amort	(26,340,998)		
49	Accum Def Income Tax	(77,318,488)		
50	Unamortized ITC	(2,261,530)		
51	Customer Adv For Const	(120,509)		
52	Customer Service Deposits	(1,606,372)		
53	Misc Rate Base Deductions	(10,903,870)		
54				
55	Total Rate Base Deductions	(571,645,277)	-	(571,645,277)
56				
57	Total Rate Base:	600,187,677	-	600,187,677
58				
59	Return on Rate Base	5.628%		8.754%
60	Return on Equity	4.809%		11.125%
61				
62	TAX CALCULATION:			
63	Operating Revenue	50,361,633	30,241,298	80,602,931
64	Other Deductions			
65	Interest (AFUDC)			
66	Interest	19,667,286	-	19,667,286
67	Schedule "M" Additions	45,540,418	-	45,540,418
68	Schedule "M" Deductions	66,736,758	-	66,736,758
69	Income Before Tax	9,498,007	30,241,298	39,739,305
70				
71	State Income Taxes	773,365	1,372,955	2,146,320
72	Taxable Income	8,724,641	28,868,343	37,592,984
73				
74	Federal Income Taxes + Other	3,301,501	10,103,920	13,405,421

Ref. Page 2.2 Ref. Page 1.1

PACIFICORP
WASHINGTON
Normalized Results of Operations - MSP Revised Protocol
12 Months Ended 12 MTH END SEPTEMBER 2004

Net Rate Base - Oregon Jurisdiction	$	600,187,677	Ref. Page 1.0
Return on Rate Base Requested		8.754%	Ref. Page 2.1
Revenues Required to Earn Requested Return		52,542,248	
Less Current Operating Revenues		(33,777,825)	
Increase to Current Revenues		18,764,423	
Net to Gross Bump-up		168.62%	
Price Change Required for Requested Return	$	31,639,779	
Requested Price Change	$	31,639,779	
Uncollectible Percent		0.357%	Ref. Page 1.3
Increased Uncollectible Expense	$	112,958	
Requested Price Change	$	31,639,779	
Franchise Tax		0.000%	Ref. Page 1.3
Washington Revenue Tax		3.873%	Ref. Page 1.3
WUTC Fee		0.190%	Ref. Page 1.3
Resource Supplier		0.000%	Ref. Page 1.3
Increase Taxes Other Than Income	$	1,285,524	
Requested Price Change	$	31,639,779	
Uncollectible Expense		(112,958)	
Taxes Other Than Income		(1,285,524)	
Income Before Taxes	$	30,241,298	
State Effective Tax Rate		4.540%	Ref. Page 2.1
State Income Taxes	$	1,372,955	
Taxable Income	$	28,868,343	
Federal Income Tax Rate		35.00%	Ref. Page 2.1
Federal Income Taxes	$	10,103,920	
Operating Income		100.000%	
Net Operating Income		59.306%	Ref. Page 1.3
Net to Gross Bump-Up		168.62%	

PACIFICORP
WASHINGTON
Normalized Results of Operations - MSP Revised Protocol
12 Months Ended 12 MTH END SEPTEMBER 2004

Operating Revenue	100.000%
Operating Deductions	
Uncollectable Accounts	0.357%
Taxes Other - Franchise Tax	0.000%
Taxes Other - Public Utility Tax	0.190%
Taxes Other - Gross Receipts Tax	3.873%
Taxes Other - Resource Supplier	0.000%
Sub-Total	95.580%
State Income Tax @ 4.54%	4.339%
Sub-Total	91.241%
Federal Income Tax @ 35.00%	31.934%
Net Operating Income	59.306%

PACIFICORP
RESULTS OF OPERATIONS

USER SPECIFIC INFORMATION

STATE:	WASHINGTON
PERIOD:	12 MTH END SEPTEMBER 2004
FILE:	JAM September 2004
PREPARED BY:	Revenue Requirement Department
DATE:	January 18, 2006
TIME:	2:10:46 PM
TYPE OF AVG:	13 MONTH AVG
METHODOLOGY:	
FACTOR:	MSP Revised Protocol
FERC:	Separate Jurisdiction
8 OR 12 CP:	12 Coincidental Peaks
DEMAND %	75% Demand
ENERGY %	25% Energy

TAX INFORMATION

TAX RATE ASSUMPTIONS:	TAX RATE
FEDERAL RATE	35.00%
STATE EFFECTIVE RATE	4.54%
TAX GROSS UP FACTOR	1.686
MERGED EFFECTIVE TAXRATE	37.950%

CAPITAL STRUCTURE INFORMATION

MERGED COMPANY CAPITAL STRUCTURE

	CAPITAL STRUCTURE	EMBEDDED COST	WEIGHTED COST
DEBT	49.40%	6.43%	3.175%
PREFERRED	1.10%	6.59%	0.072%
COMMON	49.50%	11.13%	5.507%
	100.00%		8.754%

OTHER INFORMATION

In computing revenue requirement, the gross-up factor would need to be adjusted for revenue related taxes.

12 MTH END SEPTEMBER 2004 MSP Revised Protocol
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RESULTS OF OPERATIONS SUMMARY

	Description of Account Summary:	Ref	UNADJUSTED RESULTS TOTAL	UNADJUSTED RESULTS OTHER	UNADJUSTED RESULTS WASHINGTON	WASHINGTON ADJUSTMENTS	WASHINGTON ADJ TOTAL
1	Operating Revenues						
2	General Business Revenues		2,467,605,354	2,276,719,614	190,885,740	29,393,443	220,279,183
3	Interdepartmental		139	0	139	(139)	0
4	Special Sales		324,247,924	297,054,466	27,193,457	39,002,238	66,195,696
5	Other Operating Revenues		134,120,450	122,098,561	12,021,889	(6,191,428)	5,830,462
6	Total Operating Revenues	2.4	2,925,973,867	2,695,872,641	230,101,226	62,204,114	292,305,340
7							
8	Operating Expenses:						
9	Steam Production	2.6	670,188,000	613,062,517	57,125,483	2,454,580	59,580,062
10	Nuclear Production	2.7	0	0	0	0	0
11	Hydro Production	2.8	35,683,397	32,604,888	3,078,509	233,044	3,311,553
12	Other Power Supply		483,085,515	459,750,230	23,335,285	62,315,920	85,651,205
13	Transmission	2.11	106,243,192	97,083,164	9,160,028	516,028	9,676,055
14	Distribution	2.13	211,702,886	198,547,221	13,155,664	602,701	13,758,365
15	Customer Accounts	2.13	90,467,063	82,947,100	7,519,963	432,119	7,952,082
16	Customer Service	2.14	29,286,071	26,618,916	2,667,155	(2,190,538)	476,617
17	Sales	2.14	60,767	56,124	4,643	19	4,662
18	Administrative & General	2.15	215,741,411	198,246,167	17,495,244	2,659,397	20,154,641
19							
20	Total O & M Expenses	2.15	1,842,458,301	1,708,916,327	133,541,974	67,023,269	200,565,243
21							
22	Depreciation	2.17	352,316,780	321,990,333	30,326,447	939,582	31,266,029
23	Amortization Expense	2.18	67,093,741	62,002,686	5,091,055	(52,163)	5,038,891
24	Taxes Other Than Income	2.18	82,162,226	76,821,747	5,340,479	137,434	5,477,913
25	Income Taxes - Federal	2.22	67,613,707	59,667,593	7,946,114	(4,644,612)	3,301,501
26	Income Taxes - State	2.22	11,936,672	10,527,590	1,409,082	(635,716)	773,365
27	Income Taxes - Def Net	2.20	107,912,727	100,434,371	7,478,356	5,030,585	12,508,941
28	Investment Tax Credit Adj.	2.18	(5,961,642)	(5,961,642)	0	0	0
29	Misc Revenue & Expense	2.5	(87,404,769)	(87,310,934)	(93,834)	(310,535)	(404,369)
30							
31	Total Operating Expenses	2.22	2,438,127,744	2,247,088,072	191,039,672	67,487,843	258,527,515
32							
33	Operating Revenue for Return		487,846,123	448,784,569	39,061,554	(5,283,729)	33,777,825
34							
35							
36	Rate Base:						
37	Electric Plant in Service	2.31	13,362,104,756	12,273,759,176	1,111,571,570	22,924,323	1,134,495,894
38	Plant Held for Future Use	2.32	1,488,756	1,385,752	103,004	0	103,004
39	Misc Deferred Debits	2.33	1,529,442,261	1,520,265,615	9,176,647	1,017,988	10,194,634
40	Elec Plant Acq Adj	2.32	92,373,186	84,403,886	7,969,300	0	7,969,300
41	Nuclear Fuel	2.32	0	0	0	0	0
42	Prepayments	2.33	31,546,147	29,523,706	2,022,441	0	2,022,441
43	Fuel Stock	2.32	50,144,014	45,901,876	4,242,137	0	4,242,137
44	Material & Supplies	2.33	93,854,936	86,316,918	7,538,018	0	7,538,018
45	Working Capital	2.33	(343,109,140)	(346,224,399)	3,115,258	1,299,168	4,414,426
46	Weatherization Loans	2.32	120,989,045	120,193,706	795,339	0	795,339
47	Miscellaneous Rate Base	2.34	12,114,411	12,755,507	(641,095)	698,857	57,761
48							
49	Total Electric Plant		14,950,948,372	13,828,281,743	1,145,892,619	25,940,335	1,171,832,955
50							
51	Rate Base Deductions:						
52	Accum Prov For Depr	2.38	(5,280,504,695)	(4,830,093,885)	(450,410,809)	(2,682,702)	(453,093,511)
53	Accum Prov For Amort	2.39	(328,005,403)	(301,658,820)	(26,346,583)	5,585	(26,340,998)
54	Accum Def Income Taxes	2.35	(1,567,370,210)	(1,495,923,761)	(71,446,449)	(5,872,039)	(77,318,488)
55	Unamortized ITC	2.36	(79,508,210)	(77,384,322)	(2,123,888)	(137,642)	(2,261,530)
56	Customer Adv for Const	2.35	(4,852,231)	(4,014,281)	(837,950)	717,441	(120,509)
57	Customer Service Deposits	2.35	(21,102,222)	(19,495,850)	(1,606,372)	0	(1,606,372)
58	Misc. Rate Base Deductions	2.35	(481,760,482)	(473,590,620)	(8,169,862)	(2,734,007)	(10,903,870)
59							
60	Total Rate Base Deductions		(7,763,103,453)	(7,202,161,540)	(560,941,913)	(10,703,364)	(571,645,277)
61							
62	Total Rate Base		7,187,844,919	6,626,120,204	584,950,706	15,236,971	600,187,677
63							
64							
65	Return on Rate Base		6.787%		6.678%		5.628%
66							
67	Return on Equity		7.151%		6.930%		4.809%
68							
69	100 Basis Points in Equity:						
70	Revenue Requirement Impact		57,340,584		4,666,408		4,787,960
71	Rate Base Decrease		(488,593,113)		(40,368,135)		(48,521,780)
72							

12 MTH END SEPTEMBER 2004 MSP Revised Protocol ELECTRIC REVENUES

13 MONTH AVG

FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
Sales to Ultimate Customers									
440	Residential Sales								
		0	S		888,799,995	818,289,502	70,510,493	22,135,434	92,645,927
				B 1.1	888,799,995	818,289,502	70,510,493	22,135,434	92,645,927
442	Commercial & Industrial Sales								
		0	S		1,486,708,792	1,371,958,608	114,750,184	11,985,039	126,735,223
		P	SE		57,055,297	52,243,296	4,812,001	(4,812,001)	-
		PT	SG		-	-	-	-	-
				B 1.2	1,543,764,089	1,424,201,903	119,562,186	7,173,038	126,735,223
444	Public Street & Highway Lighting								
		0	S		15,811,512	14,998,451	813,062	84,971	898,033
		0	SO		-	-	-	-	-
				B 1.2	15,811,512	14,998,451	813,062	84,971	898,033
445	Other Sales to Public Authority								
		0	S		19,229,758	19,229,758	-	-	-
				B 1.2	19,229,758	19,229,758	-	-	-
448	Interdepartmental								
		DPW	S		139	-	139	(139)	0
		GP	SO		-	-	-	-	-
				B 1.2	139	-	139	(139)	0
Total Sales to Ultimate Customers					**2,467,605,493**	**2,276,719,614**	**190,885,879**	**29,393,304**	**220,279,183**
447	Sales for Resale								
		WSF	S		8,538,533	8,538,533	-	-	-
		WSF	SG		293,109,683	267,822,268	25,287,415	40,908,281	66,195,696
		WSF	SE		22,599,708	20,693,665	1,906,043	(1,906,043)	-
		WSF	SG		-	-	-	-	-
				B 1.2	324,247,924	297,054,466	27,193,457	39,002,238	66,195,696
449	Provision for Rate Refund								
		WSF	S		-	-	-	-	-
		WSF	SG		-	-	-	-	-
					-	-	-	-	-
Total Sales from Electricity				**B 1.2**	**2,791,853,417**	**2,573,774,080**	**218,079,337**	**68,395,542**	**286,474,879**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
450	Forfeited Discounts & Interest								
		CUST	S		5,392,522	5,040,486	352,037	-	352,037
		CUST	SO		-	-	-	-	-
				B 1.3	5,392,522	5,040,486	352,037	-	352,037
451	Misc Electric Revenue								
		CUST	S		6,555,378	6,280,707	274,671	-	274,671
		GP	SG		-	-	-	-	-
		GP	SO		-	-	-	-	-
				B 1.4	6,555,378	6,280,707	274,671	-	274,671
453	Water Sales								
		P	SG		-	-	-	-	-
					-	-	-	-	-
454	Rent of Electric Property								
		DPW	S		8,114,477	7,833,788	280,690	-	280,690
		T	SG		4,993,228	4,562,448	430,780	-	430,780
		GP	SO		519,277	476,031	43,247	-	43,247
				B 1.4	13,626,983	12,872,267	754,716	-	754,716
456	Other Electric Revenue								
		DMSC	S		48,812,463	43,288,085	5,524,378	(5,564,350)	(39,972)
		CUST	CN		-	-	-	-	-
		OTHSE	SE		15,392,993	14,094,760	1,298,234	(37,916)	1,260,318
		OTHSO	SO		2,506,276	2,297,548	208,728	-	208,728
		OTHSGR	SG		41,833,835	38,224,709	3,609,125	(589,162)	3,019,963
				B 1.5	108,545,568	97,905,102	10,640,465	(6,191,428)	4,449,038
	Total Other Electric Revenues				**134,120,450**	**122,098,561**	**12,021,889**	**(6,191,428)**	**5,830,462**
	Total Electric Operating Revenues				**2,925,973,867**	**2,695,872,641**	**230,101,226**	**62,204,114**	**292,305,340**
	Summary of Revenues by Factor								
		S			2,487,963,570	2,295,457,917	192,505,653	28,640,955	221,146,608
		CN			-	-	-	-	-
		SE			95,047,998	87,031,721	8,016,278	(6,755,960)	1,260,318
		SO			3,025,554	2,773,579	251,975	-	251,975
		SG			339,936,745	310,609,425	29,327,320	40,319,119	69,646,439
		DGP			-	-	-	-	-
	Total Electric Operating Revenues				2,925,973,867	2,695,872,641	230,101,226	62,204,114	292,305,340

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
Miscellaneous Revenues									
41160	Gain on Sale of Utility Plant - CR								
		DPW	S		-	-	-	-	-
		T	SG		-	-	-	-	-
		G	SO		-	-	-	-	-
		T	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
41170	Loss on Sale of Utility Plant								
		DPW	S		-	-	-	-	-
		T	SG		-	-	-	-	-
					-	-	-	-	-
4118	Gain from Emission Allowances								
		P	S		-	-	-	-	-
		P	SE		(917,613)	(840,222)	(77,391)	(325,569)	(402,960)
				B 1.1	(917,613)	(840,222)	(77,391)	(325,569)	(402,960)
41181	Gain from Disposition of NOX Credits								
		P	SE		-	-	-	-	-
					-	-	-	-	-
4194	Impact Housing Interest Income								
		P	SG		-	-	-	-	-
					-	-	-	-	-
421	(Gain) / Loss on Sale of Utility Plant								
		DPW	S		(86,296,557)	(86,296,557)	-	-	-
		T	SG		-	-	-	-	-
		T	SG		(136,292)	(124,533)	(11,758)	-	(11,758)
		P	SE		-	-	-	-	-
		PTD	SO		-	-	-	-	-
		P	SG		(54,308)	(49,623)	(4,685)	-	(4,685)
				B 1.1	(86,487,156)	(86,470,713)	(16,444)	-	(16,444)
Total Miscellaneous Revenues					**(87,404,769)**	**(87,310,934)**	**(93,834)**	**(325,569)**	**(419,404)**
Miscellaneous Expenses									
4311	Interest on Customer Deposits								
		CUST	S		-	-	-	15,035	15,035
					-	-	-	15,035	15,035
Total Miscellaneous Expenses					-	-	-	**15,035**	**15,035**
Net Misc Revenue and Expense					**(87,404,769)**	**(87,310,934)**	**(93,834)**	**(310,535)**	**(404,369)**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
500	Operation Supervision & Engineering								
		P	SG		17,604,129	16,085,370	1,518,759	(178,169)	1,340,590
		P	SSGCH		1,351,910	1,232,014	119,896	(6)	119,891
				B 2.1	18,956,040	17,317,384	1,638,655	(178,175)	1,460,481
501	Fuel Related								
		P	SE		379,444,778	347,442,687	32,002,091	1,958,406	33,960,497
		P	SE		-	-	-	-	-
		P	SE		-	-	-	-	-
		P	SSECT		-	-	-	-	-
		P	SSECH		35,227,394	32,188,620	3,038,774	858,991	3,897,765
				B 2.1	414,672,172	379,631,307	35,040,865	2,817,397	37,858,262
502	Steam Expenses								
		P	SG		29,462,199	26,920,410	2,541,789	(154,590)	2,387,199
		P	SSGCH		2,119,131	1,931,192	187,939	-	187,939
				B 2.1	31,581,329	28,851,602	2,729,727	(154,590)	2,575,138
503	Steam From Other Sources								
		P	SE		4,104,413	3,758,250	346,163	(30,021)	316,142
				B 2.1	4,104,413	3,758,250	346,163	(30,021)	316,142
505	Electric Expenses								
		P	SG		1,688,471	1,542,802	145,669	-	145,669
		P	SSGCH		1,068,398	973,646	94,753	-	94,753
				B 2.1	2,756,870	2,516,448	240,422	-	240,422
506	Misc. Steam Expense								
		P	SG		40,477,533	36,985,420	3,492,113	(31)	3,492,082
		P	SE		-	-	-	-	-
		P	SSGCH		907,047	826,604	80,443	-	80,443
				B 2.1	41,384,579	37,812,023	3,572,556	(31)	3,572,525
507	Rents								
		P	SG		3,045,616	2,782,862	262,754	-	262,754
		P	SSGCH		26,561	24,205	2,356	-	2,356
				B 2.1	3,072,177	2,807,067	265,110	-	265,110
510	Maint Supervision & Engineering								
		P	SG		5,277,205	4,821,925	455,280	-	455,280
		P	SSGCH		2,255,063	2,055,069	199,994	-	199,994
				B 2.1	7,532,267	6,876,994	655,274	-	655,274
				Ref					
511	Maintenance of Structures								
		P	SG		17,374,505	15,875,556	1,498,948	-	1,498,948
		P	SSGCH		674,569	614,744	59,825	-	59,825
				B 2.2	18,049,074	16,490,300	1,558,774	-	1,558,774
512	Maintenance of Boiler Plant								
		P	SG		79,966,372	73,067,443	6,898,929	-	6,898,929
		P	SSGCH		6,951,527	6,335,019	616,508	-	616,508
				B 2.2	86,917,899	79,402,462	7,515,436	-	7,515,436
513	Maintenance of Electric Plant								
		P	SG		28,505,053	26,045,840	2,459,213	-	2,459,213
		P	SSGCH		2,636,318	2,402,511	233,806	-	233,806
				B 2.2	31,141,370	28,448,351	2,693,019	-	2,693,019
514	Maintenance of Misc. Steam Plant								
		P	SG		7,930,366	7,246,191	684,175	-	684,175
		P	SSGCH		2,089,443	1,904,137	185,306	-	185,306
				B 2.2	10,019,809	9,150,328	869,481	-	869,481
Total Steam Power Generation					**670,188,000**	**613,062,517**	**57,125,483**	**2,454,580**	**59,580,062**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
517	Operation Super & Engineering	P	SG		-	-	-	-	-
					-	-	-	-	-
518	Nuclear Fuel Expense	P	SE		-	-	-	-	-
					-	-	-	-	-
519	Coolants and Water	P	SG		-	-	-	-	-
					-	-	-	-	-
520	Steam Expenses	P	SG		-	-	-	-	-
					-	-	-	-	-
523	Electric Expenses	P	SG		-	-	-	-	-
					-	-	-	-	-
524	Misc. Nuclear Expenses	P	SG		-	-	-	-	-
					-	-	-	-	-
528	Maintenance Super & Engineering	P	SG		-	-	-	-	-
					-	-	-	-	-
529	Maintenance of Structures	P	SG		-	-	-	-	-
					-	-	-	-	-
530	Maintenance of Reactor Plant	P	SG		-	-	-	-	-
					-	-	-	-	-
531	Maintenance of Electric Plant	P	SG		-	-	-	-	-
					-	-	-	-	-
532	Maintenance of Misc Nuclear	P	SG		-	-	-	-	-
					-	-	-	-	-
Total Nuclear Power Generation					-	-	-	-	-

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
535	Operation Super & Engineering								
		P	DGP		-	-	-	-	-
		P	SG		5,448,306	4,978,265	470,041	77,269	547,310
		P	SG		2,060,897	1,883,097	177,799	63,220	241,020
				B 2.2	7,509,203	6,861,363	647,841	140,489	788,330
536	Water For Power								
		P	DGP		-	-	-	-	-
		P	SG		97,900	89,454	8,446	-	8,446
		P	SG		68,400	62,499	5,901	-	5,901
				B 2.2	166,300	151,953	14,347	-	14,347
537	Hydraulic Expenses								
		P	DGP		-	-	-	-	-
		P	SG		3,695,677	3,376,840	318,837	(124)	318,712
		P	SG		569,197	520,091	49,106	-	49,106
				B 2.2	4,264,874	3,896,931	367,943	(124)	367,819
538	Electric Expenses								
		P	DGP		-	-	-	-	-
		P	SG		379	346	33	-	33
		P	SG		6,000	5,482	518	-	518
				B 2.2	6,379	5,828	550	-	550
539	Misc. Hydro Expenses								
		P	DGP		-	-	-	-	-
		P	SG		9,297,888	8,495,732	802,155	105,619	907,775
		P	SG		5,453,480	4,982,992	470,487	-	470,487
				B 2.2	14,751,367	13,478,724	1,272,643	105,619	1,378,262
540	Rents (Hydro Generation)								
		P	DGP		-	-	-	-	-
		P	SG		40,527	37,031	3,496	(123)	3,373
		P	SG		17,968	16,418	1,550	-	1,550
				B 2.2	58,496	53,449	5,047	(123)	4,924
541	Maint Supervision & Engineering								
		P	DGP		-	-	-	-	-
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
				B 2.2	-	-	-	-	-
542	Maintenance of Structures								
		P	DGP		-	-	-	-	-
		P	SG		1,129,681	1,032,220	97,461	(69)	97,392
		P	SG		109,051	99,643	9,408	-	9,408
				B 2.2	1,238,732	1,131,863	106,869	(69)	106,800
				Ref					
543	Maintenance of Dams & Waterways								
		P	DGP		-	-	-	-	-
		P	SG		1,119,945	1,023,324	96,621	(12,748)	83,873
		P	SG		1,401,434	1,280,528	120,906	-	120,906
				B 2.2	2,521,379	2,303,852	217,527	(12,748)	204,779
544	Maintenance of Electric Plant								
		P	DGP		-	-	-	-	-
		P	SG		1,374,122	1,255,572	118,549	-	118,549
		P	SG		546,561	499,407	47,153	-	47,153
				B 2.2	1,920,682	1,754,979	165,703	-	165,703
545	Maintenance of Misc. Hydro Plant								
		P	DGP		-	-	-	-	-
		P	SG		2,338,919	2,137,134	201,785	-	201,785
		P	SG		907,066	828,811	78,255	-	78,255
				B 2.2	3,245,985	2,965,944	280,040	-	280,040
Total Hydraulic Power Generation					**35,683,397**	**32,604,888**	**3,078,509**	**233,044**	**3,311,553**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
546	Operation Super & Engineering								
		P	SG		130,513	119,254	11,260	-	11,260
				B 2.2	130,513	119,254	11,260	-	11,260
547	Fuel								
		P	SE		54,911,931	50,280,700	4,631,232	7,543,964	12,175,196
		P	SSECT		12,534,106	11,509,013	1,025,093	1,684,088	2,709,181
				B 2.2	67,446,037	61,789,713	5,656,324	9,228,052	14,884,377
548	Generation Expense								
		P	SG		7,151,164	6,534,213	616,951	64,246	681,197
		P	SSGCT		2,452,254	2,249,618	202,636	12,635	215,271
				B 2.3	9,603,418	8,783,830	819,588	76,881	896,468
549	Miscellaneous Other								
		P	SG		1,415,983	1,293,822	122,161	-	122,161
				B 2.3	1,415,983	1,293,822	122,161	-	122,161
				Ref					
550	Maint Supervision & Engineering								
		P	SG		346,001	316,151	29,851	-	29,851
		P	SSGCT		17,018,752	15,612,448	1,406,304	(413,163)	993,141
				B 2.3	17,364,753	15,928,599	1,436,155	(413,163)	1,022,992
551	Maint Supervision & Engineering								
		P	SG		-	-	-	-	-
				B 2.3	-	-	-	-	-
552	Maintenance of Structures								
		P	SG		61,854	56,518	5,336	-	5,336
		P	SSGCT		32,372	29,697	2,675	-	2,675
				B 2.3	94,226	86,215	8,011	-	8,011
553	Maint of Generation & Electric Plant								
		P	SG		94,839	86,657	8,182	-	8,182
		P	SSGCT		264,075	242,254	21,821	-	21,821
				B 2.3	358,914	328,911	30,003	-	30,003
554	Maintenance of Misc. Other								
		P	SG		81,775	74,720	7,055	-	7,055
		P	SSGCT		62,568	57,398	5,170	-	5,170
				B 2.3	144,343	132,118	12,225	-	12,225
Total Other Power Generation					**96,558,188**	**88,462,461**	**8,095,727**	**8,891,770**	**16,987,497**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
555	Purchased Power								
		DMSC	S		(119,237,364)	(99,129,731)	(20,107,633)	20,107,633	-
		P	SG		373,638,016	341,403,191	32,234,826	31,716,161	63,950,986
		P	SE		98,567,274	90,254,184	8,313,091	(1,119,855)	7,193,236
	Seasonal Conti	P	SSGC		-	-	-	2,560,433	2,560,433
			DGP		-	-	-	-	-
				B 2.3	352,967,927	332,527,643	20,440,283	53,264,371	73,704,655
556	System Control & Load Dispatch								
		P	SG		3,236,366	2,957,155	279,211	14,500	293,711
				B 2.3	3,236,366	2,957,155	279,211	14,500	293,711
557	Other Expenses								
		P	S		-	-	-	(97,006)	(97,006)
		P	SG		30,323,034	27,706,979	2,616,055	242,284	2,858,340
		P	SGCT		-	-	-	-	-
		P	SE		-	-	-	-	-
		P	TROJP		-	-	-	-	-
				B 2.3	30,323,034	27,706,979	2,616,055	145,278	2,761,334
Embedded Cost Differentials									
	Company Owned Hydro	P	DGP		(51,137,508)	(42,562,891)	(8,574,617)	-	(8,574,617)
	Company Owned Hydro	P	SG		51,137,508	46,725,728	4,411,780	-	4,411,780
	Mid-C Contract	P	MC		(34,360,569)	(30,079,972)	(4,280,597)	-	(4,280,597)
	Mid-C Contract	P	SG		34,360,569	31,396,184	2,964,385	-	2,964,385
	Existing QF Contracts	P	S		44,728,407	43,486,502	1,241,905	-	1,241,905
	Existing QF Contracts	P	SG		(44,728,407)	(40,869,559)	(3,858,848)	-	(3,858,848)
					-	8,095,992	(8,095,992)	-	(8,095,992)
Total Other Power Supply					**386,527,327**	**371,287,769**	**15,239,558**	**53,424,150**	**68,663,708**
TOTAL PRODUCTION EXPENSE					**1,188,956,911**	**1,105,417,635**	**83,539,276**	**65,003,544**	**148,542,820**

FERC ACCT	DESCRIPTION	FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
Summary of Production Expense by Factor								
	S			(74,508,957)	(55,643,229)	(18,865,728)	20,010,627	1,144,899
	SG			724,264,061	661,779,719	62,484,342	31,937,446	94,421,788
	SE			537,028,396	491,735,820	45,292,577	8,352,493	53,645,070
	SNPPH			-	-	-	-	-
	TROJP			-	-	-	-	-
	SGCT			-	-	-	-	-
	DGP			(51,137,508)	(42,562,891)	(8,574,617)	-	(8,574,617)
	DEU			-	-	-	-	-
	DEP			-	-	-	-	-
	SNPPS			-	-	-	-	-
	SNPPO			-	-	-	-	-
	DGU			-	-	-	-	-
	MC			(34,360,569)	(30,079,972)	(4,280,597)	-	(4,280,597)
	SSGCT			19,830,021	18,191,414	1,638,607	(400,528)	1,238,079
	SSECT			12,534,106	11,509,013	1,025,093	1,684,088	2,709,181
	SSGC			-	-	-	2,560,433	2,560,433
	SSGCH			20,079,966	18,299,141	1,780,825	(6)	1,780,819
	SSECH			35,227,394	32,188,620	3,038,774	858,991	3,897,765
Total Production Expense by Factor				1,188,956,911	1,105,417,635	83,539,276	65,003,544	148,542,820

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
560	Operation Supervision & Engineering								
		T	SG		4,829,098	4,412,478	416,620	118,102	534,722
				B 2.3	4,829,098	4,412,478	416,620	118,102	534,722
561	Load Dispatching								
		T	SG		5,064,678	4,627,734	436,944	-	436,944
				B 2.3	5,064,678	4,627,734	436,944	-	436,944

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
562	Station Expense								
		T	SG		1,119,602	1,023,010	96,591	-	96,591
				B 2.3	1,119,602	1,023,010	96,591	-	96,591
563	Overhead Line Expense								
		T	SG		2,443,660	2,232,838	210,822	-	210,822
				B 2.4	2,443,660	2,232,838	210,822	-	210,822
564	Underground Line Expense								
		T	SG		-	-	-	-	-
				B 2.4	-	-	-	-	-
565	Transmission of Electricity by Others								
		T	SG		73,362,264	67,033,090	6,329,173	573,707	6,902,880
		T	SE		3,039,698	2,783,332	256,366	(175,781)	80,584
				B 2.4	76,401,962	69,816,422	6,585,539	397,926	6,983,465
566	Misc. Transmission Expense								
		T	SG		59,210	54,102	5,108	-	5,108
				B 2.4	59,210	54,102	5,108	-	5,108
567	Rents - Transmission								
		T	SG		321,746	293,988	27,758	-	27,758
				B 2.4	321,746	293,988	27,758	-	27,758
568	Maint Supervision & Engineering								
		T	SG		4,464	4,079	385	-	385
				B 2.4	4,464	4,079	385	-	385
569	Maintenance of Structures								
		T	SG		213	195	18	-	18
				B 2.4	213	195	18	-	18
570	Maintenance of Station Equipment								
		T	SG		7,789,458	7,117,439	672,019	-	672,019
				B 2.4	7,789,458	7,117,439	672,019	-	672,019
571	Maintenance of Overhead Lines								
		T	SG		7,978,982	7,290,613	688,370	-	688,370
				B 2.4	7,978,982	7,290,613	688,370	-	688,370
572	Maintenance of Underground Lines								
		T	SG		38,696	35,358	3,338	-	3,338
				B 2.4	38,696	35,358	3,338	-	3,338
573	Maint of Misc. Transmission Plant								
		T	SG		191,422	174,908	16,515	-	16,515
				B 2.4	191,422	174,908	16,515	-	16,515
TOTAL TRANSMISSION EXPENSE					**106,243,192**	**97,083,164**	**9,160,028**	**516,028**	**9,676,055**

Summary of Transmission Expense by Factor					
SE	3,039,698	2,783,332	256,366	(175,781)	80,584
SG	103,203,494	94,299,832	8,903,662	691,809	9,595,471
SNPT	-	-	-	-	-
Total Transmission Expense by Factor	106,243,192	97,083,164	9,160,028	516,028	9,676,055

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
580	Operation Supervision & Engineering								
		DPW	S	B 2.4	(1,903,424)	(1,871,182)	(32,243)	-	(32,243)
		DPW	SNPD	B 2.4	27,773,130	25,739,094	2,034,037	77,227	2,111,264
					25,869,706	23,867,912	2,001,794	77,227	2,079,021
581	Load Dispatching								
		DPW	S	B 2.4	-	-	-	-	-
		DPW	SNPD	B 2.4	7,609,134	7,051,859	557,274	56,889	614,164
					7,609,134	7,051,859	557,274	56,889	614,164
582	Station Expense								
		DPW	S	B 2.4	1,384,439	1,268,118	116,321	9,234	125,555
		DPW	SNPD	B 2.4	402,823	373,321	29,502	2,101	31,603
					1,787,262	1,641,439	145,823	11,335	157,158
583	Overhead Line Expenses								
		DPW	S	B 2.5	17,852,740	16,171,202	1,681,538	125,594	1,807,132
		DPW	SNPD	B 2.5	4,773,990	4,424,355	349,635	22,451	372,086
					22,626,730	20,595,556	2,031,173	148,045	2,179,218
584	Underground Line Expense								
		DPW	S	B 2.5	1,877,835	1,854,862	22,974	1,893	24,866
		DPW	SNPD	B 2.5	1,138	1,055	83	6	90
					1,878,973	1,855,916	23,057	1,899	24,956
585	Street Lighting & Signal Systems								
		DPW	S		-	-	-	-	-
		DPW	SNPD	B 2.5	276,101	255,880	20,221	1,247	21,468
				B 2.5	276,101	255,880	20,221	1,247	21,468
586	Meter Expenses								
		DPW	S	B 2.5	3,739,093	3,292,171	446,922	33,816	480,738
		DPW	SNPD	B 2.5	1,576,594	1,461,128	115,466	8,496	123,962
					5,315,687	4,753,299	562,388	42,312	604,700
587	Customer Installation Expenses								
		DPW	S	B 2.5	36,916	36,916	-	-	-
		DPW	SNPD	B 2.5	165,140	153,045	12,094	288	12,383
					202,056	189,961	12,094	288	12,383
588	Misc. Distribution Expenses								
		DPW	S	B 2.5	8,374,438	8,016,857	357,581	17,708	375,289
		DPW	SNPD	B 2.5	9,650,870	8,944,064	706,806	44,549	751,356
					18,025,308	16,960,921	1,064,387	62,257	1,126,644
589	Rents								
		DPW	S	B 2.6	3,251,090	3,005,327	245,763	-	245,763
		DPW	SNPD	B 2.6	1,102,766	1,022,002	80,764	-	80,764
					4,353,857	4,027,330	326,527	-	326,527
590	Maint Supervision & Engineering								
		DPW	S	B 2.6	581,631	581,631	-	-	-
		DPW	SNPD	B 2.6	407,975	378,096	29,879	3,751	33,630
					989,606	959,727	29,879	3,751	33,630
591	Maintenance of Structures								
		DPW	S	B 2.6	1,470,095	1,381,401	88,694	-	88,694
		DPW	SNPD	B 2.6	562,943	521,714	41,229	-	41,229
					2,033,037	1,903,115	129,923	-	129,923
592	Maintenance of Station Equipment								
		DPW	S	B 2.6	5,050,104	4,461,807	588,298	25,747	614,045
		DPW	SNPD	B 2.6	1,980,070	1,835,055	145,016	17,682	162,697
					7,030,175	6,296,861	733,313	43,429	776,742

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
593	Maintenance of Overhead Lines								
		DPW	S	B 2.6	102,374,810	97,302,271	5,072,539	(19,215)	5,053,324
		DPW	SNPD	B 2.6	(42,620,420)	(39,499,004)	(3,121,416)	(43,089)	(3,164,506)
					59,754,390	57,803,267	1,951,123	(62,305)	1,888,818
594	Maintenance of Underground Lines								
		DPW	S	B 2.6	23,303,971	22,013,843	1,290,128	95,480	1,385,608
		DPW	SNPD	B 2.6	1,592,711	1,476,064	116,646	7,287	123,933
					24,896,681	23,489,907	1,406,774	102,767	1,509,541
595	Maintenance of Line Transformers								
		DPW	S	B 2.7	961,249	846,249	115,001	7,733	122,734
		DPW	SNPD	B 2.7	160,464	148,712	11,752	1,053	12,805
					1,121,713	994,960	126,753	8,787	135,540
596	Maint of Street Lighting & Signal Sys.								
		DPW	S	B 2.7	3,782,974	3,642,879	140,095	10,618	150,713
		DPW	SNPD	B 2.7	732,236	678,608	53,627	1,664	55,292
					4,515,210	4,321,488	193,722	12,283	206,005
597	Maintenance of Meters								
		DPW	S	B 2.7	2,686,775	2,435,908	250,867	19,368	270,235
		DPW	SNPD	B 2.7	1,600,175	1,482,982	117,193	9,494	126,687
					4,286,950	3,918,890	368,060	28,862	396,922
598	Maint of Misc. Distribution Plant								
		DPW	S	B 2.7	14,424,105	13,297,397	1,126,708	21,356	1,148,064
		DPW	SNPD	B 2.7	4,706,205	4,361,534	344,671	42,272	386,943
					19,130,311	17,658,932	1,471,379	63,628	1,535,007
TOTAL DISTRIBUTION EXPENSE					**211,702,886**	**198,547,221**	**13,155,664**	**602,701**	**13,758,365**

Summary of Distribution Expense by Factor

S	189,248,841	177,737,657	11,511,185	349,333	11,860,517
SNPD	22,454,044	20,809,564	1,644,480	253,368	1,897,848
Total Distribution Expense by Factor	211,702,886	198,547,221	13,155,664	602,701	13,758,365

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
901	Supervision								
		CUST	S	B 2.7	2,115,717	1,969,827	145,890	14,539	160,429
		CUST	CN	B 2.7	6,796,446	6,277,597	518,849	23,508	542,357
					8,912,164	8,247,425	664,739	38,047	702,786
902	Meter Reading Expense								
		CUST	S	B 2.7	23,422,744	21,599,683	1,823,062	147,388	1,970,450
		CUST	CN	B 2.7	127,105	117,402	9,703	853	10,556
					23,549,850	21,717,084	1,832,765	148,240	1,981,006
903	Customer Receipts & Collections								
		CUST	S	B 2.8	6,161,565	5,672,905	488,660	36,732	525,392
		CUST	CN	B 2.8	45,085,399	41,643,524	3,441,875	213,737	3,655,612
					51,246,964	47,316,429	3,930,535	250,468	4,181,003
904	Uncollectible Accounts								
		CUST	S	B 2.8	2,740,133	1,953,711	786,422	-	786,422
		P	SG	B 2.8	-	-	-	-	-
		CUST	CN	B 2.8	2,826,257	2,610,497	215,760	(5,726)	210,034
					5,566,390	4,564,208	1,002,182	(5,726)	996,456
905	Misc. Customer Accounts Expense								
		CUST	S	B 2.8	16,160	16,160	-	-	-
		CUST	CN	B 2.8	1,175,535	1,085,794	89,742	1,089	90,831
					1,191,695	1,101,954	89,742	1,089	90,831
TOTAL CUSTOMER ACCOUNTS EXPENSE					**90,467,063**	**82,947,100**	**7,519,963**	**432,119**	**7,952,082**

CUSTOMER ACCOUNTS EXPENSE SUMMARY

Summary of Customer Accts Exp by Factor

S	34,456,319	31,212,285	3,244,034	198,658	3,442,692
CN	56,010,744	51,734,815	4,275,929	233,461	4,509,390
SG	-	-	-	-	-
Total Customer Accounts Expense by Factor	90,467,063	82,947,100	7,519,963	432,119	7,952,082

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
907	Supervision								
		CUST	S	B 2.8	-	-	-	-	-
		CUST	CN	B 2.8	3,146,145	2,905,964	240,181	(17,219)	222,961
					3,146,145	2,905,964	240,181	(17,219)	222,961
908	Customer Assistance								
		DMSC	S	B 2.9	23,325,956	21,104,011	2,221,945	(2,187,525)	34,420
		CUST	CN	B 2.9	1,444,852	1,334,550	110,302	11,535	121,837
					24,770,807	22,438,560	2,332,247	(2,175,990)	156,257
909	Informational & Instructional Adv								
		CUST	S	B 2.9	516	516	-	-	-
		CUST	CN	B 2.9	1,000,053	923,707	76,345	2,593	78,938
					1,000,569	924,223	76,345	2,593	78,938
910	Misc. Customer Service								
		CUST	S	B 2.9	223,315	216,020	7,296	-	7,296
		CUST	CN	B 2.9	145,235	134,148	11,087	79	11,166
					368,551	350,168	18,383	79	18,461
TOTAL CUSTOMER SERVICE EXPENSE					**29,286,071**	**26,618,916**	**2,667,155**	**(2,190,538)**	**476,617**
Summary of Customer Service Exp by Factor									
	S				23,549,787	21,320,546	2,229,240	(2,187,525)	41,715
	CN				5,736,285	5,298,370	437,915	(3,013)	434,902
Total Customer Service Expense by Factor					29,286,071	26,618,916	2,667,155	(2,190,538)	476,617

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
911	Supervision								
		CUST	S		-	-	-	-	-
		CUST	CN		-	-	-	-	-
					-	-	-	-	-
912	Demonstration & Selling Expense								
		CUST	S		-	-	-	-	-
		CUST	CN		-	-	-	-	-
					-	-	-	-	-
913	Advertising Expense								
		CUST	S		-	-	-	-	-
		CUST	CN		-	-	-	-	-
					-	-	-	-	-
916	Misc. Sales Expense								
		CUST	S	B 2.9	(50)	(50)	-	-	-
		CUST	CN	B 2.9	60,817	56,175	4,643	19	4,662
					60,767	56,124	4,643	19	4,662
TOTAL SALES EXPENSE					**60,767**	**56,124**	**4,643**	**19**	**4,662**
Total Sales Expense by Factor									
	S				(50)	(50)	-	-	-
	CN				60,817	56,175	4,643	19	4,662
Total Sales Expense by Factor					60,767	56,124	4,643	19	4,662
Total Customer Service Exp Including Sales					**29,346,839**	**26,675,040**	**2,671,798**	**(2,190,519)**	**481,280**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
920	Administrative & General Salaries								
		PTD	S	B 2.9	1,260,714	1,259,864	850	5,128	5,978
		CUST	CN	B 2.9	-	-	-	150	150
		PTD	SO	B 2.9	93,063,137	85,312,627	7,750,510	1,046,708	8,797,217
					94,323,851	86,572,492	7,751,360	1,051,985	8,803,345
921	Office Supplies & expenses								
		PTD	S	B 2.10	406,528	403,979	2,548	-	2,548
		CUST	CN	4.1.19	17,619	16,274	1,345	-	1,345
		PTD	SO	B 2.10	14,979,954	13,732,390	1,247,565	(99,712)	1,147,852
					15,404,102	14,152,644	1,251,458	(99,712)	1,151,746
922	Office Supplies & expenses								
		PTD	S	B 2.10	-	-	-	-	-
		CUST	CN	B 2.10	-	-	-	-	-
		PTD	SO	B 2.10	(28,551,716)	(26,173,865)	(2,377,852)	-	(2,377,852)
					(28,551,716)	(26,173,865)	(2,377,852)	-	(2,377,852)
923	Outside Services								
		PTD	S	B 2.10	33,706	33,706	-	336,554	336,554
		CUST	CN	B 2.10	2,418	2,233	185	-	185
		PTD	SO	B 2.10	39,198,250	35,933,731	3,264,519	(196,146)	3,068,373
					39,234,374	35,969,670	3,264,704	140,408	3,405,112
924	Property Insurance								
		PTD	SO		28,822,246	26,421,864	2,400,382	(437,408)	1,962,974
				B 2.10	28,822,246	26,421,864	2,400,382	(437,408)	1,962,974
925	Injuries & Damages								
		PTD	SO		13,727,180	12,583,949	1,143,231	119,989	1,263,220
				B 2.10	13,727,180	12,583,949	1,143,231	119,989	1,263,220
926	Employee Pensions & Benefits								
		LABOR	S	B 2.10	-	-	-	-	-
		CUST	CN	B 2.10	-	-	-	-	-
		LABOR	SO	B 2.10	-	-	-	-	-
					-	-	-	-	-
927	Franchise Requirements								
		DMSC	S	B 2.10	-	-	-	-	-
		DMSC	SO	B 2.10	-	-	-	-	-
					-	-	-	-	-
928	Regulatory Commission Expense								
		DMSC	S	B 2.10	7,537,797	6,893,294	644,502	-	644,502
		CUST	CN	B 2.10	(675)	(623)	(52)	-	(52)
		DMSC	SO	B 2.10	1,002,820	919,303	83,517	-	83,517
		FERC	SG	B 2.10	(289,900)	(264,889)	(25,011)	-	(25,011)
					8,250,042	7,547,084	702,957	-	702,957
929	Duplicate Charges								
		LABOR	S	B 2.10	-	-	-	-	-
		LABOR	SO	B 2.10	(14,882,791)	(13,643,319)	(1,239,473)	(28,832)	(1,268,305)
					(14,882,791)	(13,643,319)	(1,239,473)	(28,832)	(1,268,305)
930	Misc General Expenses								
		PTD	S	B 2.11	23,725,691	22,039,804	1,685,887	821,370	2,507,257
		CUST	CN	B 2.11	52	48	4	-	4
		LABOR	SO	B 2.11	6,084,503	5,577,772	506,731	1,091,597	1,598,328
					29,810,246	27,617,625	2,192,622	1,912,967	4,105,589
931	Rents								
		PTD	S	B 2.11	85,723	85,723	-	-	-
		PTD	SO	B 2.11	7,257,496	6,653,076	604,421	-	604,421
					7,343,219	6,738,799	604,421	-	604,421
935	Maintenance of General Plant								
		G	S	B 2.11	1,407,366	1,342,497	64,870	-	64,870
		CUST	CN	B 2.11	20,917	19,320	1,597	-	1,597
		G	SO	B 2.11	20,832,375	19,097,407	1,734,968	-	1,734,968
					22,260,658	20,459,224	1,801,434	-	1,801,434
TOTAL ADMINISTRATIVE & GEN EXPENSE					**215,741,411**	**198,246,167**	**17,495,244**	**2,659,397**	**20,154,641**
Summary of A&G Expense by Factor									
	S				34,457,525	32,058,868	2,398,657	1,163,052	3,561,709
	SO				181,533,455	166,414,936	15,118,519	1,496,195	16,614,713
	SG				(289,900)	(264,889)	(25,011)	-	(25,011)
	CN				40,331	37,252	3,079	150	3,229
Total A&G Expense by Factor					215,741,411	198,246,167	17,495,244	2,659,397	20,154,641
TOTAL O&M EXPENSE				B 2.11	**1,842,458,301**	**1,708,916,327**	**133,541,974**	**67,023,269**	**200,565,243**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
403SP	Steam Depreciation								
		P	SG		39,219,878	35,836,267	3,383,612	-	3,383,612
		P	SG		42,499,005	38,832,493	3,666,511	-	3,666,511
		P	SG		43,148,931	39,426,349	3,722,582	33,772	3,756,354
		P	SSGCH		8,794,298	8,014,361	779,937	12,082	792,019
				B 3.1	133,662,112	122,109,470	11,552,642	45,854	11,598,496
403NP	Nuclear Depreciation								
		P	SG		-	-	-	-	-
					-	-	-	-	-
403HP	Hydro Depreciation								
		P	SG		5,227,722	4,776,711	451,011	-	451,011
		P	SG		1,346,586	1,230,412	116,174	-	116,174
		P	SG		4,612,853	4,214,889	397,964	157,295	555,259
		P	SG		1,459,879	1,333,931	125,948	2,471	128,419
				B 3.2	12,647,040	11,555,944	1,091,097	159,766	1,250,863
403OP	Other Production Depreciation								
		P	SG		45,437	41,517	3,920	-	3,920
		P	SG		6,440,763	5,885,100	555,663	340,252	895,915
		P	SSGCT		3,191,469	2,927,749	263,719	428,279	691,999
		P	SSGCH		-	-	-	-	-
				B 3.3	9,677,669	8,854,366	823,303	768,531	1,591,834
403TP	Transmission Depreciation								
		T	SG		12,478,868	11,402,280	1,076,588	-	1,076,588
		T	SG		13,498,415	12,333,868	1,164,547	-	1,164,547
		T	SG		25,035,731	22,875,827	2,159,905	(48)	2,159,856
				B 3.4	51,013,015	46,611,975	4,401,039	(48)	4,400,991
403	Distribution Depreciation								
360	Land & Land R	DPW	S		268,982	263,458	5,524	-	5,524
361	Structures	DPW	S		670,440	643,631	26,808	(28)	26,780
362	Station Equipm	DPW	S		12,452,759	11,435,618	1,017,141	(1,532)	1,015,609
364	Poles & Towers	DPW	S		30,848,920	27,094,261	3,754,660	-	3,754,660
365	OH Conductors	DPW	S		15,473,270	14,251,266	1,222,004	-	1,222,004
366	UG Conduit	DPW	S		5,773,966	5,557,459	216,507	-	216,507
367	UG Conductor	DPW	S		11,942,836	11,581,009	361,827	-	361,827
368	Line Trans	DPW	S		20,781,134	19,137,002	1,644,132	-	1,644,132
369	Services	DPW	S		7,811,214	7,121,060	690,154	-	690,154
370	Meters	DPW	S		6,261,284	5,767,222	494,062	-	494,062
371	Inst Cust Prem	DPW	S		387,539	367,461	20,077	-	20,077
372	Leased Propert	DPW	S		1,293	1,293	-	-	-
373	Street Lighting	DPW	S		2,210,047	2,104,721	105,326	-	105,326
				B 3.6	114,883,683	105,325,462	9,558,221	(1,560)	9,556,661
403GP	General Depreciation								
		G-SITUS	S		7,536,449	6,603,172	933,278	(33,000)	900,278
		G-DGP	SG		471,552	430,870	40,682	-	40,682
		G-DGU	SG		847,184	774,095	73,089	-	73,089
		P	SE		15,866	14,528	1,338	-	1,338
		CUST	CN		1,202,345	1,110,557	91,789	-	91,789
		G-SG	SG		3,310,915	3,025,272	285,642	39	285,681
		PTD	SO		17,499,649	16,042,239	1,457,411	-	1,457,411
		G-SG	SSGCT		3,942	3,616	326	-	326
		G-SG	SSGCH		187,084	170,493	16,592	-	16,592
				B 3.12	31,074,987	28,174,841	2,900,146	(32,961)	2,867,185
403GV0	General Vehicles								
		G-SG	SG		-	-	-	-	-
					-	-	-	-	-
403MP	Mining Depreciation								
		P	SE		-	-	-	-	-
				B 3.13	-	-	-	-	-
403EP	Experimental Plant Depreciation								
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
4031	ARO Depreciation								
			S		(641,725)	(641,725)	-	-	-
				B 3.14	(641,725)	(641,725)	-	-	-
TOTAL DEPRECIATION EXPENSE				**B 3.14**	**352,316,780**	**321,990,333**	**30,326,447**	**939,582**	**31,266,029**
Summary	S				121,778,408	111,286,909	10,491,498	(34,560)	10,456,938
	DGP				-	-	-	-	-
	DGU				-	-	-	-	-
	SG				199,643,720	182,419,882	17,223,837	533,780	17,757,618
	SO				17,499,649	16,042,239	1,457,411	-	1,457,411
	CN				1,202,345	1,110,557	91,789	-	91,789
	SE				15,866	14,528	1,338	-	1,338
	SSGCH				8,981,382	8,184,854	796,529	12,082	808,611
	SSGCT				3,195,410	2,931,365	264,045	428,279	692,325
Total Depreciation Expense By Factor					352,316,780	321,990,333	30,326,447	939,582	31,266,029

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
404GP	Amort of LT Plant - Capital Lease Gen								
		I-SITUS	S		371,314	333,689	37,624	-	37,624
		I-SG	SG		-	-	-	-	-
		PTD	SO		862,929	791,062	71,867	-	71,867
		I-DGU	SG		-	-	-	-	-
		CUST	CN		211,840	195,668	16,172	-	16,172
		I-DGP	SG		-	-	-	-	-
				B 4.6	1,446,082	1,320,419	125,663	-	125,663
404SP	Amort of LT Plant - Cap Lease Steam								
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
404IP	Amort of LT Plant - Intangible Plant								
		I-SITUS	S		2,028,692	1,994,977	33,715	-	33,715
		P	SE		80,314	73,541	6,774	-	6,774
		I-SG	SG		1,954,588	1,785,960	168,628	-	168,628
		PTD	SO		38,858,291	35,622,085	3,236,207	-	3,236,207
		CUST	CN		6,726,428	6,212,924	513,504	-	513,504
		I-SG	SG		2,265,802	2,070,325	195,477	(17,931)	177,546
		I-SG	SG		512,980	468,724	44,256	(13,336)	30,921
		I-DGP	SG		279,580	255,460	24,120	-	24,120
		I-SG	SSGCT		2,745	2,518	227	-	227
		I-SG	SSGCH		1,204	1,097	107	-	107
		I-DGU	SG		18,380	16,794	1,586	-	1,586
				B 4.5	52,729,005	48,504,405	4,224,601	(31,267)	4,193,334
404MP	Amort of LT Plant - Mining Plant								
		P	SE		-	-	-	-	-
					-	-	-	-	-
404HP	Amortization of Other Electric Plant								
		P	SG		-	-	-	-	-
		P	SG		28,535	26,074	2,462	-	2,462
		P	SG		-	-	-	-	-
				B 4.5	28,535	26,074	2,462	-	2,462
Total Amortization of Limited Term Plant					54,203,623	49,850,897	4,352,725	(31,267)	4,321,458
405	Amortization of Other Electric Plant								
		GP	S		-	-	-	-	-
				B 4.6	-	-	-	-	-
406	Amortization of Plant Acquisition Adj								
		P	S		-	-	-	-	-
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
		P	SG		5,479,353	5,006,633	472,720	-	472,720
		P	SO		-	-	-	-	-
				B 4.6	5,479,353	5,006,633	472,720	-	472,720

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
407	Amort of Prop Losses, Unrec Plant, etc								
		DPW	S		2,727,544	2,865,427	(137,883)	137,883	0
		GP	SO		-	-	-	-	-
		P	SG		-	-	-	-	-
		P	SE		-	-	-	-	-
		P	SG		2,836,499	2,591,786	244,713	-	244,713
		P	TROJP		1,846,722	1,687,943	158,780	(158,780)	0
				B 4.6	7,410,765	7,145,155	265,610	(20,897)	244,713
TOTAL AMORTIZATION EXPENSE					**67,093,741**	**62,002,686**	**5,091,055**	**(52,163)**	**5,038,891**

Summary of Amortization Expense by Factor

S	5,127,549	5,194,092	(66,543)	137,883	71,340
SE	80,314	73,541	6,774	-	6,774
TROJP	1,846,722	1,687,943	158,780	(158,780)	0
DGP	-	-	-	-	-
DGU	-	-	-	-	-
SO	39,721,220	36,413,147	3,308,074	-	3,308,074
SSGCT	2,745	2,518	227	-	227
SSGCH	1,204	1,097	107	-	107
CN	6,938,267	6,408,591	529,676	-	529,676
SG	13,375,719	12,221,757	1,153,962	(31,267)	1,122,695
Total Amortization Expense by Factor	67,093,741	62,002,686	5,091,055	(52,163)	5,038,891

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
408	Taxes Other Than Income								
		DMSC	S		18,410,475	18,379,832	30,643	-	30,643
		GP	GPS		70,758,479	64,865,552	5,892,927	137,434	6,030,361
		GP	SO		(7,427,481)	(6,808,903)	(618,577)	-	(618,577)
		P	SE		420,752	385,266	35,486	-	35,486
		P	SG		-	-	-	-	-
		DMSC	OPRV-ID		-	-	-	-	-
		GP	EXCTAX		-	-	-	-	-
		GP	SG		-	-	-	-	-
				B 5.2	82,162,226	76,821,747	5,340,479	137,434	5,477,913

FERC ACCT	DESCRIPTION	FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
41140	Deferred Investment Tax Credit - Fed							
	PTD	DGU		(5,961,642)	(5,961,642)	-	-	-
			B 7.7	(5,961,642)	(5,961,642)	-	-	-
41141	Deferred Investment Tax Credit - Idaho							
	PTD	DGU		-	-	-	-	-
				-	-	-	-	-
TOTAL DEFERRED ITC				(5,961,642)	(5,961,642)	-	-	-

FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
427	Interest on Long-Term Debt								
		GP	S		-	-	-	(1,027,364)	(1,027,364)
		GP	SNP		229,067,688	210,283,788	18,783,900	-	18,783,900
				B 6.1	229,067,688	210,283,788	18,783,900	(1,027,364)	17,756,537
428	Amortization of Debt Disc & Exp								
		GP	SNP		11,952,038	10,971,952	980,085	-	980,085
				B 6.1	11,952,038	10,971,952	980,085	-	980,085
429	Amortization of Premium on Debt								
		GP	SNP		(88,698)	(81,424)	(7,273)	-	(7,273)
				B 6.1	(88,698)	(81,424)	(7,273)	-	(7,273)
431	Other Interest Expense								
		NUTIL	OTH		-	-	-	-	-
		GP	SO		-	-	-	-	-
		GP	SNP		17,570,033	16,129,263	1,440,770	-	1,440,770
				B 6.1	17,570,033	16,129,263	1,440,770	-	1,440,770
432	AFUDC - Borrowed								
		GP	SNP		(6,131,994)	(5,629,161)	(502,833)	-	(502,833)
				B 6.1	(6,131,994)	(5,629,161)	(502,833)	-	(502,833)
	Total Electric Interest Deductions for Tax				252,369,067	231,674,418	20,694,649	(1,027,364)	19,667,286
	Non-Utility Portion of Interest								
	427 NUTIL	NUTIL			-	-	-	-	-
	428 NUTIL	NUTIL			-	-	-	-	-
	429 NUTIL	NUTIL			-	-	-	-	-
	431 NUTIL	NUTIL			-	-	-	-	-
	Total Non-utility Interest				-	-	-	-	-
	Total Interest Deductions for Tax				252,369,067	231,674,418	20,694,649	(1,027,364)	19,667,286
419	Interest & Dividends								
		GP	S		(4,551,617)	(4,551,617)	-	-	-
		GP	SNP		(7,459,605)	(6,847,906)	(611,699)	-	(611,699)
	Total Operating Deductions for Tax			B 6.1	(12,011,222)	(11,399,523)	(611,699)	-	(611,699)

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
41010	Deferred Income Tax - Federal-DR								
		P	S		300,464,846	292,804,689	7,660,157	(7,564,000)	96,157
		P	TROJD		334,631	305,877	28,754	-	28,754
		PT	DGP		700,504	583,045	117,459	(142,702)	(25,243)
		LABOR	SO		47,434,163	43,483,738	3,950,425	(5,134)	3,945,291
		GP	SNP		3,921,415	3,599,853	321,562	-	321,562
		P	SE		15,383,809	14,086,350	1,297,459	152,927	1,450,386
		PT	SG		8,902,478	8,134,436	768,042	-	768,042
		GP	GPS		249,762	228,961	20,801	-	20,801
		DITEXP	DITEXP		220,478,739	199,979,287	20,499,452	2,192,078	22,691,529
		CUST	BADDEBT		-	-	-	-	-
		CUST	CN		-	-	-	-	-
		P	SGCT		1,176,589	1,074,694	101,895	-	101,895
		DPW	SNPD		4,196,742	3,889,383	307,359	-	307,359
				B 7.3	603,243,678	568,170,313	35,073,365	(5,366,831)	29,706,534
41020	Deferred Income Tax - Nonutility-DR								
		CUST	S		1,649,934	1,649,934	-	-	-
		PT	SG		-	-	-	-	-
		LABOR	SO		-	-	-	-	-
		p	SE		-	-	-	-	-
		PT	SG		-	-	-	-	-
		GP	GPS		-	-	-	-	-
		P	TROJP		-	-	-	-	-
		GP	SNP		-	-	-	-	-
		CUST	BADDEBT		-	-	-	-	-
		DITEXP	DITEXP		-	-	-	-	-
		P	SGCT		-	-	-	-	-
		DPW	SNPD		-	-	-	-	-
				B 7.3	1,649,934	1,649,934	-	-	-
41110	Deferred Income Tax - Federal-CR								
		GP	S		(207,275,637)	(205,325,086)	(1,950,551)	10,313,250	8,362,699
		P	SE		(29,058,662)	(26,607,876)	(2,450,786)	(29,370)	(2,480,156)
		PT	DGP		(235,549)	(196,053)	(39,496)	-	(39,496)
		GP	SNP		(981,069)	(900,620)	(80,449)	-	(80,449)
		PT	SG		(8,816,142)	(8,055,548)	(760,594)	-	(760,594)
		GP	GPS		(654,837)	(600,301)	(54,536)	-	(54,536)
		LABOR	SO		(81,366,133)	(74,589,777)	(6,776,356)	-	(6,776,356)
		PT	SNPD		(423,805)	(392,767)	(31,038)	-	(31,038)
		CUST	BADDEBT		(1,170,387)	(959,669)	(210,718)	-	(210,718)
		DITEXP	DITEXP		(159,877,371)	(145,012,453)	(14,864,918)	113,536	(14,751,383)
		P	TROJD		(2,208,601)	(2,018,822)	(189,779)	-	(189,779)
		P	SGCT		(2,145,273)	(1,959,487)	(185,786)	-	(185,786)
				B 7.5	(494,213,466)	(466,618,457)	(27,595,009)	10,397,416	(17,197,593)
41120	Deferred Income Tax - Nonutility-CR								
		GP	S		(2,767,419)	(2,767,419)	-	-	-
		GP	SNP		-	-	-	-	-
		DITEXP	DITEXP		-	-	-	-	-
		PT	SNPD		-	-	-	-	-
		P	SGCT		-	-	-	-	-
		PT	SG		-	-	-	-	-
		CUST	BADDEBT		-	-	-	-	-
		GP	GPS		-	-	-	-	-
		LABOR	SO		-	-	-	-	-
		P	SE		-	-	-	-	-
		P	TROJP		-	-	-	-	-
		PT	SG		-	-	-	-	-
				B 7.6	(2,767,419)	(2,767,419)	-	-	-
TOTAL DEFERRED INCOME TAXES				B 7.6	107,912,727	100,434,371	7,478,356	5,030,585	12,508,941

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
SCHMAF	Additions - Flow Through								
		SCHMAF	S		-	-	-	-	-
		SCHMAF	SNP		-	-	-	-	-
		SCHMAF	SO		-	-	-	-	-
		SCHMAF	SE		-	-	-	-	-
		SCHMAF	TROJP		-	-	-	-	-
		SCHMAF	SG		-	-	-	-	-
					-	-	-	-	-
SCHMAP	Additions - Permanent								
		P	S		2,396,676	2,396,676	-	-	-
		P	SE		1,300,990	1,191,265	109,725	-	109,725
		LABOR	SNP		4,934,065	4,529,464	404,601	-	404,601
		SCHMAP-SO	SO		(824,986)	(756,279)	(68,707)	(141,746)	(210,453)
				B 6.2	7,806,745	7,361,126	445,619	(141,746)	303,872
SCHMAT	Additions - Temporary								
		SCHMAT-SITU	S		3,164,650	5,375,940	(2,211,290)	4,706,528	2,495,238
		P	SGCT		2,887,402	2,637,346	250,056	-	250,056
		DPW	CIAC		31,087,848	29,853,569	1,234,279	-	1,234,279
		SCHMAT-SNP	SNP		27,861,032	25,576,385	2,284,647	-	2,284,647
		P	TROJD		4,937,911	4,513,610	424,301	(424,309)	(8)
		P	SG		-	-	-	789,634	789,634
		SCHMAT-SE	SE		30,515,774	27,942,096	2,573,678	(62,191)	2,511,487
		P	SG		(7,285,393)	(6,656,861)	(628,532)	100,874	(527,658)
		SCHMAT-GPS	GPS		(44,487,743)	(40,782,703)	(3,705,040)	-	(3,705,040)
		SCHMAT-SO	SO		94,137,094	86,297,143	7,839,951	(1,751,803)	6,088,148
		SCHMAT-SNP	SNPD		18,551,405	17,192,745	1,358,660	-	1,358,660
		DPW	BADDEBT		-	-	-	-	-
		BOOKDEPR	SCHMDEXP		362,449,559	331,307,634	31,141,925	1,315,177	32,457,102
				B 6.3	523,819,539	483,256,904	40,562,635	4,673,910	45,236,545
TOTAL SCHEDULE - M ADDITIONS					531,626,284	490,618,030	41,008,254	4,532,164	45,540,418
SCHMDF	Deductions - Flow Through								
		SCHMDF	S		-	-	-	-	-
		SCHMDF	DGP		6,423	5,346	1,077	-	1,077
		SCHMDF	DGU		-	-	-	-	-
				B 6.3	6,423	5,346	1,077	-	1,077
SCHMDP	Deductions - Permanent				-	-	-	-	-
		SCHMDP	S		-	-	-	-	-
		P	SE		5,135,750	4,702,605	433,145	-	433,145
		PTD	SNP		330,075	303,008	27,067	-	27,067
		SCHMDP	IBT		-	-	-	-	-
		SCHMDP-SO	SO		18,871,508	17,299,846	1,571,662	-	1,571,662
				B 6.3	24,337,333	22,305,459	2,031,874	-	2,031,874
SCHMDT	Deductions - Temporary								
		GP	S		104,074,088	106,205,382	(2,131,294)	(2,096,168)	(4,227,462)
		DPW	BADDEBT		(3,083,872)	(2,528,647)	(555,225)	-	(555,225)
		SCHMDT-SNP	SNP		37,997,588	34,881,728	3,115,860	-	3,115,860
		CUST	DGP		-	-	-	-	-
		P	SE		4,871,980	4,461,081	410,899	39,795	450,694
		SCHMDT-SG	SG		(891,594)	(814,674)	(76,920)	-	(76,920)
		SCHMDT-GPS	GPS		(1,123,649)	(1,030,069)	(93,580)	-	(93,580)
		SCHMDT-SO	SO		13,992,306	12,826,995	1,165,311	9,517,742	10,683,053
		TAXDEPR	TAXDEPR		566,213,512	518,040,066	48,173,446	6,567,244	54,740,689
		DPW	SNPD		9,103,220	8,436,522	666,698	-	666,698
				B 6.5	731,153,579	680,478,385	50,675,194	14,028,613	64,703,807
TOTAL SCHEDULE - M DEDUCTIONS					755,497,335	702,789,190	52,708,145	14,028,613	66,736,758
TOTAL SCHEDULE - M ADJUSTMENTS					(223,871,051)	(212,171,159)	(11,699,892)	(9,496,449)	(21,196,341)

NOTE: Positive Schedule M amounts increase taxable income and therefore increase tax expense.
Negative Schedule M amounts decrease taxable income and therefore decrease tax expense.

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
40911	State Income Taxes								
		IBT	IBT		11,936,672	10,527,590	1,409,082	(635,716)	773,365
		IBT	IBT		-	-	-	-	-
		IBT	IBT		-	-	-	-	-
		IBT	IBT		-	-	-	-	-
TOTAL STATE TAXES					11,936,672	10,527,590	1,409,082	(635,716)	773,365

FERC ACCT	DESCRIPTION	FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
Calculation of Taxable Income:								
	Operating Revenues			2,925,973,867	2,695,872,641	230,101,226	62,204,114	292,305,340
	Operating Deductions:							
	O & M Expenses			1,842,458,301	1,708,916,327	133,541,974	67,023,269	200,565,243
	Depreciation Expense			352,316,780	321,990,333	30,326,447	939,582	31,266,029
	Amortization Expense			67,093,741	62,002,686	5,091,055	(52,163)	5,038,891
	Taxes Other Than Income			82,162,226	76,821,747	5,340,479	137,434	5,477,913
	Interest & Dividends (AFUDC-Equity)			(12,011,222)	(11,399,523)	(611,699)	-	(611,699)
	Misc Revenue & Expense			(87,404,769)	(87,310,934)	(93,834)	(310,535)	(404,369)
	Total Operating Deductions			2,244,615,057	2,071,020,636	173,594,421	67,737,587	241,332,008
	Other Deductions:							
	Interest Deductions			252,369,067	231,674,418	20,694,649	(1,027,364)	19,667,286
	Interest on PCRBS			-	-	-	-	-
	Schedule M Adjustments			(223,871,051)	(212,171,159)	(11,699,892)	(9,496,449)	(21,196,341)
	Income Before State Taxes			205,118,692	181,006,428	24,112,264	(14,002,558)	10,109,706
	State Income Taxes			11,936,672	10,527,590	1,409,082	(635,716)	773,365
Total Taxable Income				193,182,020	170,478,838	22,703,182	(13,366,842)	9,336,340
Tax Rate				35.0%	35.0%	35.0%	35.0%	35.0%
Federal Income Tax - Calculated				67,613,707	59,667,593	7,946,114	(4,678,395)	3,267,719
Adjustments to Calculated Tax:								
40910	Energy Credit	P	SE	-	-	-	(171,092)	(171,092)
40910	DMD	P	SG	-	-	-	(182,751)	(182,751)
FITOTH		NUTIL	OTH	-	-	-	-	-
40910	IRS Settle	LABOR	S	-	-	-	387,625	387,625
Federal Income Tax Per Books				67,613,707	59,667,593	7,946,114	(4,644,612)	3,301,501
TOTAL OPERATING EXPENSES				**2,438,127,744**	**2,247,088,072**	**191,039,672**	**67,487,843**	**258,527,515**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
310	Land and Land Rights								
		P	SG		3,620,785	3,308,410	312,376	-	312,376
		P	SG		34,462,826	31,489,619	2,973,207	-	2,973,207
		P	SG		41,404,410	37,832,333	3,572,077	(9,190,090)	(5,618,012)
		P	S		-	-	-	(531,339)	(531,339)
		P	SSGCH		1,231,557	1,122,334	109,223	-	109,223
				B 8.4	80,719,578	73,752,696	6,966,883	(9,721,429)	(2,754,546)
311	Structures and Improvements								
		P	SG		239,216,294	218,578,417	20,637,877	-	20,637,877
		P	SG		331,608,068	302,999,287	28,608,781	-	28,608,781
		P	SG		145,739,188	133,165,850	12,573,339	-	12,573,339
		P	SSGCH		45,633,022	41,585,981	4,047,040	-	4,047,040
				B 8.4	762,196,572	696,329,534	65,867,037	-	65,867,037
312	Boiler Plant Equipment								
		P	SG		762,805,607	696,996,175	65,809,432	-	65,809,432
		P	SG		724,078,961	661,610,588	62,468,373	-	62,468,373
		P	SG		758,863,188	693,393,879	65,469,308	-	65,469,308
		P	SSGCH		219,107,908	199,675,960	19,431,948	-	19,431,948
				B 8.4	2,464,855,664	2,251,676,602	213,179,061	-	213,179,061
314	Turbogenerator Units								
		P	SG		159,781,527	145,996,716	13,784,812	-	13,784,812
		P	SG		162,852,740	148,802,966	14,049,774	-	14,049,774
		P	SG		301,493,467	275,482,759	26,010,708	(2,017,209)	23,993,499
		P	SSGCH		51,194,654	46,654,371	4,540,283	395,518	4,935,800
				B 8.4	675,322,388	616,936,812	58,385,576	(1,621,691)	56,763,885
315	Accessory Electric Equipment								
		P	SG		88,847,387	81,182,268	7,665,119	-	7,665,119
		P	SG		141,280,574	129,091,892	12,188,681	-	12,188,681
		P	SG		49,032,642	44,802,455	4,230,187	-	4,230,187
		P	SSGCH		45,897,738	41,827,221	4,070,517	-	4,070,517
				B 8.4	325,058,341	296,903,837	28,154,505	-	28,154,505
316	Misc Power Plant Equipment								
		P	SG		5,942,552	5,429,871	512,681	-	512,681
		P	SG		11,257,809	10,286,565	971,244	-	971,244
		P	SG		9,269,090	8,469,419	799,671	-	799,671
		P	SSGCH		3,042,528	2,772,697	269,832	-	269,832
				B 8.4	29,511,979	26,958,552	2,553,427	-	2,553,427
317	Steam Plant ARO								
		P	S		18,111,662	18,111,662	-	-	-
				B 8.4	18,111,662	18,111,662	-	-	-
SP	Unclassified Steam Plant - Account 300								
		P	SG		-	-	-	-	-
					-	-	-	-	-
Total Steam Production Plant				B 8.4	**4,355,776,183**	**3,980,669,694**	**375,106,489**	**(11,343,120)**	**363,763,369**

Summary of Steam Production Plant by Factor

S	18,111,662	18,111,662	-	(531,339)	(531,339)
DGP	-	-	-	-	-
DGU	-	-	-	-	-
SG	3,971,557,114	3,628,919,467	342,637,647	(11,207,299)	331,430,348
SSGCH	366,107,407	333,638,565	32,468,842	395,518	32,864,360
Total Steam Production Plant by Factor	4,355,776,183	3,980,669,694	375,106,489	(11,343,120)	363,763,369

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
320	Land and Land Rights								
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
321	Structures and Improvements								
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
322	Reactor Plant Equipment								
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
323	Turbogenerator Units								
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
324	Land and Land Rights								
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
325	Misc. Power Plant Equipment								
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
NP	Unclassified Nuclear Plant - Acct 300								
		P	SG		-	-	-	-	-
					-	-	-	-	-
Total Nuclear Production Plant					-	-	-	-	-
Summary of Nuclear Production Plant by Factor									
	DGP				-	-	-	-	-
	DGU				-	-	-	-	-
	SG				-	-	-	-	-
Total Nuclear Plant by Factor					-	-	-	-	-

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FERC ACCT	DESCRIPTION	FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
330	Land and Land Rights							
	P	SG		11,417,824	10,432,775	985,048	-	985,048
	P	SG		5,307,937	4,850,006	457,931	-	457,931
	P	SG		3,158,212	2,885,744	272,468	(73,892)	198,576
	P	SG		635,434	580,613	54,821	-	54,821
			B 8.5	20,519,406	18,749,138	1,770,268	(73,892)	1,696,376
331	Structures and Improvements							
	P	SG		22,906,667	20,930,443	1,976,224	-	1,976,224
	P	SG		6,531,391	5,967,909	563,482	-	563,482
	P	SG		42,568,501	38,895,994	3,672,507	(113,221)	3,559,286
	P	SG		5,473,923	5,001,672	472,251	-	472,251
			B 8.5	77,480,483	70,796,019	6,684,464	(113,221)	6,571,243
332	Reservoirs, Dams & Waterways							
	P	SG		164,287,824	150,114,241	14,173,583	-	14,173,583
	P	SG		23,114,484	21,120,331	1,994,153	-	1,994,153
	P	SG		50,963,055	46,566,326	4,396,729	3,080,433	7,477,162
	P	SG		34,552,991	31,572,005	2,980,986	83,722	3,064,708
			B 8.5	272,918,353	249,372,903	23,545,451	3,164,155	26,709,606
333	Water Wheel, Turbines, & Generators							
	P	SG		32,502,264	29,698,200	2,804,064	-	2,804,064
	P	SG		10,229,674	9,347,130	882,543	-	882,543
	P	SG		29,598,672	27,045,110	2,553,563	(146,472)	2,407,090
	P	SG		5,779,470	5,280,858	498,611	-	498,611
			B 8.5	78,110,079	71,371,298	6,738,781	(146,472)	6,592,309
334	Accessory Electric Equipment							
	P	SG		6,147,775	5,617,389	530,386	-	530,386
	P	SG		4,509,836	4,120,759	389,076	-	389,076
	P	SG		20,913,717	19,109,430	1,804,286	(34,442)	1,769,845
	P	SG		3,227,830	2,949,356	278,474	-	278,474
			B 8.5	34,799,158	31,796,934	3,002,223	(34,442)	2,967,782
335	Misc. Power Plant Equipment							
	P	SG		1,714,130	1,566,247	147,883	-	147,883
	P	SG		246,081	224,851	21,230	-	21,230
	P	SG		1,074,947	982,208	92,739	(261)	92,478
	P	SG		109,665	100,204	9,461	-	9,461
			B 8.5	3,144,824	2,873,511	271,313	(261)	271,052
336	Roads, Railroads & Bridges							
	P	SG		4,870,868	4,450,644	420,224	-	420,224
	P	SG		859,805	785,627	74,178	-	74,178
	P	SG		5,965,558	5,450,892	514,666	(17,215)	497,451
	P	SG		384,463	351,294	33,169	-	33,169
			B 8.5	12,080,694	11,038,458	1,042,236	(17,215)	1,025,021
337	Hydro Plant ARO							
	P	S		5,934,446	5,934,446	-	-	-
				5,934,446	5,934,446	-	-	-
HP	Unclassified Hydro Plant - Acct 300							
	P	S		(2,627,947)	(2,627,947)	-	-	-
	P	SG		-	-	-	-	-
	P	SG		(728,055)	(665,244)	(62,811)	-	(62,811)
	P	SG		-	-	-	-	-
				(3,356,002)	(3,293,190)	(62,811)	-	(62,811)
Total Hydraulic Plant			B 8.5	**501,631,442**	**458,639,517**	**42,991,925**	**2,778,653**	**45,770,578**
Summary of Hydraulic Plant by Factor								
	S			3,306,499	3,306,499	-	-	-
	SG			498,324,942	455,333,017	42,991,925	2,778,653	45,770,578
	DGP			-	-	-	-	-
	DGU			-	-	-	-	-
Total Hydraulic Plant by Factor				501,631,442	458,639,517	42,991,925	2,778,653	45,770,578

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
340	Land and Land Rights								
		P	SG		842,245	769,582	72,663	-	72,663
		P	SG		635	580	55	-	55
		P	SSGCT		185,924	170,561	15,363	-	15,363
				B 8.6	1,028,804	940,723	88,081	-	88,081
341	Structures and Improvements								
		P	SG		12,504,729	11,425,910	1,078,819	-	1,078,819
		P	SG		173,937	158,931	15,006	-	15,006
		P	SSGCT		3,665,992	3,363,062	302,931	-	302,931
				B 8.6	16,344,658	14,947,902	1,396,755	-	1,396,755
342	Fuel Holders, Producers & Accessories								
		P	SG		3,088,744	2,822,269	266,475	15,547,670	15,814,145
		P	SG		121,339	110,871	10,468	-	10,468
		P	SSGCT		2,247,517	2,061,799	185,718	12,425,389	12,611,108
				B 8.6	5,457,599	4,994,938	462,661	27,973,059	28,435,721
343	Prime Movers								
		P	S		-	-	-	-	-
		P	SG		818,416	747,809	70,607	-	70,607
		P	SG		125,484,085	114,658,212	10,825,873	-	10,825,873
		P	SSGCT		52,370,963	48,043,413	4,327,550	-	4,327,550
				B 8.6	178,673,464	163,449,434	15,224,030	-	15,224,030
344	Generators								
		P	S		-	-	-	-	-
		P	SG		87,835	80,258	7,578	-	7,578
		P	SG		45,696,120	41,753,785	3,942,336	-	3,942,336
		P	SSGCT		15,813,095	14,506,418	1,306,678	-	1,306,678
				B 8.6	61,597,051	56,340,460	5,256,591	-	5,256,591
345	Accessory Electric Plant								
		P	SG		11,325,572	10,348,483	977,090	-	977,090
		P	SG		158,692	145,001	13,691	-	13,691
		P	SSGCT		4,456,067	4,087,850	368,216	-	368,216
				B 8.6	15,940,331	14,581,334	1,358,997	-	1,358,997
346	Misc. Power Plant Equipment								
		P	SG		497,343	454,436	42,907	-	42,907
		P	SG		37,440	34,210	3,230	-	3,230
				B 8.6	534,783	488,646	46,137	-	46,137
347	Other Production ARO								
		P	S		674,204	674,204	-	-	-
					674,204	674,204	-	-	-
OP	Unclassified Other Prod Plant-Acct 300								
		P	S		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
Total Other Production Plant				B 8.6	**280,250,895**	**256,417,642**	**23,833,253**	**27,973,059**	**51,806,312**
Summary of Other Production Plant by Factor									
	S				674,204	674,204	-	-	-
	DGU				-	-	-	-	-
	SG				200,837,133	183,510,336	17,326,797	15,547,670	32,874,467
	SSGCT				78,739,558	72,233,102	6,506,456	12,425,389	18,931,846
Total of Other Production Plant by Factor					280,250,895	256,417,642	23,833,253	27,973,059	51,806,312
Experimental Plant									
103	Experimental Plant								
		P	SG		-	-	-	-	-
Total Experimental Plant					-	-	-	-	-
TOTAL PRODUCTION PLANT					**5,137,658,520**	**4,695,726,853**	**441,931,667**	**19,408,592**	**461,340,259**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
350	Land and Land Rights								
		T	SG		21,353,566	19,511,332	1,842,233	-	1,842,233
		T	SG		49,571,286	45,294,629	4,276,657	-	4,276,657
		T	SG		17,673,182	16,148,466	1,524,716	-	1,524,716
				B 8.7	88,598,035	80,954,428	7,643,607	-	7,643,607
352	Structures and Improvements								
		T	S		-	-	-	-	-
		T	SG		8,684,671	7,935,420	749,252	-	749,252
		T	SG		17,973,740	16,423,094	1,550,646	-	1,550,646
		T	SG		21,272,333	19,437,107	1,835,225	(590)	1,834,636
				B 8.7	47,930,744	43,795,621	4,135,123	(590)	4,134,533
353	Station Equipment								
		T	SG		141,083,636	128,911,946	12,171,691	-	12,171,691
		T	SG		204,188,856	186,572,897	17,615,959	-	17,615,959
		T	SG		496,569,839	453,729,331	42,840,507	(2,155)	42,838,352
				B 8.7	841,842,331	769,214,174	72,628,157	(2,155)	72,626,002
354	Towers and Fixtures								
		T	SG		156,414,449	142,920,125	13,494,324	-	13,494,324
		T	SG		127,295,492	116,313,344	10,982,148	-	10,982,148
		T	SG		75,164,081	68,679,460	6,484,621	-	6,484,621
				B 8.7	358,874,022	327,912,929	30,961,093	-	30,961,093
355	Poles and Fixtures								
		T	SG		70,761,846	64,657,018	6,104,828	-	6,104,828
		T	SG		118,990,981	108,725,287	10,265,694	-	10,265,694
		T	SG		280,066,801	255,904,633	24,162,168	-	24,162,168
				B 8.7	469,819,628	429,286,938	40,532,690	-	40,532,690
356	Clearing and Grading								
		T	SG		208,758,983	190,748,746	18,010,237	-	18,010,237
		T	SG		158,743,488	145,048,231	13,695,257	-	13,695,257
		T	SG		235,972,860	215,614,803	20,358,057	-	20,358,057
				B 8.7	603,475,332	551,411,780	52,063,551	-	52,063,551
357	Underground Conduit								
		T	SG		6,371	5,821	550	-	550
		T	SG		162,746	148,706	14,041	-	14,041
		T	SG		2,195,563	2,006,146	189,418	-	189,418
				B 8.7	2,364,681	2,160,673	204,008	-	204,008
358	Underground Conductors								
		T	SG		-	-	-	-	-
		T	SG		1,018,663	930,780	87,883	-	87,883
		T	SG		2,910,668	2,659,556	251,112	-	251,112
				B 8.7	3,929,330	3,590,336	338,995	-	338,995
359	Roads and Trails								
		T	SG		1,942,448	1,774,868	167,581	-	167,581
		T	SG		501,203	457,963	43,240	-	43,240
		T	SG		8,902,755	8,134,689	768,066	-	768,066
				B 8.7	11,346,407	10,367,520	978,887	-	978,887
TP	Unclassified Trans Plant - Acct 300								
		T	SG		426,193	389,424	36,769	-	36,769
				B 8.7	426,193	389,424	36,769	-	36,769
TS0	Unclassified Trans Sub Plant - Acct 300								
		T	SG		-	-	-	-	-
					-	-	-	-	-
TOTAL TRANSMISSION PLANT				B 8.7	**2,428,606,702**	**2,219,083,822**	**209,522,880**	**(2,745)**	**209,520,135**
Summary of Transmission Plant by Factor									
	DGP				-	-	-	-	-
	DGU				-	-	-	-	-
	SG				2,428,606,702	2,219,083,822	209,522,880	(2,745)	209,520,135
Total Transmission Plant by Factor					2,428,606,702	2,219,083,822	209,522,880	(2,745)	209,520,135

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
360	Land and Land Rights								
		DPW	S		29,891,946	28,933,237	958,709	-	958,709
				B 8.9	29,891,946	28,933,237	958,709	-	958,709
361	Structures and Improvements								
		DPW	S		34,864,105	33,423,207	1,440,899	(1,500)	1,439,399
				B 8.9	34,864,105	33,423,207	1,440,899	(1,500)	1,439,399
362	Station Equipment								
		DPW	S		588,886,598	547,789,129	41,097,469	(62,442)	41,035,027
				B 8.9	588,886,598	547,789,129	41,097,469	(62,442)	41,035,027
364	Poles, Towers & Fixtures								
		DPW	S		722,394,639	651,727,035	70,667,604	-	70,667,604
				B 8.9	722,394,639	651,727,035	70,667,604	-	70,667,604
365	Overhead Conductors								
		DPW	S		547,603,419	498,165,547	49,437,871	-	49,437,871
				B 8.9	547,603,419	498,165,547	49,437,871	-	49,437,871
366	Underground Conduit								
		DPW	S		229,272,320	216,966,825	12,305,495	-	12,305,495
				B 8.9	229,272,320	216,966,825	12,305,495	-	12,305,495
367	Underground Conductors								
		DPW	S		526,489,129	511,836,781	14,652,348	-	14,652,348
				B 8.9	526,489,129	511,836,781	14,652,348	-	14,652,348
368	Line Transformers								
		DPW	S		821,309,977	746,564,171	74,745,806	-	74,745,806
				B 8.9	821,309,977	746,564,171	74,745,806	-	74,745,806
369	Services								
		DPW	S		364,895,728	331,850,831	33,044,896	-	33,044,896
				B 8.9	364,895,728	331,850,831	33,044,896	-	33,044,896
370	Meters								
		DPW	S		180,866,681	166,996,284	13,870,396	-	13,870,396
				B 8.10	180,866,681	166,996,284	13,870,396	-	13,870,396
371	Installations on Customers' Premises								
		DPW	S		8,988,766	8,438,351	550,415	-	550,415
				B 8.10	8,988,766	8,438,351	550,415	-	550,415
372	Leased Property								
		DPW	S		49,658	49,658	-	-	-
				B 8.10	49,658	49,658	-	-	-
373	Street Lights								
		DPW	S		52,300,726	49,014,942	3,285,784	-	3,285,784
				B 8.10	52,300,726	49,014,942	3,285,784	-	3,285,784
DP	Unclassified Dist Plant - Acct 300								
		DPW	S		3,417,371	3,268,562	148,809	-	148,809
				B 8.10	3,417,371	3,268,562	148,809	-	148,809
DS0	Unclassified Dist Sub Plant - Acct 300								
		DPW	S		-	-	-	-	-
					-	-	-	-	-
TOTAL DISTRIBUTION PLANT				B 8.10	**4,111,231,063**	**3,795,024,560**	**316,206,503**	**(63,942)**	**316,142,561**
Summary of Distribution Plant by Factor									
	S				4,111,231,063	3,795,024,560	316,206,503	(63,942)	316,142,561
Total Distribution Plant by Factor					4,111,231,063	3,795,024,560	316,206,503	(63,942)	316,142,561

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
389	Land and Land Rights								
		G-SITUS	S		8,296,150	7,042,013	1,254,137	-	1,254,137
		CUST	CN		1,109,264	1,024,582	84,683	-	84,683
		G-DGU	SG		3,510	3,207	303	-	303
		G-SG	SG		1,228	1,122	106	-	106
		PTD	SO		5,598,055	5,131,836	466,219	-	466,219
				B 8.11	15,008,207	13,202,759	1,805,448	-	1,805,448
390	Structures and Improvements								
		G-SITUS	S		93,577,951	80,549,551	13,028,399	-	13,028,399
		G-DGP	SG		385,673	352,400	33,273	-	33,273
		G-DGU	SG		1,685,189	1,539,803	145,386	-	145,386
		CUST	CN		11,358,887	10,491,735	867,151	-	867,151
		G-SG	SG		3,048,044	2,785,081	262,964	-	262,964
		PTD	SO		100,437,948	92,073,247	8,364,701	-	8,364,701
				B 8.11	210,493,692	187,791,818	22,701,874	-	22,701,874
391	Office Furniture & Equipment								
		G-SITUS	S		15,102,579	13,621,313	1,481,266	-	1,481,266
		G-DGP	SG		457,207	417,762	39,445	-	39,445
		G-DGU	SG		642,720	587,271	55,449	-	55,449
		CUST	CN		4,836,291	4,467,083	369,208	-	369,208
		G-SG	SG		6,622,546	6,051,200	571,346	(46)	571,300
		P	SE		172,560	158,007	14,554	-	14,554
		PTD	SO		82,274,473	75,422,468	6,852,005	-	6,852,005
		G-SG	SSGCH		627,314	571,680	55,634	-	55,634
		G-SG	SSGCT		3,584	3,288	296	-	296
				B 8.12	110,739,275	101,300,071	9,439,204	(46)	9,439,158
392	Transportation Equipment								
		G-SITUS	S		59,615,247	56,256,669	3,358,578	-	3,358,578
		PTD	SO		6,665,615	6,110,487	555,128	-	555,128
		G-SG	SG		9,340,510	8,534,677	805,833	(982)	804,851
		CUST	CN		18,362	16,960	1,402	-	1,402
		G-DGU	SG		1,186,753	1,084,368	102,385	-	102,385
		P	SE		729,602	668,068	61,534	-	61,534
		G-DGP	SG		219,556	200,614	18,942	-	18,942
		G-SG	SSGCH		368,468	335,790	32,678	-	32,678
		G-DGU	SSGCT		25,124	23,048	2,076	-	2,076
				B 8.14	78,169,237	73,230,683	4,938,554	(982)	4,937,573
393	Stores Equipment								
		G-SITUS	S		7,619,767	7,146,823	472,945	-	472,945
		G-DGP	SG		331,732	303,113	28,619	-	28,619
		G-DGU	SG		1,003,558	916,978	86,580	-	86,580
		PTD	SO		695,003	637,121	57,881	-	57,881
		G-SG	SG		1,276,496	1,166,369	110,127	-	110,127
		G-DGU	SSGCT		23,319	21,392	1,927	-	1,927
				B 8.14	10,949,875	10,191,796	758,079	-	758,079
394	Tools, Shop & Garage Equipment								
		G-SITUS	S		22,831,884	21,087,467	1,744,416	-	1,744,416
		G-DGP	SG		3,473,671	3,173,988	299,684	-	299,684
		G-SG	SG		12,803,831	11,699,208	1,104,623	(2,631)	1,101,993
		PTD	SO		4,000,941	3,667,734	333,207	-	333,207
		P	SE		104,140	95,357	8,783	-	8,783
		G-DGU	SG		5,043,724	4,608,587	435,137	-	435,137
		G-SG	SSGCH		2,125,985	1,937,439	188,547	-	188,547
		G-SG	SSGCT		13,484	12,370	1,114	-	1,114
				B 8.14	50,397,661	46,282,149	4,115,511	(2,631)	4,112,881
395	Laboratory Equipment								
		G-SITUS	S		23,368,971	21,640,827	1,728,144	-	1,728,144
		G-DGP	SG		161,815	147,855	13,960	-	13,960
		G-DGU	SG		1,160,471	1,060,354	100,117	-	100,117
		PTD	SO		5,572,504	5,108,413	464,091	-	464,091
		P	SE		48,029	43,978	4,051	-	4,051
		G-SG	SG		3,560,803	3,253,602	307,201	(78)	307,122
		G-SG	SSGCH		64,450	58,734	5,716	-	5,716
		G-SG	SSGCT		35,759	32,804	2,955	-	2,955
				B 8.15	33,972,802	31,346,567	2,626,235	(78)	2,626,157
396	Power Operated Equipment								
		G-SITUS	S		80,677,511	74,724,349	5,953,162	-	5,953,162
		G-DGP	SG		2,161,971	1,975,451	186,519	-	186,519
		G-SG	SG		16,203,168	14,805,274	1,397,894	-	1,397,894
		PTD	SO		5,649,611	5,179,098	470,512	-	470,512
		G-DGU	SG		1,418,566	1,296,182	122,384	-	122,384
		P	SE		113,460	103,890	9,569	-	9,569
		G-SG	SSGCH		966,743	881,006	85,737	-	85,737
				B 8.16	107,191,030	98,965,252	8,225,778	-	8,225,778

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	UNADJUSTED RESULTS OTHER	UNADJUSTED RESULTS WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
397	Communication Equipment								
		COM_EQ	S		99,204,577	89,893,187	9,311,390	-	9,311,390
		COM_EQ	SG		6,221,163	5,684,445	536,718	-	536,718
		COM_EQ	SG		10,260,766	9,375,540	885,226	-	885,226
		COM_EQ	SO		54,360,412	49,833,153	4,527,259	-	4,527,259
		COM_EQ	CN		5,464,772	5,047,585	417,187	-	417,187
		COM_EQ	SG		41,794,804	38,189,046	3,605,758	(633)	3,605,124
		COM_EQ	SE		6,215	5,691	524	-	524
		COM_EQ	SSGCH		868,563	791,533	77,030	-	77,030
		COM_EQ	SSGCT		66	61	5	-	5
				B 8.16	218,181,339	198,820,242	19,361,097	(633)	19,360,464
398	Misc. Equipment								
		G-SITUS	S		955,237	868,655	86,582	-	86,582
		G-DGP	SG		55,641	50,841	4,800	-	4,800
		G-DGU	SG		516,005	471,487	44,517	-	44,517
		CUST	CN		159,666	147,477	12,189	-	12,189
		PTD	SO		3,022,287	2,770,584	251,703	-	251,703
		P	SE		4,207	3,852	355	-	355
		G-SG	SG		790,796	722,572	68,224	-	68,224
		G-SG	SSGCT		1,215	1,114	100	-	100
				B 8.17	5,505,054	5,036,582	468,471	-	468,471
399	Coal Mine								
		P	SE		254,148,734	232,714,018	21,434,716	4,369,729	25,804,445
MP		P	SE		-	-	-	-	-
				B 8.17	254,148,734	232,714,018	21,434,716	4,369,729	25,804,445
399L	WIDCO Capital Lease								
		P	SE		-	-	-	-	-
					-	-	-	-	-
	Remove Capital Leases				-	-	-	-	-
					-	-	-	-	-
1011390	General Capital Leases								
		G-SITUS	S		7,027,357	7,027,357	-	-	-
		PTD	SO		17,670,252	16,198,633	1,471,619	-	1,471,619
				B 9.1	24,697,610	23,225,991	1,471,619	-	1,471,619
	Remove Capital Leases				-	-	-	-	-
					24,697,610	23,225,991	1,471,619	-	1,471,619
1011392	General Vehicles Capital Leases								
		LABOR	SO		-	-	-	-	-
					-	-	-	-	-
	Remove Capital Leases				(24,697,610)	-	(1,471,619)	-	(1,471,619)
					(24,697,610)	-	(1,471,619)	-	(1,471,619)
GP	Unclassified Gen Plant - Acct 300								
		G-SITUS	S		-	-	-	-	-
		PTD	SO		1,350,659	1,238,173	112,486	-	112,486
		CUST	CN		-	-	-	-	-
		G-SG	SG		-	-	-	-	-
		G-DGP	SG		-	-	-	-	-
		G-DGU	SG		-	-	-	-	-
					1,350,659	1,238,173	112,486	-	112,486
399G	Unclassified Gen Plant - Acct 300								
		G-SITUS	S		-	-	-	-	-
		PTD	SO		-	-	-	-	-
		G-SG	SG		-	-	-	-	-
		G-DGP	SG		-	-	-	-	-
		G-DGU	SG		-	-	-	-	-
					-	-	-	-	-
TOTAL GENERAL PLANT				B 8.17	**1,096,107,562**	**1,023,346,100**	**95,987,453**	**4,365,359**	**100,352,812**
Summary of General Plant by Factor									
	S				418,277,233	379,858,212	38,419,020	-	38,419,020
	DGP				-	-	-	-	-
	DGU				-	-	-	-	-
	SG				131,831,917	120,458,399	11,373,518	(4,370)	11,369,148
	SO				287,297,758	263,370,948	23,926,810	-	23,926,810
	SE				255,326,947	233,792,862	21,534,085	4,369,729	25,903,814
	CN				22,947,242	21,195,421	1,751,821	-	1,751,821
	DEU				-	-	-	-	-
	SSGCT				102,551	94,077	8,474	-	8,474
	SSGCH				5,021,523	4,576,181	445,342	-	445,342
	Less Capital Leases				(24,697,610)	(23,225,991)	(1,471,619)	-	(1,471,619)
Total General Plant by Factor					1,096,107,562	1,000,120,110	95,987,453	4,365,359	100,352,812

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
301	Organization								
		I-SITUS	S		26,288,163	24,337,746	1,950,416	-	1,950,416
		PTD	SO		-	-	-	-	-
		I-SG	SG		-	-	-	-	-
				B 8.1	26,288,163	24,337,746	1,950,416	-	1,950,416
302	Franchise & Consent								
		I-SITUS	S		1,016,984	1,016,930	54	-	54
		I-SG	SG		1,241,756	1,134,627	107,130	-	107,130
		I-SG	SG		48,758,571	44,552,029	4,206,542	(388,425)	3,818,118
		I-SG	SG		12,050,369	11,010,749	1,039,620	(381,964)	657,656
		I-DGP	SG		2,852,076	2,606,019	246,057	-	246,057
		I-DGU	SG		679,586	620,956	58,630	-	58,630
				B 8.1	66,599,342	60,941,309	5,658,033	(770,388)	4,887,644
303	Miscellaneous Intangible Plant								
		I-SITUS	S		4,714,058	4,705,892	8,166	-	8,166
		I-SG	SG		33,204,281	30,339,652	2,864,629	(12,552)	2,852,076
		PTD	SO		358,966,364	329,070,830	29,895,535	-	29,895,535
		P	SE		1,143,302	1,046,877	96,425	-	96,425
		CUST	CN		97,579,381	90,130,051	7,449,330	-	7,449,330
		P	SSGCH		6,018	5,484	534	-	534
		I-DGP	SG		-	-	-	-	-
				B 8.3	495,613,404	455,298,786	40,314,619	(12,552)	40,302,066
303	Less Non-Utility Plant								
		I-SITUS	S		-	-	-	-	-
					495,613,404	455,298,786	40,314,619	(12,552)	40,302,066
IP	Unclassified Intangible Plant - Acct 300								
		I-SITUS	S		-	-	-	-	-
		I-SG	SG		-	-	-	-	-
		I-DGU	SG		-	-	-	-	-
		PTD	SO		-	-	-	-	-
					-	-	-	-	-
TOTAL INTANGIBLE PLANT				B 8.3	**588,500,909**	**540,577,841**	**47,923,068**	**(782,941)**	**47,140,127**
Summary of Intangible Plant by Factor									
	S				32,019,204	30,060,568	1,958,636	-	1,958,636
	DGP				-	-	-	-	-
	DGU				-	-	-	-	-
	SG				98,786,639	90,264,032	8,522,607	(782,941)	7,739,666
	SO				358,966,364	329,070,830	29,895,535	-	29,895,535
	CN				97,579,381	90,130,051	7,449,330	-	7,449,330
	DEU				6,018	5,484	534	(534)	-
	SE				1,143,302	1,046,877	96,425	-	96,425
Total Intangible Plant by Factor					588,500,909	540,577,841	47,923,068	(783,475)	47,139,593
Summary of Unclassified Plant (Account 106)									
	DP				3,417,371	3,268,562	148,809	-	148,809
	DS0				-	-	-	-	-
	GP				1,350,659	1,238,173	112,486	-	112,486
	HP				(3,356,002)	(3,293,190)	(62,811)	-	(62,811)
	NP				-	-	-	-	-
	OP				-	-	-	-	-
	TP				426,193	389,424	36,769	-	36,769
	TS0				-	-	-	-	-
	IP				-	-	-	-	-
	MP								
	SP				-	-	-	-	-
Total Unclassified Plant by Factor					1,838,221	1,602,968	235,253	-	235,253
TOTAL ELECTRIC PLANT IN SERVICE				**B 8.17**	**13,362,104,756**	**12,273,759,176**	**1,111,571,570**	**22,924,323**	**1,134,495,894**
Summary of Electric Plant by Factor									
	S				4,583,619,865	4,227,035,705	356,584,160	(595,281)	355,988,879
	SE				256,470,249	234,839,739	21,630,511	4,369,729	26,000,240
	DGU				-	-	-	-	-
	DGP				-	-	-	-	-
	SG				7,329,944,448	6,697,569,074	632,375,375	6,328,968	638,704,343
	SO				646,264,122	592,441,777	53,822,345	-	53,822,345
	CN				120,526,624	111,325,473	9,201,151	-	9,201,151
	DEU				-	-	-	-	-
	SSGCH				371,134,949	338,220,230	32,914,718	395,518	33,310,236
	SSGCT				78,842,109	72,327,179	6,514,930	12,425,389	18,940,320
	Less Capital Leases				(24,697,610)	(23,225,991)	(1,471,619)	-	(1,471,619)
					13,362,104,756	12,250,533,185	1,111,571,570	22,924,323	1,134,495,894

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
105	Plant Held For Future Use								
		DPW	S		273,612	273,612	-	-	-
		P	SG		-	-	-	-	-
		T	SG		268,838	245,645	23,193	-	23,193
		P	SG		-	-	-	-	-
		P	SE		946,306	866,495	79,811	-	79,811
		G	SG		-	-	-	-	-
				B 10.1	1,488,756	1,385,752	103,004	-	103,004
114	Electric Plant Acquisition Adjustments								
		P	S		-	-	-	-	-
		P	SG		142,633,069	130,327,704	12,305,365	-	12,305,365
		P	SG		14,560,711	13,304,516	1,256,194	-	1,256,194
				B 15.1	157,193,780	143,632,221	13,561,559	-	13,561,559
115	Accum Provision for Asset Acquisition Adjustments								
		P	S		-	-	-	-	-
		P	SG		(56,400,068)	(51,534,272)	(4,865,796)	-	(4,865,796)
		P	SG		(8,420,526)	(7,694,063)	(726,463)	-	(726,463)
				B 15.1	(64,820,594)	(59,228,335)	(5,592,259)	-	(5,592,259)
120	Nuclear Fuel								
		P	SE		-	-	-	-	-
					-	-	-	-	-
124	Weatherization								
		DMSC	S		90,018,590	88,630,916	1,387,674	-	1,387,674
		DMSC	SO		(7,112,381)	(6,520,046)	(592,335)	-	(592,335)
				B 16.2	82,906,209	82,110,870	795,339	-	795,339
182W	Weatherization								
		DMSC	S		38,082,836	38,082,836	-	-	-
		DMSC	SG		-	-	-	-	-
		DMSC	SGCT		-	-	-	-	-
		DMSC	SO		-	-	-	-	-
				B 16.2	38,082,836	38,082,836	-	-	-
186W	Weatherization								
		DMSC	S		-	-	-	-	-
		DMSC	CN		-	-	-	-	-
		DMSC	CNP		-	-	-	-	-
		DMSC	SG		-	-	-	-	-
		DMSC	SO		-	-	-	-	-
					-	-	-	-	-
	Total Weatherization				120,989,045	120,193,706	795,339	-	795,339
151	Fuel Stock								
		P	DEU		-	-	-	-	-
		P	SE		46,365,657	42,455,212	3,910,445	-	3,910,445
		P	SSECH		6,777,107	6,192,502	584,605	-	584,605
				B 13.1	53,142,764	48,647,714	4,495,050	-	4,495,050
152	Fuel Stock - Undistributed								
		P	SE		-	-	-	-	-
					-	-	-	-	-
25316	DG&T Working Capital Deposit								
		P	SE		(1,101,625)	(1,008,715)	(92,910)	-	(92,910)
				B 13.3	(1,101,625)	(1,008,715)	(92,910)	-	(92,910)
25317	DG&T Working Capital Deposit								
		P	SE		(1,897,125)	(1,737,123)	(160,002)	-	(160,002)
				B 13.3	(1,897,125)	(1,737,123)	(160,002)	-	(160,002)
25319	Provo Working Capital Deposit								
		P	SE		-	-	-	-	-
					-	-	-	-	-
	Total Fuel Stock				50,144,014	45,901,876	4,242,137	-	4,242,137

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
154	Materials and Supplies								
		MSS	S		37,511,029	34,853,086	2,657,943	-	2,657,943
		MSS	SG		-	-	-	-	-
		MSS	SE		2,303,105	2,108,863	194,242	-	194,242
		MSS	SO		(5,921,070)	(5,427,950)	(493,120)	-	(493,120)
		MSS	SNPPS		47,553,328	43,441,890	4,111,437	-	4,111,437
		MSS	SNPPH		(13,500)	(12,336)	(1,165)	-	(1,165)
		MSS	SNPD		220,482	204,335	16,148	-	16,148
		MSS	SNPT		12,507,668	11,428,596	1,079,072	-	1,079,072
		MSS	SG		-	-	-	-	-
		MSS	SG		-	-	-	-	-
		MSS	SNPP		-	-	-	-	-
		MSS	SSGCH		(33,105)	(30,169)	(2,936)	-	(2,936)
				B 13.3	94,127,936	86,566,314	7,561,622	-	7,561,622
163	Stores Expense Undistributed								
		MSS	SO		-	-	-	-	-
					-	-	-	-	-
25318	Provo Working Capital Deposit								
		MSS	SNPPS		(273,000)	(249,397)	(23,603)	-	(23,603)
				B 13.3	(273,000)	(249,397)	(23,603)	-	(23,603)
	Total Materials & Supplies				93,854,936	86,316,918	7,538,018	-	7,538,018
165	Prepayments								
		DMSC	S		7,186,760	7,199,342	(12,583)	-	(12,583)
		GP	GPS		4,038,545	3,702,206	336,339	-	336,339
		PT	SG		717,027	655,167	61,860	-	61,860
		P	SE		3,948,837	3,615,795	333,042	-	333,042
		PTD	SO		15,654,978	14,351,196	1,303,782	-	1,303,782
				B 15.2	31,546,147	29,523,706	2,022,441	-	2,022,441
182M	Misc Regulatory Assets								
		DDS2	S		1,396,352,964	1,396,767,490	(414,526)	5,937,500	5,522,974
		DEFSG	SG		-	-	-	(57,761)	(57,761)
		P	SSGCH		14,965,667	13,638,412	1,327,255	-	1,327,255
		DEFSG	SG		-	-	-	-	-
		DEFSG	SG		-	-	-	-	-
		P	SE		18,242,447	16,703,892	1,538,554	(1,538,585)	(31)
		DDSO2	SO		5,793,641	5,311,133	482,508	(475,236)	7,271
				B 11.3	1,435,354,719	1,432,420,928	2,933,791	3,865,918	6,799,709
186M	Misc Deferred Debits								
		LABOR	S		49,118,819	46,728,609	2,390,210	(2,390,210)	(0)
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
		DEFSG	SG		31,298,719	28,598,488	2,700,230	(457,720)	2,242,510
		LABOR	SO		475,475	435,876	39,599	-	39,599
		P	SE		13,194,530	12,081,713	1,112,817	-	1,112,817
		P	SNPPS		-	-	-	-	-
		GP	EXCTAX		-	-	-	-	-
				B 11.4	94,087,542	87,844,686	6,242,856	(2,847,930)	3,394,926
Working Capital									
CWC	Cash Working Capital								
		CWC	S		39,853,943	37,388,731	2,465,212	1,029,079	3,494,292
		CWC	SO		-	-	-	-	-
		CWC	SE		-	-	-	-	-
					39,853,943	37,388,731	2,465,212	1,029,079	3,494,292
OWC	Other Working Capital								
131	Cash	GP	SNP	B 14.1	13,730,202	12,604,305	1,125,898	-	1,125,898
135	Working Funds	GP	SG	B 14.1	(49,731)	(45,440)	(4,290)	-	(4,290)
143	Other Accounts Re	GP	SO	B 14.1	12,323,596	11,297,259	1,026,337	-	1,026,337
232	Accounts Payable	PTD	S	B 15.6	(333,674,741)	(333,674,741)	-	-	-
232	Accounts Payable	PTD	SO	B 14.1	(6,853,313)	(6,282,553)	(570,759)	-	(570,759)
232	Accounts Payable	P	SE	B 14.1	(842,629)	(771,563)	(71,067)	-	(71,067)
253	Deferred Hedge	P	SE		-	-	-	-	-
2533	Other Deferred Cre	P	S	B 15.6	(18,383)	(18,383)	-	-	-
2533	Other Deferred Cre	P	SE	B 14.1	(4,807,256)	(4,401,816)	(405,440)	-	(405,440)
230	Asset Retirement C	P	SE	B 14.1	(5,195,017)	(4,756,873)	(438,144)	270,089	(168,055)
230	Asset Retirement C	P	S	B 15..4	(57,042,892)	(57,042,892)	-	-	-
254105	ARO Regulatory Li	P	S	B 15.7	(384,852)	(384,852)	-	-	-
254105	ARO Regulatory Li	P	SE	B 14.1	(148,068)	(135,580)	(12,488)	-	(12,488)
2533	Cholla Reclamatio	P	SSECH		-	-	-	-	-
					(382,963,084)	(383,613,129)	650,046	270,089	920,134
Total Working Capital					(343,109,140)	(346,224,399)	3,115,258	1,299,168	4,414,426

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	FERC		BUSINESS	PITA						
	ACCT	DESCRIPTION	FUNCTION	FACTOR	Ref	TOTAL	OTHER	WASHINGTON	ADJUSTMENT	ADJ TOTAL
	Miscellaneous Rate Base									
	18221	Unrec Plant & Reg Study Costs								
			P	S		-	-	-	-	-
						-	-	-	-	-
	18222	Nuclear Plant - Trojan								
			P	S		(2,348,745)	(464,347)	(1,884,398)	1,884,398	0
			P	TROJP		5,617,163	5,134,204	482,959	(482,959)	0
			P	TROJD		8,176,477	7,473,895	702,582	(702,582)	0
					B 15.2	11,444,896	12,143,752	(698,856)	698,857	0
	1869	Misc Deferred Debits-Trojan								
			P	S		-	-	-	-	-
			P	SNPPN		-	-	-	-	-
						-	-	-	-	-
	141	Impact Housing - Notes Receivable								
			P	SG		669,515	611,754	57,761	-	57,761
					B 15.1	669,515	611,754	57,761	-	57,761
	TOTAL MISCELLANEOUS RATE BASE					12,114,411	12,755,507	(641,095)	698,857	57,761
	TOTAL RATE BASE ADDITIONS					**1,588,843,616**	**1,554,522,567**	**34,321,049**	**3,016,012**	**37,337,061**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	ADJ TOTAL
235	Customer Service Deposits								
		CUST	S		(10,913,681)	(10,085,115)	(828,566)	-	(828,566)
		CUST	CN		(10,188,541)	(9,410,735)	(777,806)	-	(777,806)
				B 15.6	(21,102,222)	(19,495,850)	(1,606,372)	-	(1,606,372)
2281	Prov for Property Ir	PTD	SO	B 15.2	(901,767)	(826,665)	(75,101)	-	(75,101)
2282	Prov for Injuries & I	PTD	SO	B 15.2	(12,759,431)	(11,696,796)	(1,062,634)	-	(1,062,634)
2283	Prov for Pensions ε	PTD	SO	B 15.3	(53,009,924)	(48,595,137)	(4,414,787)	140,746	(4,274,041)
2283	Prov for Pensions ε	PTD	S	B 15.3	(341,971,375)	(341,971,375)	-	-	-
254	Reg Liabilities - Ins	PTD	SO	B 15.7	(2,739,549)	(2,511,393)	(228,156)	-	(228,156)
					(411,382,046)	(405,601,368)	(5,780,678)	140,746	(5,639,932)
22844	Accum Hydro Relicensing Obligation								
		P	S		(8,411,603)	(8,411,603)	-	-	-
		P	SG		-	-	-	-	-
				B 15.3	(8,411,603)	(8,411,603)	-	-	-
22842	Accum Misc Oper I	P	TROJD	B 15.3	(2,923,347)	(2,672,152)	(251,195)	251,195	(0)
230	Asset Retirement C	P	TROJP	B 15.3	(3,177,465)	(2,904,269)	(273,196)	273,196	0
254105	ARO Regulatory Li	P	TROJP	B 15.7	(767,540)	(701,548)	(65,992)	65,992	(0)
254		P	S	B 15.7	(2,141,567)	(2,141,567)	-	-	-
					(9,009,920)	(8,419,537)	(590,383)	590,383	(0)
252	Customer Advances for Construction								
		DPW	S		5,995,465	6,005,288	(9,823)	(40,083)	(49,906)
		DPW	SE		-	-	-	-	-
		T	SG		-	-	-	(69,249)	(69,249)
		DPW	SO		-	-	-	-	-
		CUST	CN		(10,847,695)	(10,019,569)	(828,126)	826,773	(1,354)
				B 20.3	(4,852,231)	(4,014,281)	(837,950)	717,441	(120,509)
25398	SO2 Emissions								
		P	SE		-	-	-	(3,465,137)	(3,465,137)
					-	-	-	(3,465,137)	(3,465,137)
25399	Other Deferred Credits								
		P	S		(34,437,821)	(34,226,833)	(210,988)	-	(210,988)
		GP	GPS		-	-	-	-	-
		P	SG		(13,408,326)	(12,251,551)	(1,156,775)	-	(1,156,775)
		P	SE		(5,110,767)	(4,679,728)	(431,038)	-	(431,038)
				B 15.6	(52,956,913)	(51,158,112)	(1,798,801)	-	(1,798,801)
190	Accumulated Deferred Income Taxes								
		P	S		60,422,775	57,611,650	2,811,125	(11,466,500)	(8,655,375)
		P	DGU		-	-	-	-	-
		LABOR	SO		(10,288,443)	(9,431,598)	(856,845)	-	(856,845)
		P	DGP		-	-	-	1,949,492	1,949,492
		CUST	BADDEBT		21,549,625	17,669,796	3,879,830	-	3,879,830
		P	TROJD		(2,131,260)	(1,948,127)	(183,133)	-	(183,133)
		P	SG		30,387,232	27,765,639	2,621,594	-	2,621,594
		P	SE		52,677,973	48,235,151	4,442,821	1,267,166	5,709,987
		PTD	SNP		3,551,655	3,260,414	291,241	-	291,241
		DPW	SNPD		-	-	-	-	-
				B 19.1	156,169,558	143,162,926	13,006,633	(8,249,843)	4,756,790
281	Accumulated Deferred Income Taxes								
		P	S		-	-	-	288,000	288,000
		PT	DGP		(1,720,939)	(1,432,376)	(288,563)	-	(288,563)
		T	SNPT		-	-	-	-	-
				B 19.1	(1,720,939)	(1,432,376)	(288,563)	288,000	(563)
282	Accumulated Deferred Income Taxes								
		GP	S		(476,415,024)	(476,415,024)	-	1,168,000	1,168,000
		ACCMDIT	DITBAL		(1,166,841,657)	(1,088,791,618)	(78,050,038)	(69,135)	(78,119,174)
		PT	DGP		(205,244)	(170,829)	(34,415)	(913,575)	(947,990)
		LABOR	SO		-	-	-	-	-
		CUST	CN		-	-	-	-	-
		P	SE		(5,918,830)	(5,419,640)	(499,190)	-	(499,190)
		P	SG		(15,866,516)	(14,497,666)	(1,368,850)	-	(1,368,850)
				B 19.2	(1,665,247,271)	(1,585,294,778)	(79,952,493)	185,289	(79,767,204)
283	Accumulated Deferred Income Taxes								
		GP	S		(5,711,822)	(5,711,822)	-	1,950,719	1,950,719
		P	SG		533,151	487,154	45,996	-	45,996
		P	SE		412,877	378,056	34,822	-	34,822
		LABOR	SO		(32,230,366)	(29,546,147)	(2,684,218)	(46,205)	(2,730,423)
		GP	GPS		(2,833,401)	(2,597,429)	(235,972)	-	(235,972)
		PTD	SNP		(16,796,832)	(15,419,466)	(1,377,366)	-	(1,377,366)
		P	TROJD		54,833	50,122	4,712	-	4,712
		PTD	SNPD		-	-	-	-	-
		P	SGCT		-	-	-	-	-
				B 19.2	(56,571,559)	(52,359,533)	(4,212,026)	1,904,514	(2,307,512)
TOTAL ACCUMULATED DEF INCOME TAX				B 19.2	(1,567,370,210)	(1,495,923,761)	(71,446,449)	(5,872,039)	(77,318,488)

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
255	Accumulated Investment Tax Credit								
		PTD	S		(63,685,615)	(63,685,615)	-	-	-
		PTD	ITC84		(4,799,663)	(4,119,071)	(680,592)	(137,642)	(818,234)
		PTD	ITC85		(6,607,585)	(5,724,812)	(882,773)	-	(882,773)
		PTD	ITC86		(2,774,535)	(2,410,350)	(364,185)	-	(364,185)
		PTD	ITC88		(377,793)	(321,275)	(56,518)	-	(56,518)
		PTD	ITC89		(796,039)	(674,493)	(121,546)	-	(121,546)
		PTD	ITC90		(466,980)	(448,706)	(18,274)	-	(18,274)
		PTD	DGU		-	-	-	-	-
				B 19.3	(79,508,210)	(77,384,322)	(2,123,888)	(137,642)	(2,261,530)
TOTAL RATE BASE DEDUCTIONS					**(2,154,593,355)**	**(2,070,408,834)**	**(84,184,521)**	**(8,026,247)**	**(92,210,768)**

FERC ACCT	DESCRIPTION	FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
108SP	Steam Prod Plant Accumulated Depr							
	P	S		(2,333,348)	(2,333,348)	-	-	-
	P	SG		(757,405,462)	(692,061,916)	(65,343,546)	-	(65,343,546)
	P	SG		(855,862,921)	(782,025,167)	(73,837,754)	-	(73,837,754)
	P	SG		(321,737,905)	(293,980,651)	(27,757,254)	(251,084)	(28,008,338)
	P	SSGCH		(195,443,215)	(178,110,010)	(17,333,205)	(12,082)	(17,345,287)
			B 17.1	(2,132,782,851)	(1,948,511,092)	(184,271,759)	(263,166)	(184,534,926)
108NP	Nuclear Prod Plant Accumulated Depr							
	P	SG		-	-	-	-	-
	P	SG		-	-	-	-	-
	P	SG		-	-	-	-	-
				-	-	-	-	-
108HP	Hydraulic Prod Plant Accum Depr							
	P	S		(793,365)	(793,365)	-	-	-
	P	SG		(148,574,423)	(135,756,480)	(12,817,942)	-	(12,817,942)
	P	SG		(29,039,529)	(26,534,206)	(2,505,324)	-	(2,505,324)
	P	SG		(31,676,073)	(28,943,287)	(2,732,786)	427,746	(2,305,040)
	P	SG		(10,583,888)	(9,670,786)	(913,102)	(155,276)	(1,068,379)
			B 17.2	(220,667,278)	(201,698,124)	(18,969,154)	272,469	(18,696,685)
108OP	Other Production Plant - Accum Depr							
	P	S		(112,908)	(112,908)	-	-	-
	P	SG		(2,338,970)	(2,137,181)	(201,790)	-	(201,790)
	P	SG		-	-	-	-	-
	P	SG		(39,790,567)	(36,357,720)	(3,432,847)	(2,319,457)	(5,752,304)
	P	SSGCT		(4,842,902)	(4,442,720)	(400,182)	(428,279)	(828,461)
			B 17.3	(47,085,347)	(43,050,529)	(4,034,818)	(2,747,737)	(6,782,555)
108EP	Experimental Plant - Accum Depr							
	P	SG		-	-	-	-	-
	P	SG		-	-	-	-	-
				-	-	-	-	-
TOTAL PRODUCTION PLANT DEPRECIATION				**(2,400,535,477)**	**(2,193,259,745)**	**(207,275,732)**	**(2,738,433)**	**(210,014,165)**

FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
Summary of Prod Plant Depreciation by Factor									
	S				(3,239,620)	(3,239,620)	-	-	-
	DGP				-	-	-	-	-
	DGU				-	-	-	-	-
	SG				(2,197,009,739)	(2,007,467,395)	(189,542,345)	(2,298,072)	(191,840,417)
	SSGCH				(195,443,215)	(178,110,010)	(17,333,205)	(12,082)	(17,345,287)
	SSGCT				(4,842,902)	(4,442,720)	(400,182)	(428,279)	(828,461)
Total of Prod Plant Depreciation by Factor					(2,400,535,477)	(2,193,259,745)	(207,275,732)	(2,738,433)	(210,014,165)

FERC ACCT	DESCRIPTION	FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
108TP	Transmission Plant Accumulated Depr							
	T	SG		(338,565,168)	(309,356,178)	(29,208,990)	-	(29,208,990)
	T	SG		(334,745,400)	(305,865,952)	(28,879,448)	-	(28,879,448)
	T	SG		(229,077,679)	(209,314,489)	(19,763,190)	1,469	(19,761,721)
TOTAL TRANS PLANT ACCUM DEPR			B 17.4	**(902,388,246)**	**(824,536,618)**	**(77,851,628)**	**1,469**	**(77,850,159)**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
108360	Land and Land Rights								
		DPW	S		(3,846,933)	(3,681,713)	(165,220)	-	(165,220)
				B 17.4	(3,846,933)	(3,681,713)	(165,220)	-	(165,220)
108361	Structures and Improvements								
		DPW	S		(12,368,236)	(11,907,630)	(460,606)	1,178	(459,428)
				B 17.4	(12,368,236)	(11,907,630)	(460,606)	1,178	(459,428)
108362	Station Equipment								
		DPW	S		(147,667,077)	(132,865,207)	(14,801,870)	50,580	(14,751,290)
				B 17.4	(147,667,077)	(132,865,207)	(14,801,870)	50,580	(14,751,290)
108364	Poles, Towers & Fixtures								
		DPW	S		(349,044,065)	(304,607,188)	(44,436,877)	-	(44,436,877)
				B 17.4	(349,044,065)	(304,607,188)	(44,436,877)	-	(44,436,877)
108365	Overhead Conductors								
		DPW	S		(201,431,864)	(183,664,292)	(17,767,571)	-	(17,767,571)
				B 17.5	(201,431,864)	(183,664,292)	(17,767,571)	-	(17,767,571)
108366	Underground Conduit								
		DPW	S		(92,137,125)	(89,138,640)	(2,998,485)	-	(2,998,485)
				B 17.5	(92,137,125)	(89,138,640)	(2,998,485)	-	(2,998,485)
108367	Underground Conductors								
		DPW	S		(192,560,523)	(188,090,712)	(4,469,811)	-	(4,469,811)
				B 17.5	(192,560,523)	(188,090,712)	(4,469,811)	-	(4,469,811)
108368	Line Transformers								
		DPW	S		(306,460,329)	(281,440,754)	(25,019,575)	-	(25,019,575)
				B 17.5	(306,460,329)	(281,440,754)	(25,019,575)	-	(25,019,575)
108369	Services								
		DPW	S		(116,846,394)	(107,595,789)	(9,250,605)	-	(9,250,605)
				B 17.5	(116,846,394)	(107,595,789)	(9,250,605)	-	(9,250,605)
108370	Meters								
		DPW	S		(85,470,324)	(79,268,506)	(6,201,818)	-	(6,201,818)
				B 17.5	(85,470,324)	(79,268,506)	(6,201,818)	-	(6,201,818)
108371	Installations on Customers' Premises								
		DPW	S		(5,732,679)	(5,442,726)	(289,953)	-	(289,953)
				B 17.5	(5,732,679)	(5,442,726)	(289,953)	-	(289,953)
108372	Leased Property								
		DPW	S		(43,986)	(43,986)	-	-	-
				B 17.6	(43,986)	(43,986)	-	-	-
108373	Street Lights								
		DPW	S		(18,132,761)	(16,704,142)	(1,428,619)	-	(1,428,619)
				B 17.6	(18,132,761)	(16,704,142)	(1,428,619)	-	(1,428,619)
108D00	Unclassified Dist Plant - Acct 300								
		DPW	S		-	-	-	-	-
					-	-	-	-	-
108DS	Unclassified Dist Sub Plant - Acct 300								
		DPW	S		-	-	-	-	-
					-	-	-	-	-
108DP	Unclassified Dist Sub Plant - Acct 300								
		DPW	S		-	-	-	-	-
					-	-	-	-	-
TOTAL DISTRIBUTION PLANT DEPR				B 17.6	**(1,531,742,295)**	**(1,404,451,284)**	**(127,291,011)**	**51,758**	**(127,239,253)**

Summary of Distribution Plant Depr by Factor

S	(1,531,742,295)	(1,404,451,284)	(127,291,011)	51,758	(127,239,253)
Total Distribution Depreciation by Factor	(1,531,742,295)	(1,404,451,284)	(127,291,011)	51,758	(127,239,253)

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
108GP	General Plant Accumulated Depr								
		G-SITUS	S		(136,183,967)	(124,293,213)	(11,890,754)	-	(11,890,754)
		G-DGP	SG		(8,338,106)	(7,618,754)	(719,352)	-	(719,352)
		G-DGU	SG		(15,726,295)	(14,369,542)	(1,356,753)	-	(1,356,753)
		G-SG	SG		(30,860,092)	(28,197,704)	(2,662,389)	2,505	(2,659,884)
		CUST	CN		(4,735,977)	(4,374,426)	(361,550)	-	(361,550)
		PTD	SO		(89,024,746)	(81,610,563)	(7,414,183)	-	(7,414,183)
		P	SE		(727,751)	(666,373)	(61,378)	-	(61,378)
		G-SG	SSGCT		(4,195)	(3,848)	(347)	-	(347)
		G-SG	SSGCH		(2,626,196)	(2,393,287)	(232,909)	-	(232,909)
				B 17.12	(288,227,326)	(263,527,711)	(24,699,615)	2,505	(24,697,110)
108MP	Mining Plant Accumulated Depr.								
		P	S		-	-	-	-	-
		P	SE		(157,611,352)	(144,318,528)	(13,292,825)	-	(13,292,825)
				B 17.12	(157,611,352)	(144,318,528)	(13,292,825)	-	(13,292,825)
108MP	Less Centralia Situs Depreciation								
		P	S		-	-	-	-	-
					(157,611,352)	(144,318,528)	(13,292,825)	-	(13,292,825)
1081390	Accum Depr - Capital Lease								
		PTD	SO		-	-	-	-	-
					-	-	-	-	-
	Remove Capital Leases				-	-	-	-	-
					-	-	-	-	-
1081399	Accum Depr - Capital Lease								
		P	S		-	-	-	-	-
		P	SE		-	-	-	-	-
					-	-	-	-	-
	Remove Capital Leases				-	-	-	-	-
					-	-	-	-	-
TOTAL GENERAL PLANT ACCUM DEPR					**(445,838,678)**	**(407,846,239)**	**(37,992,439)**	**2,505**	**(37,989,934)**
Summary of General Depreciation by Factor									
	S				(136,183,967)	(124,293,213)	(11,890,754)	-	(11,890,754)
	DGP				-	-	-	-	-
	DGU				-	-	-	-	-
	SE				(158,339,103)	(144,984,901)	(13,354,203)	-	(13,354,203)
	SO				(89,024,746)	(81,610,563)	(7,414,183)	-	(7,414,183)
	CN				(4,735,977)	(4,374,426)	(361,550)	-	(361,550)
	SG				(54,924,493)	(50,186,000)	(4,738,494)	2,505	(4,735,989)
	DEU				-	-	-	-	-
	SSGCT				(4,195)	(3,848)	(347)	-	(347)
	SSGCH				(2,626,196)	(2,393,287)	(232,909)	-	(232,909)
	Remove Capital Leases				-	-	-	-	-
Total General Depreciation by Factor					(445,838,678)	(407,846,239)	(37,992,439)	2,505	(37,989,934)
TOTAL ACCUM DEPR - PLANT IN SERVICE				B 17.12	**(5,280,504,695)**	**(4,830,093,885)**	**(450,410,809)**	**(2,682,702)**	**(453,093,511)**

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FERC ACCT	DESCRIPTION	BUSINESS FUNCTION	PITA FACTOR	Ref	UNADJUSTED RESULTS TOTAL	OTHER	WASHINGTON	WASHINGTON ADJUSTMENT	WASHINGTON ADJ TOTAL
111SP	Accum Prov for Amort-Steam								
		P	SG		-	-	-	-	-
		P	SG		-	-	-	-	-
					-	-	-	-	-
111GP	Accum Prov for Amort-General								
		G-SITUS	S		(14,161,079)	(13,018,155)	(1,142,924)	-	(1,142,924)
		CUST	CN		(1,582,036)	(1,461,262)	(120,775)	-	(120,775)
		I-SG	SG		-	-	-	-	-
		PTD	SO		(6,872,969)	(6,300,573)	(572,396)	-	(572,396)
		P	SE		-	-	-	-	-
					(22,616,084)	(20,779,989)	(1,836,095)	-	(1,836,095)
111HP	Accum Prov for Amort-Hydro								
		P	DGP		-	-	-	-	-
		P	DGU		-	-	-	-	-
		P	SG		(169,706)	(155,065)	(14,641)	-	(14,641)
		P	SG		-	-	-	-	-
					(169,706)	(155,065)	(14,641)	-	(14,641)
111IP	Accum Prov for Amort-Intangible Plant								
		I-SITUS	S		(30,106,017)	(28,154,307)	(1,951,710)	-	(1,951,710)
		I-DGP	SG		(2,268,891)	(2,073,147)	(195,744)	-	(195,744)
		I-DGU	SG		(270,579)	(247,236)	(23,344)	-	(23,344)
		P	SE		(558,843)	(511,710)	(47,132)	-	(47,132)
		I-SG	SG		(12,098,917)	(11,055,109)	(1,043,808)	77	(1,043,732)
		I-SG	SG		(4,271,494)	(3,902,980)	(368,514)	3,177	(365,337)
		I-SG	SG		(1,513,128)	(1,382,586)	(130,542)	2,331	(128,211)
		CUST	CN		(61,895,209)	(57,170,053)	(4,725,157)	-	(4,725,157)
		P	SSGCT		(908)	(833)	(75)	-	(75)
		P	SSGCH		(130)	(119)	(12)	-	(12)
		PTD	SO		(192,235,496)	(176,225,687)	(16,009,809)	-	(16,009,809)
					(305,219,613)	(280,723,766)	(24,495,847)	5,585	(24,490,262)
111IP	Less Non-Utility Plant								
		NUTIL	OTH		-	-	-	-	-
					(305,219,613)	(280,723,766)	(24,495,847)	5,585	(24,490,262)
111399	Accum Prov for Amort-Mining								
		P	SE		-	-	-	-	-
					-	-	-	-	-
TOTAL ACCUM PROV FOR AMORTIZATION				B 18.5	**(328,005,403)**	**(301,658,820)**	**(26,346,583)**	**5,585**	**(26,340,998)**
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Summary of Amortization by Factor

S	(44,267,096)	(41,172,462)	(3,094,634)	-	(3,094,634)
DGP	-	-	-	-	-
DGU	-	-	-	-	-
SE	(558,843)	(511,710)	(47,132)	-	(47,132)
SO	(199,108,465)	(182,526,259)	(16,582,205)	-	(16,582,205)
CN	(63,477,245)	(58,631,314)	(4,845,931)	-	(4,845,931)
SSGCT	(908)	(833)	(75)	-	(75)
SSGCH	(130)	(119)	(12)	-	(12)
SG	(20,592,716)	(18,816,123)	(1,776,593)	5,585	(1,771,008)
Total Provision For Amortization by Factor	(328,005,403)	(301,658,820)	(26,346,583)	5,585	(26,340,998)

Vander Weide
Testimony (JHV-1T)

Exhibit No.___(JHV-1T)
Docket Nos. UE-050684 &
UE-050412
2005 PP&L Rate Case
Witness: James H. Vander Weide

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WUTC V. PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY	)	Docket No. UE-050684
IN THE MATTER OF THE PETITION OF PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY FOR AN ORDER APPROVING DEFERRAL OF COSTS RELATED TO DECLINING HYDRO GENERATION	)	Docket No. UE-050412

PACIFICORP

DIRECT TESTIMONY OF JAMES H. VANDER WEIDE PH.D.

January 2006

Q. Please state your name and business address.

A. My name is James H. Vander Weide. I am Research Professor of Finance and Economics at the Fuqua School of Business of Duke University. I am also President of Financial Strategy Associates, a firm that provides strategic and financial consulting services to business clients. My business address is 3606 Stoneybrook Drive, Durham, North Carolina. A copy of my resume is attached as Exhibit No. ___(JHV-2).

Q. Have you previously testified on financial or economic issues?

A. Yes. As an expert on financial and economic theory, I have testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, depreciation, accounting, valuation, and other financial and economic issues in approximately 370 cases before the U.S. Congress, the Canadian Radio-Television and Telecommunications Commission, the Federal Communications Commission, the National Telecommunications and Information Administration, the Federal Energy Regulatory Commission, the public service commissions of 40 states, the insurance commissions of five states, the Iowa State Board of Tax Review, the North Carolina Property Tax Commission, and the National Association of Securities Dealers. In addition, I have testified as an expert witness in proceedings before the U.S. District Court, Northern District of California; U.S. District Court, District of Nebraska; U.S. District Court, Eastern District of North Carolina; Superior Court, North Carolina; the U.S. Bankruptcy Court, Southern District of West Virginia; and the U.S. District Court for the Eastern District of Michigan.

Q. What is the purpose of your testimony?

A. In a bench ruling following oral argument on Wednesday, January 11, 2006, in Docket Nos. UE-050684, UE-050412, and UE-051090, the Washington Utilities and Transportation Commission ("WUTC") requested that parties to that proceeding address the possible impact the proposed acquisition of PacifiCorp d/b/a Pacific Power & Light Company ("PacifiCorp") by MidAmerican Energy Holdings Company ("MEHC") might have on PacifiCorp's cost of capital. In particular, the WUTC requested comment regarding any impact the double-leverage approach would likely have on PacifiCorp's allowed rate of return on equity and its allowed income tax expense for the test year. I have been asked by PacifiCorp to provide an independent assessment of the double-leverage approach to determining a company's required return on equity and to recommend whether double leverage should be used to set the allowed rate of return on equity for PacifiCorp. I have also been asked to comment on whether PacifiCorp's income tax expense should be adjusted to reflect the tax benefits of debt at the parent level.

Q. What is double leverage?

A. Economists use the term "double leverage" to refer to a situation in which a parent company uses debt, in addition to equity, to finance its investment in the equity of a subsidiary.

Q. What is the double-leverage approach to utility rate making?

A. Advocates of the double-leverage approach argue that leverage at the parent level should be considered in calculating the required rate of return on equity for a

utility subsidiary. Specifically, proponents of the double-leverage approach argue that the required rate of return on equity for the subsidiary should be determined by first calculating the parent company's weighted average cost of capital and then equating the utility subsidiary's cost of equity to the parent's weighted average cost of capital. In other words, double-leverage advocates argue that, somehow, the use by a utility's parent of debt to finance a portion of its equity investment in a utility changes the underlying equity return requirement of the utility. In the context of this proceeding, PacifiCorp is the subsidiary, and PPW Holdings LLC is the parent.

A COMMON-SENSE EXAMPLE OF THE PRINCIPLES I WILL ADDRESS.

Q. Does such a double-leverage argument have merit?

A. No. As I will explain below, the means an investor chooses to use to finance an investment in a company's stock cannot change the risk or the equity return requirement of the company.

Q. Could you provide a practical example that illustrates the economic principles you discuss in this testimony related to double leverage?

A. Yes. Consider an investor's decision to purchase shares of stock in General Electric Company. If the investor wanted to incur risk equal to the risk of General Electric's equity, he could use his savings to purchase the stock. If the investor wanted an opportunity to earn more than the return on the General Electric stock itself, he could elect to purchase the stock "on margin," which is a means by which the investor can borrow much of the cost of his investment, rather than use his own funds for the purchase. If General Electric stock is held by investors who

have used "margin" to buy the stock, their investment is "double leveraged." Double leverage allows investors to earn a higher return on their invested funds if the return on the stock exceeds the cost of the margin debt. However, the use of margin, or double leverage, also increases the investors' risk.

Q. Does the choice by an investor to double leverage by purchasing General Electric stock on margin change the required return on General Electric?

A. No. The decision by an investor as to how to finance the shares does not change the underlying risk-return relationship for General Electric Company.

Q. Does the choice by an investor to double leverage by purchasing General Electric stock on margin change the risk and thus the required return for the investor?

A. Yes. A leveraged investor incurs more risk than the non-leveraged investor, and the leveraged investor should take such risk only if he expects to earn a higher return. Although double-leverage proponents argue that a leveraged investor should expect no greater return than a non-leveraged investor, fortunately for personal finance decisions, most stock buyers realize otherwise. Leveraged investors in General Electric are more exposed to fluctuations in General Electric's earnings and stock price and are at greater risk of earning a return that is less than their required return on their investment. As I demonstrate below, the level of additional risk and the corresponding increased required investor return is directly proportional to the extent of the leveraging used.

I. SUMMARY OF OBJECTIONS

Q. Do you have any objections to the double-leverage approach to utility rate making?

A. Yes. I object to the double-leverage approach to utility rate making because it generally violates three fundamental principles of financial economics:

1. The expected or required rate of return on any investment is equal to the expected or required rate of return on other investments of the same risk.
2. The required rate of return on an investment or project depends only on the risk of that investment or project, not on the risk of the owner's other business activities.
3. The required rate of return on an equity investment depends only on the business and financial risks of that investment, not on how the owner finances its equity investment.

In addition, the double-leverage approach is significantly more complex than the straightforward stand-alone approach to setting a utility company's allowed return on equity, and hence is subject to misinterpretation and incorrect application.

Q. Are there any reasons why the double-leverage approach is particularly inappropriate with respect to MEHC's acquisition of PacifiCorp?

A. Yes. The double-leverage approach is particularly inappropriate with respect to MEHC's acquisition of PacifiCorp because:

1. MEHC has committed to carefully and strictly ring fence PacifiCorp and its intermediate holding company, PPW Holdings LLC, to insulate PacifiCorp and PPW Holdings from any financial distress of the

companies above PPW Holdings in the corporate structure. Application of a double-leverage approach is inconsistent with the principles of ringfencing.

2. Currently, both PacifiCorp's intermediate holding company, PacifiCorp Holdings Inc. ("PHI"), and its holding company, ScottishPower, have debt in their respective capital structures. Moreover, since the ScottishPower acquisition of PacifiCorp, PacifiCorp's intermediate holding company, PHI, has had debt in its capital structure; but this debt will be eliminated by the MEHC acquisition. The capital structures of PacifiCorp and its immediate parents before and after the proposed acquisition are shown in Exhibit No.___(JHV-3). Despite the long-standing existence under the ScottishPower structure of both intermediate and parent company debt, the double-leverage approach has not previously been applied to PacifiCorp's cost of equity calculation.

3. The current debt in MEHC's capital structure has no relationship to PacifiCorp, has not been used to finance the transaction, and has no impact upon PacifiCorp customers.

4. If MEHC were to elect to issue new debt to finance the acquisition of PacifiCorp, such debt would affect only MEHC's risk, not the risk or return requirements for PacifiCorp.

5. If the double-leverage approach were applied to the PacifiCorp transaction, it would be important for the Commission to recognize that $1.2 billion of the amount financed represents investment that the

Commission would not be including in regulated rates.

6. The double-leverage advocates in this proceeding are urging the Commission to incorporate the phantom double leverage tax savings related to the MEHC acquisition, while ignoring an actual cost of the acquisition – the acquisition premium. MEHC has not sought recovery in rates of its acquisition premium, but has reserved the right to seek recovery if the issuance of any MEHC debt to finance the acquisition premium is improperly used as a justification for reducing the revenue requirement of PacifiCorp. Any such debt would represent an additional cost to MEHC and not a cost savings.

II. THE DOUBLE-LEVERAGE APPROACH VIOLATES THE PRINCIPLE THAT THE EXPECTED RATE OF RETURN ON AN INVESTMENT SHOULD BE EQUAL TO THAT REQUIRED ON OTHER INVESTMENTS OF COMPARABLE RISK.

Q. Has the U.S. Supreme Court recognized the basic financial principle that the required rate of return on an equity investment is equal to the required rate of return on other equity investments of the same risk?

A. Yes. The U.S. Supreme Court recognized in the *Hope Natural Gas* case that "the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks."[1] This statement clearly recognizes the fundamental principle of financial theory that the required rate of return must be the same on all investments of equal risk

[1] *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).

Q. Can you illustrate how the double-leverage approach to utility rate making violates the basic financial principle that the required rate of return on an equity investment must equal the required rate of return on other equity investments of the same risk?

A. Yes. Consider an investment in two regulated utilities, Company A and Company B, that face identical business and financial risks. Company A is a stand-alone electric utility with a 50 percent debt and 50 percent equity capital structure, a cost of debt of 6 percent, a cost of equity of 12 percent, and a weighted average cost of capital of 9 percent (9.0 = 0.5 x 6 + 0.5 x 12). Company B is an identical regulated electric utility that has a 50 percent debt and 50 percent equity capital structure and a cost of debt of 6 percent. The only difference between Companies A and B is that Company B is owned by a parent company with an unconsolidated capital structure made up of 30 percent debt and 70 percent equity. Assuming, as do most proponents of the double-leverage approach, that the parent's costs of debt and equity are the same as those of the subsidiary, that is, 6 percent and 12 percent, Company B's parent has a weighted average cost of capital of 10.2 percent (10.2 = 0.3 x 6 + 0.7 x 12).

Because Companies A and B face identical business and financial risks, financial theory mandates that both companies should have the same required rate of return on equity, 12 percent. In contrast, the double-leverage approach generally determines that Companies A and B have *different* required rates of return on equity: The stand-alone utility Company A has a required rate of return on equity equal to 12 percent, whereas the utility subsidiary Company B—if the

double-leverage approach is applied—appears to have a required rate of return on equity equal to 10.2 percent—the weighted average cost of capital of its parent. Since Companies A and B were assumed to have *identical* business and financial risks, the double-leverage approach, as traditionally applied, violates the basic principle that the required rate of return on an equity investment in projects of equal risk must be identical.

Q. Why does the application of the double-leverage approach produce the incorrect result that the utility subsidiary, Company B, has a lower required rate of return on equity than the stand-alone utility, Company A, even though Company B has the same business and financial risk as Company A?

A. The application of the double-leverage approach produces the incorrect result that subsidiary Company B has a lower required rate of return on equity than the stand-alone utility Company A because the double-leverage approach, as traditionally applied, incorrectly assumes that the parent's costs of debt and equity are the same as the costs of debt and equity for the subsidiary, even though the parent has greater financial risk than the subsidiary. Financial theory mandates that the costs of debt and equity both increase with increases in financial leverage. Thus, the parent's costs of debt and equity should be higher than those of the utility subsidiary.

Q. Would the double-leverage approach produce the same required rate of return on equity for the utility subsidiary, Company B, and the stand-alone utility Company A, if the parent's costs of debt and equity were properly adjusted to reflect the financial risk associated with the parent's more highly-leveraged capital structure?

A. Yes. As I explain below, if double-leverage advocates properly adjusted the parent's costs of debt and equity to reflect the increased financial risk associated with the parent's greater financial leverage, the double-leverage approach would produce the same required rate of return on equity for the utility, either as a subsidiary or as a stand-alone utility. In other words, the added risk assumed by a parent company that leverages a stock purchase with debt is comparable to the added risk assumed by an individual investor who borrows money to finance a stock purchase.

Q. Is there any way to determine how an increase in the parent's financial leverage, that is, its debt/equity ratio, affects the parent's cost of equity in the case where the parent only invests in the equity of its utility subsidiary?

A. Yes. According to financial theory, the parent's required rate of return on equity in this case is related to its unconsolidated debt/equity ratio through the following equation:[2]

$$r_E = r + (r - r_D) \times D/E$$

where:

r_E = Parent's required return on equity,

[2] Richard A. Brealey, Stewart C. Myers, and Franklin Allen, *Principles of Corporate Finance*, 8th ed., p. 517.

	r	=	Required rate of return on the parent's only asset, i.e., the subsidiary's equity
	r_D	=	Required after-tax return on the parent's debt, and
	D/E	=	Parent's debt to equity ratio.

Q. Using the data from your previous example, can you calculate the required rate of return on the parent's equity when the parent has an unconsolidated 30 percent debt/70 percent equity capital structure?

A. Yes. My previous example assumed that the subsidiary's cost of equity was 12 percent, that the parent's only asset was its investment in the utility's equity, and that the parent had an unconsolidated capital structure containing 30 percent debt and 70 percent equity. Assume further that the parent's cost of debt is 7 percent (4.55 percent after-tax, using a 35 percent tax rate), because of its greater financial risk. Substituting these data into the equation given above, the parent's required rate of return on equity is 15.19 percent.

Q. What is the relationship between the parent's properly calculated weighted average after-tax cost of capital and the after-tax cost of equity of the subsidiary, the parent's only investment?

A. In this case they are the same. The cost of equity for the subsidiary reflects the business and financial risks of the subsidiary's operations, and the parent's only asset is an investment in the equity of the subsidiary. Thus, the parent's after-tax weighted average cost of capital must equal the expected rate of return on its only investment, the subsidiary's equity.

Q. Using a cost of equity of 15.19 percent, what is the parent's weighted average cost of capital?

A. As shown below, the parent's weighted average cost of capital is 12 percent.

Capital Source	Percent of Total	Cost Rate	Weighted Cost
Debt	30.0%	4.55%	1.4%
Equity	70.0%	15.19%	10.6%
			12.0%

Q. What is the implication of your conclusion that the parent's after-tax weighted average cost of capital is 12 percent when its costs of debt and equity properly reflect the parent's greater financial risk?

A. The clear implication of my conclusion is that, when the parent's costs of debt and equity are appropriately increased to reflect its greater financial leverage, the double-leverage approach produces the same cost of equity for the utility subsidiary as does a stand-alone cost of equity calculation. This conclusion is appropriate, because the stand-alone utility and the subsidiary utility were both assumed to have the same business and financial risk.

III. THE DOUBLE-LEVERAGE APPROACH VIOLATES THE PRINCIPLE THAT THE REQUIRED RATE OF RETURN ON AN INVESTMENT SHOULD DEPEND ONLY ON THE SPECIFIC RISKS OF THAT INVESTMENT.

Q. As you discuss above, you object to the double-leverage approach because it generally violates the basic financial principle that the required rate of return on an investment or project depends only on the risk of that project, not on the business and financial risk of the owner of the project. Is this principle widely recognized in the financial community?

A. Yes. The financial community recommends using a risk-adjusted discount rate, or cost of capital, for each subsidiary or project when the subsidiary or project risk differs from the risk of the parent. For example, in their widely used text, *Principles of Corporate Finance*, 8th edition, Brealey, Myers, and Allen state at

page 234:

> In principle, each project should be evaluated at its own opportunity cost of capital; the true cost of capital depends on the use to which the capital is put. If we wish to estimate the cost of capital for a particular project, it is *project risk* that counts.

Likewise, in *Modern Corporate Finance*, 1st edition, Shapiro states at page 276:

> Each project has its own required return, reflecting three basic elements: (1) the real or inflation-adjusted risk-free interest rate; (2) an inflation premium approximately equal to the amount of expected inflation; and (3) a premium for risk. The first two cost elements are shared by all projects and reflect the time value of money, whereas the third component varies according to the risks borne by investors in the different projects. For a project to be acceptable to the firm's shareholders, its return must be sufficient to compensate them for all three cost components. This minimum or *required* return is the *project's cost of capital* and is sometimes referred to as a **hurdle rate**. In discussing how to calculate the project's cost of capital, we begin by assuming the firm is all-equity financed and later relax that assumption.
>
> The preceding paragraph bears a crucial message: *The cost of capital for a project depends on the riskiness of the assets being financed, not on the identity of the firm undertaking the project.* [Original emphasis]

Q. How does the double-leverage approach violate the basic financial principle that the required rate of return on equity depends only on the business and financial risk of the specific investment or project, not on the business and financial risk of the owner of the project?

A. Recall that the double-leverage argument sets the required rate of return on an equity investment in a utility subsidiary equal to the weighted average cost of capital of the parent. However, in general, the after-tax weighted average cost of capital of the parent reflects the business and financial risks of the parent's entire portfolio of business activities. Thus, under the double-leverage approach, if the

parent has more operations than a single utility subsidiary, setting the required rate of return on equity for a utility subsidiary equal to the parent's weighted average cost of capital incorrectly ascribes to the utility subsidiary the business and financial risks of the parent's other business activities. As I earlier pointed out, if we were able to properly remove the impacts of the other business activities, the remaining weighted cost of the parent's capital would be equal to the stand-alone equity cost of the utility subsidiary.

Q. MEHC has taken strong steps, commonly referred to as "ringfencing," to protect PacifiCorp's ratepayers from the business and financial risks of MEHC's other businesses. Is the double-leverage approach consistent with MEHC's efforts to protect ratepayers from the risks of MEHC's other businesses?

A. No. As discussed above, the double-leverage approach sets PacifiCorp's required rate of return by estimating MEHC's weighted average cost of capital. Because MEHC's weighted average cost of capital reflects the business and financial risks of MEHC's entire portfolio of business activities, the double-leverage approach exposes PacifiCorp's ratepayers to the risks of MEHC's other businesses.

Under ringfencing, it is critically important to distinguish between the debt of the ring-fenced utility and the acquisition debt of the utility's parent. One effect of ringfencing is to protect the utility's bondholders from the risks associated with additional parent debt. The utility itself must retain sufficient equity and earnings to protect the utility's bondholders. Reductions in equity return under the guise of double-leverage arguments simply strip away the

coverage protecting the utility's bondholders – and the provision of adequate debt coverage is a critical factor in determining the amount of equity required by a utility. In contrast, with proper ringfencing, the utility's bondholders should be indifferent to the existence or the level of the parent's acquisition debt.

IV. THE DOUBLE-LEVERAGE APPROACH VIOLATES THE PRINCIPLE THAT THE REQUIRED RATE OF RETURN ON AN INVESTMENT DEPENDS ONLY ON THE BUSINESS AND FINANCIAL RISK OF THAT INVESTMENT, NOT THE COST OF THE FUNDS USED TO MAKE THE INVESTMENT.

Q. Can you illustrate how the double-leverage approach violates the basic financial principle that the required rate of return on an equity investment does not depend on how the equity investment is financed?

A. Yes. Consider a utility subsidiary that is owned by a parent company that has a capital structure containing 100 percent equity, a single asset consisting of its common equity investment in a utility subsidiary, and a cost of equity of 12 percent. Under the double-leverage approach, the subsidiary's required rate of return on equity will also be 12 percent because the parent's after-tax weighted average cost of capital is 12 percent. Now suppose that the parent sells the utility subsidiary to another parent company that has a capital structure containing 50 percent debt and 50 percent equity, with a cost of debt of 6 percent and a cost of equity of 12 percent. Under the double-leverage approach as traditionally applied, the utility subsidiary's required rate of return on equity would now be 9 percent (9 = .5 x 0.6 + .5 x .12). Thus, according to the double-leverage

approach, the transfer of ownership from one parent to another would reduce the utility subsidiary's required rate of return on equity by 300 basis points, even though there has been no change in the subsidiary's business or financial risk.

Q. If the double-leverage approach contradicts sound financial theory, why do proponents of the double-leverage approach argue strongly in its favor?

A. Proponents of the double-leverage approach generally argue that the parent company will be able to earn more than its required rate of return on equity if the double-leverage approach is not applied to the utility subsidiary. Thus, they contend that the double-leverage approach is required to prevent the parent from earning more than its required rate of return on equity. In PacifiCorp's merger case, proponents of the double-leverage approach also argued that the use of the double leverage was required: (1) to prevent ratepayers from paying for the acquisition premium on MEHC's purchase of PacifiCorp from ScottishPower; (2) to protect ratepayers from having to compensate the company for "phantom taxes;" and (3) to prevent ratepayers from cross-subsidizing MEHC's other operations.[3]

Q. Do you agree that the parent would be able to earn more than its required rate of return on equity if the double-leverage approach is not applied to the utility subsidiary?

A. No. Proponents of the double-leverage approach fail to recognize that equity investors in a financially leveraged parent company face greater financial risk than equity investors in the subsidiary. Thus, equity investors in the parent

[3] See testimonies of Kenneth L. Elgin on behalf of the Staff of the WUTC, James T. Selecky on behalf of the Industrial Customers of Northwest Utilities, James R. Ditmer on behalf of Public Counsel, and Stephen G. Hill on behalf of Public Counsel.

require a higher rate of return on equity than equity investors in the subsidiary. Once the greater financial risk of equity investors in the parent is correctly recognized, it can be demonstrated that: (1) the parent's required rate of return on equity is higher than the subsidiary's; and (2) neither the subsidiary's nor the parent's equity investors will earn more than their required rates of return on investment under non-double leverage, rate making principles.

Q. Do you agree that use of the double-leverage approach is required to prevent PacifiCorp's ratepayers from paying for the acquisition premium MEHC agreed to pay to acquire PacifiCorp?

A. No. Because MEHC is not proposing that PacifiCorp's rate base be increased to include the acquisition premium, PacifiCorp's ratepayers will not experience any increase in rates as a result of the acquisition premium MEHC agreed to pay for PacifiCorp. Furthermore, the observation that the parent is likely to earn a higher rate of return than the subsidiary does not indicate that the parent's equity investors will be compensated for the acquisition premium. Rather, this observation merely reflects the greater risk associated with the parent's use of financial leverage.

Q. Do you agree that use of double leverage is required to protect ratepayers from having to compensate the company for "phantom taxes"?

A. No. The tax expenses used to set PacifiCorp's rates reflect the taxes associated with PacifiCorp's net income, where net income includes the effects of the interest expenses associated with the debt shown on PacifiCorp's balance sheet. Although PacifiCorp's parent may be able to offset some of the taxes associated

with PacifiCorp's net income with additional expenses associated with debt shown on the parent's balance sheet, the parent's equity investors are the proper beneficiaries of these income tax savings because they have borne the debt interest costs and the accompanying additional risk of the higher leverage on the parent's balance sheet. Furthermore, as shown in Vander Weide Exhibit No.___(JHV-4), the revenue requirement derived from a proper application of the double-leverage approach, where the parent's costs of debt and equity are correctly adjusted to account for the higher financial risk at the parent level, is the same as the revenue requirement derived from a calculation that does not rely on double leverage.

Q. Do you agree that use of the double-leverage approach is required to prevent ratepayers from cross-subsidizing MEHC's other operations?

A. No. To the contrary, cross-subsidization can only be prevented by basing the allowed rate of return on equity on the unique risks of PacifiCorp's regulated assets.

Q. Does the proposed PacifiCorp/PPW Holdings LLC organizational structure lend itself to a double leverage calculation?

A. No. First, as noted above and indicated in Exhibit No.___(JHV-3), the acquisition company in this case, PPW Holdings LLC, will be 100 percent equity financed. When the parent company finances with 100 percent equity, double leverage does not exist. Second, PPW Holdings LLC will be utilized to ring fence PacifiCorp in order to isolate PacifiCorp from the financial structure of MEHC. Given the great lengths that parties have gone to in the course of the acquisition proceeding to

tightly ring fence PacifiCorp, it makes little sense to ignore that structure. I particularly note that, given effective ringfencing, a reduction to PacifiCorp's equity return based on a double-leverage rationale would reduce the interest coverage needed to maintain PacifiCorp's bond ratings.

Q. What conclusions do you reach from your analysis of the double-leverage approach to utility rate making?

A. I conclude that the WUTC should reject the double-leverage approach to determining PacifiCorp's required rate of return on equity because it: (1) violates the three basic principles of financial economics; (2) is significantly more complex than a non-double-leverage approach to utility rate making; and (3) produces the same result as a direct, non-double-leverage approach when it is properly applied.

Q. Does this conclude your testimony?

A. Yes, it does.

Vander Weide
Exhibit No.__(JHV-2)

Exhibit No.___(JHV-2)
Docket Nos. UE-050684 &
UE-050412
2005 PP&L Rate Case
Witness: James H. Vander Weide

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WUTC V. PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY	)	Docket No. UE-050684
IN THE MATTER OF THE PETITION OF PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY FOR AN ORDER APPROVING DEFERRAL OF COSTS RELATED TO DECLINING HYDRO GENERATION	)	Docket No. UE-050412

PACIFICORP

Exhibit To
Direct Testimony of James H. Vander Weide

Resume

January 2006

JAMES H. VANDER WEIDE, Ph.D.
3606 Stoneybrook Drive
Durham, NC 27705
Tel. 919.383.6659 or 919.383.1057
jim.vanderweide@duke.edu

James H. Vander Weide is Research Professor of Finance and Economics at the Fuqua School of Business, Duke University. Dr. Vander Weide is also founder and President of Financial Strategy Associates, a consulting firm that provides strategic, financial, and economic consulting services to corporate clients, including cost of capital and valuation studies.

Educational Background and Prior Academic Experience

Dr. Vander Weide holds a Ph.D. in Finance from Northwestern University and a Bachelor of Arts from Cornell University. In January 1972, he joined the faculty of the Fuqua School of Business at Duke University and was named Assistant Professor, Associate Professor, and then Professor. In 1982, he assumed the position of Associate Dean of Faculty Affairs at the Fuqua School. He resigned this position in July 1983 and is now Research Professor of Finance and Economics.

Since joining the faculty at Duke University, Dr. Vander Weide has taught courses in corporate finance, investment management, and management of financial institutions. He has also taught courses in statistics, economics, and operations research, and a Ph.D. seminar on the theory of public utility pricing. In addition, Dr. Vander Weide has been active in executive education at Duke and Duke Corporate Education, leading executive development seminars on topics including financial analysis, cost of capital, creating shareholder value, mergers and acquisitions, real options, capital budgeting, cash

management, measuring corporate performance, valuation, short-run financial planning, depreciation policies, financial strategy, and competitive strategy. Dr. Vander Weide has designed and served as Program Director for several executive education programs at the Fuqua School of Business, including the Advanced Management Program, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union.

Publications

Dr. Vander Weide has written a book entitled *Managing Corporate Liquidity: An Introduction to Working Capital Management* published by John Wiley and Sons, Inc. He has also written a chapter titled, "Financial Management in the Short Run" for *The Handbook of Modern Finance*, and written research papers on such topics as portfolio management, capital budgeting, investments, the effect of regulation on the performance of public utilities, and cash management. His articles have been published in *American Economic Review, Financial Management, International Journal of Industrial Organization, Journal of Finance, Journal of Financial and Quantitative Analysis, Journal of Bank Research, Journal of Portfolio Management, Journal of Accounting Research, Journal of Cash Management, Management Science, Atlantic Economic Journal, Journal of Economics and Business,* and *Computers and Operations Research.*

Professional Consulting Experience

Dr. Vander Weide has provided financial and economic consulting services to firms in the electric, gas, insurance, telecommunications, and water industries for more than 25 years. He has testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, depreciation,

accounting, valuation, and other financial and economic issues in more than 370 cases before the United States Congress, the Canadian Radio-Television and Telecommunications Commission, the Federal Communications Commission, the National Telecommunications and Information Administration, the Federal Energy Regulatory Commission, the public service commissions of 40 states and the District of Columbia, the insurance commissions of five states, the Iowa State Board of Tax Review, North Carolina Property Tax Commission, the National Association of Securities Dealers, and the United States Securities and Exchange Commission. In addition, he has testified as an expert witness in proceedings before the United States District Court for the Northern District of California; United States District Court for the District of Nebraska; United States District Court for the Eastern District of North Carolina; Superior Court of North Carolina, the United States Bankruptcy Court for the Southern District of West Virginia; United States District Court for the District of New Hampshire; and United States District Court for the Eastern District of Michigan. With respect to implementation of the Telecommunications Act of 1996, Dr. Vander Weide has testified in 30 states on issues relating to the pricing of unbundled network elements and universal service cost studies and has consulted with Bell Canada, Deutsche Telekom, and Telefónica on similar issues. He has also provided expert testimony on issues related to electric and natural gas restructuring. He has worked for Bell Canada on a special task force to study the effects of vertical integration in the Canadian telephone industry and has worked for Bell Canada as an expert witness on the cost of capital. Dr. Vander Weide has provided consulting and expert witness testimony to the following companies:

Telecommunications Companies

ALLTEL and its subsidiaries
AT&T (old)
Bell Canada
Centel and its subsidiaries
Citizens Telephone Company
Contel and its subsidiaries
Deutsche Telekom
Corp.
Heins Telephone Company
NYNEX and its subsidiaries (Verizon)
Roseville Telephone Company
Southern New England Telephone
The Stentor Companies
Union Telephone Company
Woodbury Telephone Company
U S West (now Qwest)

Ameritech (now AT&T new)
Verizon (Bell Atlantic) and subsidiaries
BellSouth and its subsidiaries
Cincinnati Bell (Broadwing)
Concord Telephone Company
GTE and subsidiaries (Verizon)
Minnesota Independent Equal Access

Pacific Telesis and its subsidiaries
Pine Drive Cooperative Telephone Co.
Phillips County Cooperative Tel. Co.
SBC Communications (now AT&T)
Sherburne Telephone Company
Sprint/United and its subsidiaries
Telefónica
Valor Telecommunications

Electric, Gas, and Water Companies

Alcoa Power Generating, Inc.
Alliant Energy
American Water Works
Central Illinois Public Service
Citizens Utilities
Consolidated Natural Gas and its subsidiaries
Dominion Resources
Empire District Electric Company
Interstate Power Company
Iowa-American Water Company
Iowa-Illinois Gas and Electric
Iowa Southern
Kentucky-American Water Company
Kentucky Power Company
MidAmerican Energy and its subsidiaries
Nevada Power Company
NICOR
North Carolina Natural Gas
Northern Natural Gas Company

North Shore Gas
PacifiCorp
PG&E
Peoples Energy and its subsidiaries
The Peoples Gas, Light and Coke Co.
Progress Energy
Public Service Company of North Carolina
PSE&G
Sempra Energy
South Carolina Electric and Gas
Southern Company
Tennessee-American Water Company
United Cities Gas Company

Insurance Companies

Allstate
North Carolina Rate Bureau
United Services Automobile Association (USAA)
The Travelers Indemnity Company
Gulf Insurance Company

Other Professional Experience

Dr. Vander Weide conducts in-house seminars and training sessions on topics such as financial analysis, competitive strategy, real options, financial strategy, managing growth, mergers and acquisitions, creating shareholder value, valuation, measuring corporate performance, capital budgeting, cost of capital, cash management, depreciation policies, and short and long-run financial planning. Among the firms for whom he has designed and taught tailored programs and training sessions are ABB Asea Brown Boveri, Accenture, Allstate, Ameritech, AT&T, Bell Atlantic/Verizon, BellSouth, Progress Energy/Carolina Power & Light, Contel, Fisons, GlaxoSmithKline, GTE, Lafarge, MidAmerican Energy, New Century Energies, Norfolk Southern, Pacific Bell Telephone, The Rank Group, Siemens, Southern New England Telephone, TRW, and Wolseley Plc. Dr. Vander Weide has also hosted a nationally prominent conference/workshop on estimating the cost of capital. In 1989, at the request of Mr. Fuqua, Dr. Vander Weide designed the Duke Program for Manager Development for managers from the former Soviet Union, the first in the United States designed exclusively for managers from Russia and the former Soviet republics.

In the 1970's, Dr. Vander Weide helped found University Analytics, Inc., which at that time was one of the fastest growing small firms in the country. As an officer at University Analytics, he designed cash management models, databases, and software packages that are still used by most major U.S. banks in consulting with their corporate clients. Having sold his interest in University Analytics, Dr. Vander Weide now

concentrates on strategic and financial consulting, academic research, and executive education.

Publications - Dr. James H. Vander Weide

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"A Note on the Optimal Investment Policy of the Regulated Firm," *Atlantic Economic Journal*, Fall, 1976 (with D. Peterson).

"A Unified Location Model for Cash Disbursements and Lock-Box Collections," *Journal of Bank Research*, Summer, 1976 (with S. Maier). Reprinted in *Management Science in Banking*, edited by K. J. Cohen and S. E. Gibson, Warren Gorham and Lamont, 1978. Also reprinted in *Readings on the Management of Working Capital*, edited by K. V. Smith, West Publishing Company, 1979.

"Capital Budgeting in the Decentralized Firm,' *Management Science*, Vol 23, No. 4, December 1976, pp. 433-443 (with S. Maier).

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"A Strategy which Maximizes the Geometric Mean Return on Portfolio Investments," *Management Science*, June, 1977, Vol 23, No. 10, pp. 1117-1123 (with S. Maier and D. Peterson).

"A Decision Analysis Approach to the Computer Lease-Purchase Decision," *Computers and Operations Research*, Vol. 4, No. 3, September, 1977, pp. 167-172 (with S. Maier).

"A Practical Approach to Short-run Financial Planning," *Financial Management*, Winter, 1978 (with S. Maier). Reprinted in *Readings on the Management of Working Capital*, edited by K. V. Smith, West Publishing Company, 1979.

"Effectiveness of Regulation in the Electric Utility Industry,' *Journal of Economics and Business*, May, 1979 (with F. Tapon).

"On the Decentralized Capital Budgeting Problem Under Uncertainty," *Management Science*, September 1979 (with B. Obel).

"Expectations Data and the Predictive Value of Interim Reporting: A Comment," *Journal of Accounting Research*, Spring 1980 (with L. D. Brown, J. S. Hughes, and M. S. Rozeff).

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"Incentive Considerations in the Reporting of Leveraged Leases," *Journal of Bank Research*, April 1982 (with J. S. Hughes).

"Forecasting Disbursement Float," *Financial Management*, Spring 1981 (with S. Maier and D. Robinson).

"Recent Developments in Management Science in Banking," *Management Science*, October 1981 (with K. Cohen and S. Maier).

"General Telephone's Experience with a Short-run Financial Planning Model," *Cash Management Forum*, June 1980, Vol. 6, No. 1 (with J. Austin and S. Maier).

"An Empirical Bayes Estimate of Market Risk," *Management Science*, July 1982 (with S. Maier and D. Peterson).

"The Bond Scheduling Problem of the Multi-subsidiary Holding Company," *Management Science*, July 1982 (with K. Baker).

"A Decision-Support System for Managing a Short-term Financial Instrument Portfolio," *Journal of Cash Management*, March 1982 (with S. Maier).

"Deregulation and Locational Rents in Banking: a Comment," *Journal of Bank Research*, Summer 1983.

"What Lockbox and Disbursement Models Really Do," *Journal of Finance*, May 1983 (with S. Maier).

"Financial Management in the Short Run," *Handbook of Modern Finance*, edited by Dennis Logue, published by Warren, Gorham, & Lamont, Inc., New York, 1984.

"Measuring Investors' Growth Expectations: the Analysts versus Historical Growth Extrapolation," *The Journal of Portfolio Management*, Spring 1988 (with W. Carleton).

"Entry Auctions and Strategic Behavior under Cross-Market Price Constraints," *International Journal of Industrial Organization*, 20 (2002) 611-629 (with J. Anton and N. Vettas).

Managing Corporate Liquidity: an Introduction to Working Capital Management, John Wiley and Sons, 1984 (with S. Maier).

COMPANY	JURISDICTION	DATE	DOCKET NO.
Verizon Maine	Maine	Dec-05	2005-155
Winston & Strawn LLP.	U.S. District Court Northern District California	Nov-05	C-01-20418-JW(HRL)
Dominion Virginia Power	Virginia	Nov-05	PUE-2004-00048
Empire District Electric Company	Kansas	Sep-05	05-EPDE-980-RTS
North Carolina Rate Bureau (workers comp)	North Carolina	Sep-05	
Bryna Cave LLP.	U.S. District Court Eastern District of Missouri	Sep-05	04-CV-00477
PG&E Company	FERC	Jul-05	
Empire District Electric Company	Missouri	Jun-05	EO-2005-0263
Dominion Hope	West Virginia	May-05	05-0304-G-42T
San Diego Gas & Electric	California	May-05	05-05-012
Verizon New England	U.S. District Court New Hampshire	May-05	04-CV-65-PB
Progress Energy	Florida	May-05	050078
Verizon Vermont	Vermont	Feb-05	6959
North Carolina Rate Bureau (homeowners)	North Carolina	Feb-05	
Verizon Florida	Florida	Jan-05	050059-TL
Verizon Illinois	Illinois	Jan-05	00-0812
Dominion Resources	North Carolina	Sep-04	E-22 Sub 412
Tennessee-American Water Company	Tennessee	Aug-04	04-00288
Alcoa Power Generating Inc.	North Carolina Property Tax Commission	Jul-04	02 PTC 162 and 02 PTC 709
Valor Telecommunications of Texas, LP.	New Mexico	Jul-04	3495 Phase C
PG&E Company	California	May-04	04-05-21
Verizon Northwest	Washington	Apr-04	UT-040788
Verizon Northwest	Washington	Apr-04	UT-040788
Empire District Electric Company	Missouri	Apr-04	ER-2004-0570
MidAmerican Energy	South Dakota	Apr-04	NG4-001
Kentucky-American Water Company	Kentucky	Apr-04	2004-00103
Interstate Power and Light Company	Iowa	Mar-04	RPU-04-01
Northern Natural Gas Company	FERC	Feb-04	RP04-155-000
North Carolina Rate Bureau (auto)	North Carolina	Feb-04	
Verizon	FCC	Jan-04	03-173, FCC 03-224
Verizon New Jersey	New Jersey	Jan-04	TO00060356
Verizon	FCC	Dec-03	03-173, FCC 03-224
Phillips County Telephone Company	Colorado	Nov-03	035-315T
Verizon California Inc.	California	Nov-03	R93-04-003,I93-04-002
PG&E Company	FERC	Oct-03	ER04-109-000
North Carolina Rate Bureau (homeowners)	North Carolina	Oct-03	
Allstate Insurance Company	Texas	Sep-03	2568
Empire District Electric Company	Oklahoma	Jul-03	Case No. PUD 200300121
Verizon Northwest Inc.	Washington	Jul-03	UT-023003
MidAmerican Energy	Iowa	Apr-03	RPU-03-1, WRU-03-25-156
Northern Natural Gas Company	FERC	Apr-03	RP03-398-000
North Carolina Rate Bureau (dwelling fire)	North Carolina	Apr-03	
Verizon Virginia Inc.	FCC	Apr-03	CC-00218,00249,00251
PG&E Company	FERC	Mar-03	ER03666000
U.S.Securities and Exchange Commission	New York	Mar-03	No. 3-10765
San Diego Gas & Electric	FERC	Feb-03	ER03-601000
Verizon	Florida	Feb-03	981834-TP/990321-TP
Verizon North	Indiana	Feb-03	42259

COMPANY	JURISDICTION	DATE	DOCKET NO.
PG&E Company	FERC	Jan-03	ER03409000
North Carolina Rate Bureau (auto)	North Carolina	Jan-03	
Gulf Insurance Company	Superior Court, North Carolina	Jan-03	2000-CVS-3558
Verizon New England Inc. New Hampshire	New Hampshire	Dec-02	DT 02-110
PG&E Company	California	Dec-02	
Verizon Northwest	Washington	Dec-02	UT 020406
MidAmerican Energy	Iowa	Nov-02	RPU-02-3, 02-8
MidAmerican Energy	Iowa	Nov-02	RPU-02-10
North Carolina Rate Bureau (workers comp)	North Carolina	Sep-02	
Verizon Michigan	US District Court Eastern District of Michigan	Sep-02	Civil Action No. 00-73208
Verizon New England Inc. New Hampshire	New Hampshire	Aug-02	DT 02-110
Interstate Power Company	Iowa Board of Tax Review	Jul-02	832
PG&E Company	California	May-02	A 02-05-022 et al
Verizon New England Inc. Massachusetts	FCC	May-02	EB 02 MD 006
Verizon New England Inc. Rhode Island	Rhode Island	May-02	Docket No. 2681
NEUMEDIA, INC.	US Bankruptcy Court Southern District W. Virginia	Apr-02	Case No. 01-20873
MidAmerican Energy Company	Iowa	Mar-02	RPU 02 2
North Carolina Rate Bureau (homeowners)	North Carolina	Mar-02	
North Carolina Natural Gas Company	North Carolina	Feb-02	G21 Sub 424
North Carolina Rate Bureau (auto)	North Carolina	Jan-02	
Verizon Pennsylvania	Pennsylvania	Dec-01	R-00016683
PG&E Company	FERC	Nov-01	ER0166000
Verizon Florida	Florida	Nov-01	99064B-TP
Verizon Delaware	Delaware	Oct-01	96-324 Phase II
Florida Power Corporation	Florida	Sep-01	000824-EL
North Carolina Rate Bureau (workers comp)	North Carolina	Sep-01	
Verizon Washington DC	Washington, D.C.	Jul-01	962
Verizon Virginia	FCC	Jul-01	CC-00218,00249,00251
Sherburne County Rural Telephone Company	Minnesota	Jul-01	P427/CI-00-712
Verizon New Jersey	New Jersey	Jun-01	TO01020095
Verizon Maryland	Maryland	May-01	8879
Verizon Massachusetts	Massachusetts	May-01	DTE 01-20
North Carolina Rate Bureau (auto)	North Carolina	Apr-01	
PG&E Company	FERC	Mar-01	ER011639000
Maupin Taylor & Ellis P.A.	National Association of Securities Dealers	Jan-01	99-05099
USTA	FCC	Oct-00	RM 10011
Verizon New York	New York	Oct-00	98-C-1357
PG&E Company	FERC	Oct-00	ER0166000
Verizon New Jersey	New Jersey	Oct-00	TO00060356
North Carolina Rate Bureau (workers comp)	North Carolina	Sep-00	
Verizon New Jersey	New Jersey	Sep-00	TO99120934
PG&E Company	California	Aug-00	00-05-018
Verizon New York	New York	Jul-00	98-C-1357
PG&E Company	California	May-00	00-05-013
PG&E Company	FERC	Mar-00	ER00-66-000
PG&E Company	FERC	Mar-00	ER99-4323-000
Bell Atlantic	New York	Feb-00	98-C-1357
USTA	FCC	Jan-00	94-1, 96-262
PG&E Company	California	Nov-99	99-11-003

COMPANY	JURISDICTION	DATE	DOCKET NO.
PG&E Company	FERC	Nov-99	ER973255,981261,981685
MidAmerican Energy	Iowa	Nov-99	SPU-99-32
PG&E Company	FERC	Sep-99	ER99-4323-000
MidAmerican Energy	Illinois	Sep-99	99-0534
North Carolina Rate Bureau (workers comp)	North Carolina	Sep-99	
MidAmerican Energy	FERC	Jul-99	ER99-3887
North Carolina Rate Bureau (homeowners)	North Carolina	Jun-99	
Nevada Power Company	FERC	May-99	
Bell Atlantic	Vermont	May-99	6167
Nevada Power Company	Nevada	Apr-99	
Bell Atlantic, GTE, US West	FCC	Apr-99	CC98-166
PG&E Company	FERC	Mar-99	ER99-2326-000
MidAmerican Energy	Illinois	Mar-99	099-0310
North Carolina Rate Bureau (auto)	North Carolina	Mar-99	
Bell Atlantic, GTE, US West	FCC	Mar-99	CC98-166
PG&E Company	FERC	Feb-99	ER99-2358,2087,2351
MidAmerican Energy	US District Court, District of Nebraska	Feb-99	8:97 CV 346
The Southern Company	FERC	Jan-99	ER98-1096
Bell Atlantic, GTE, US West	FCC	Jan-99	CC98-166
Deutsche Telekom	Germany	Nov-98	
Telefonica	Spain	Nov-98	
Cincinnati Bell Telephone Company	Ohio	Oct-98	96899TPALT
MidAmerican Energy	Iowa	Sep-98	SPU 98-8
MidAmerican Energy	Iowa	Sep-98	RPU 98-5
MidAmerican Energy	South Dakota	Sep-98	NG98-011
GTE Florida Incorporated	Florida	Aug-98	980696-TP
GTE North and South	Illinois	Jun-98	960503
GTE Midwest Incorporated	Missouri	Jun-98	TO98329
San Diego Gas & Electric	California	May-98	98-05-024
MidAmerican Energy	Iowa Board of Tax Review	May-98	835
GTE North and South	Illinois	May-98	960503
GTE Midwest Incorporated	Nebraska	Apr-98	C1416
Carolina Telephone	North Carolina	Mar-98	P100Sub133d
Public Service Electric & Gas	New Jersey	Feb-98	PUC734897N,-734797N,BPUEO97070461,-07070462
North Carolina Rate Bureau (auto)	North Carolina	Feb-98	P100sub133d
GTE Southwest	Texas	Feb-98	18515
The Southern Company	FERC	Dec-97	ER981096000
GTE North	Minnesota	Dec-97	P999/M97909
GTE Northwest	Oregon	Dec-97	UM874
GTE North	Pennsylvania	Nov-97	A310125F0002
Bell Atlantic	Rhode Island	Nov-97	2681
GTE North	Indiana	Oct-97	40618
GTE North	Minnesota	Oct-97	P442,407/5321/CI961541
GTE Southwest	New Mexico	Oct-97	96310TC,96344TC
North Carolina Rate Bureau (workers)	North Carolina	Sep-97	
GTE Midwest Incorporated	Iowa	Sep-97	RPU-96-7
GTE Hawaiian Telephone	Hawaii	Aug-97	7702
The Stentor Companies	Canada	Jul-97	CRTC97-11
New England Telephone	Vermont	Jul-97	5713
Bell-Atlantic-New Jersey	New Jersey	Jun-97	TX95120631
Nevada Bell	Nevada	May-97	96-9035

COMPANY	JURISDICTION	DATE	DOCKET NO.
New England Telephone	Maine	Apr-97	96-781
GTE North, Inc.	Michigan	Apr-97	U11281
Bell Atlantic-Virginia	Virginia	Apr-97	970005
North Carolina Rate Bureau (auto)	North Carolina	Feb-97	
Cincinnati Bell Telephone	Ohio	Feb-97	96899TPALT
Bell Atlantic - Pennsylvania	Pennsylvania	Feb-97	A310203,213,236,258F002
Poe, Hoof, & Reinhardt	Durham Cnty Superior Court Kountis vs. Circle K	Jan-97	95CVS04754
Bell Atlantic-Washington, D.C.	District of Columbia	Jan-97	962
Pacific Bell, Sprint, US West	FCC	Jan-97	CC 96-45
United States Telephone Association	FCC	Jan-97	CC 96-262
Bell Atlantic-Maryland	Maryland	Jan-97	8731
Bell Atlantic-West Virginia	West Virginia	Jan-97	961516, 1561, 1009TPC,961533TT
Bell Atlantic-Delaware	Delaware	Dec-96	96324
Carolina Power & Light Company	FERC	Nov-96	OA96-198-000
Bell Atlantic-New Jersey	New Jersey	Nov-96	TX95120631
New England Telephone	Massachusetts	Oct-96	DPU 96-73/74,-75, -80/81, -83, -94
New England Telephone	New Hampshire	Oct-96	96-252
Bell Atlantic-Virginia	Virginia	Oct-96	960044
MidAmerican Energy Company	Illinois	Sep-96	96-0274
MidAmerican Energy Company	Iowa	Sep-96	RPU96-8
North Carolina Rate Bureau (workers comp)	North Carolina	Sep-96	
Union Telephone Company	New Hampshire	Sep-96	95-311
Bell Atlantic-New Jersey	New Jersey	Sep-96	TO-96070519
New York Telephone	New York	Sep-96	95-C-0657, 94-C-0095,91-C-1174
Citizens Utilities	Illinois	Sep-96	96-0200, 96-0240
North Carolina Rate Bureau (auto)	North Carolina	Mar-96	
United States Telephone Association	FCC	Mar-96	AAD-96.28
United States Telephone Association	FCC	Mar-96	CC 94-1 PhaseIV
Bell Atlantic – Maryland	Maryland	Mar-96	8715
Nevada Bell	Nevada	Mar-96	96-3002
Carolina Tel. and Telegraph Co, Central Tel Co	North Carolina	Feb-96	P7 sub 825, P10 sub 479
Wake County, North Carolina	US District Court, Eastern Dist. NC	Oct-95	594CV643H2
Oklahoma Rural Telephone Coalition	Oklahoma	Oct-95	PUD950000119
BellSouth	Tennessee	Oct-95	95-02614
Bell Atlantic - District of Columbia	District of Columbia	Sep-95	814 Phase IV
South Central Bell Telephone Company	Tennessee	Aug-95	95-02614
GTE South	Virginia	Jun-95	95-0019
Northern Illinois Gas	Illinois	May-95	95-0219
North Carolina Rate Bureau (auto)	North Carolina	May-95	727
Roseville Telephone Company	California	May-95	A.95-05-030
Bell Atlantic - New Jersey	New Jersey	May-95	TX94090388
Cincinnati Bell Telephone Company	Ohio	May-95	941695TPACE
South Central Bell Telephone Company	Kentucky	Apr-95	94-121
Midwest Gas	South Dakota	Mar-95	
Virginia Natural Gas, Inc.	Virginia	Mar-95	PUE940054
Hope Gas, Inc.	West Virginia	Mar-95	95-0003G42T
The Peoples Natural Gas Company	Pennsylvania	Feb-95	R-943252
and Coke Co., North Shore Gas, Iowa-Illinois Gas	Illinois	Jan-95	94-0403
and Electric, Central Illinois Public Service,	Illinois	Jan-95	94-0403
Northern Illinois Gas, The Peoples Gas, Light	Illinois	Jan-95	94-0403
United Cities Gas, and Interstate Power	Illinois	Jan-95	94-0403
Midwest Gas	Nebraska	Oct-94	

COMPANY	JURISDICTION	DATE	DOCKET NO.
Cincinnati Bell Telephone Company	Kentucky	Oct-94	94-355
Midwest Power	Iowa	Sep-94	RPU-94-4
Bell Atlantic	FCC	Aug-94	CS 94-28, MM 93-215
Midwest Gas	Iowa	Jul-94	RPU-94-3
Nevada Power Company	Nevada	Jun-94	93-11045
Bell Atlantic	FCC	Jun-94	CC 94-1
Cincinnati Bell Telephone Company	Ohio	Mar-94	93-551-TP-CSS
Cincinnati Bell Telephone Company	Ohio	Mar-94	93-432-TP-ALT
North Carolina Rate Bureau (auto)	North Carolina	Feb-94	689
GTE South/Contel	Virginia	Feb-94	PUC9300036
Bell of Pennsylvania	Pennsylvania	Jan-94	P930715
GTE South	South Carolina	Jan-94	93-504-C
United Telephone-Southeast	Tennessee	Jan-94	93-04818
C&P of VA, GTE South, Contel, United Tel. SE	Virginia	Sep-93	PUC920029
Bell Atlantic, NYNEX, Pacific Companies	FCC	Aug-93	MM 93-215
C&P, Centel, Contel, GTE, & United	Virginia	Aug-93	PUC920029
Chesapeake & Potomac Tel Virginia	Virginia	Aug-93	93-00-
Midwest Power	Iowa	Jul-93	INU-93-1
Midwest Power	South Dakota	Jul-93	EL93-016
GTE North	Illinois	Jul-93	93-0301
North Carolina Rate Bureau (dwelling fire)	North Carolina	Jun-93	671
North Carolina Rate Bureau (homeowners)	North Carolina	Jun-93	670
Chesapeake & Potomac Tel. Co. DC	District of Columbia	Jun-93	926
Cincinnati Bell	Ohio	Jun-93	93432TPALT
Pacific Bell Telephone Company	California	Mar-93	92-05-004
Minnesota Independent Equal Access Corp.	Minnesota	Mar-93	P3007/GR931
South Central Bell Telephone Company	Tennessee	Feb-93	92-13527
South Central Bell Telephone Company	Kentucky	Dec-92	92-523
Southern New England Telephone Company	Connecticut	Nov-92	92-09-19
Chesapeake & Potomac Tel. Co.CDC	District of Columbia	Nov-92	814
Allstate Insurance Company	New Jersey	Sep-92	INS 06174-92
Diamond State Telephone Company	Delaware	Sep-92	PSC 92-47
New Jersey Bell Telephone Company	New Jersey	Sep-92	TO-92030958
Midwest Gas Company	Minnesota	Aug-92	G010/GR92710
North Carolina Rate Bureau (auto)	North Carolina	Aug-92	650
North Carolina Rate Bureau (workers' comp)	North Carolina	Aug-92	647
Pennsylvania-American Water Company	Pennsylvania	Jul-92	R-922428
Central Telephone Co. of Florida	Florida	Jun-92	920310-TL
C&P of VA, GTE South, Contel, United Tel. SE	Virginia	Jun-92	PUC920029
Chesapeake & Potomac Tel. Co. Maryland	Maryland	May-92	8462
Pacific Bell Telephone Company	California	Apr-92	92-05-004
Iowa Power Inc.	Iowa	Mar-92	RPU-92-2
Contel of Texas	Texas	Feb-92	10646
Nevada Power Company	Nevada	Jan-92	92-1067
Southern Bell Telephone Company	Florida	Jan-92	880069-TL
Allstate Insurance Company (property)	Texas	Dec-91	1846
GTE South	Georgia	Dec-91	4003-U
GTE South	Georgia	Dec-91	4110-U
IPS Electric	Iowa	Oct-91	RPU-91-6
North Carolina Rate Bureau (workers' comp)	North Carolina	Aug-91	609
GTE South	Tennessee	Aug-91	91-05738
Midwest Gas Company	Iowa	Jul-91	RPU-91-5

COMPANY	JURISDICTION	DATE	DOCKET NO.
North Carolina Rate Bureau (auto)	North Carolina	Jun-91	606
Pennsylvania-American Water Company	Pennsylvania	Jun-91	R-911909
Nevada Power Company	Nevada	May-91	91-5055
Allstate Insurance Company	California	May-91	RCD-2
Kentucky Power Company	Kentucky	Apr-91	91-066
Chesapeake & Potomac Tel. Co.CD.C.	District of Columbia	Feb-91	850
Allstate Insurance Company	New Jersey	Jan-91	INS-9536-90
GTE South	South Carolina	Nov-90	90-698-C
Southern Bell Telephone Company	Florida	Oct-90	880069-TL
North Carolina Rate Bureau (workers' comp)	North Carolina	Aug-90	R90-08-
The Travelers Indemnity Company	Pennsylvania	Aug-90	R-90-06-23
GTE South	West Virginia	Aug-90	90-522-T-42T
Allstate Insurance Company	Pennsylvania	Jul-90	R90-07-01
Chesapeake & Potomac Tel. Co.-Maryland	Maryland	Jul-90	8274
Iowa Resources, Inc. and Midwest Energy	Iowa	Jun-90	SPU-90-5
North Carolina Rate Bureau (auto)	North Carolina	Jun-90	568
Central Tel. Co. of Florida	Florida	Jun-90	89-1246-TL
Citizens Telephone Company	North Carolina	Jun-90	P-12, SUB 89
Contel of Illinois	Illinois	May-90	90-0128
Southern New England Tel. Co.	Connecticut	Apr-90	89-12-05
Bell Atlantic	FCC	Apr-90	89-624 II
Pennsylvania-American Water Company	Pennsylvania	Mar-90	R-901652
Bell Atlantic	FCC	Feb-90	89-624
Allstate Insurance Company	California	Jan-90	REB-1002
GTE South	Tennessee	Jan-90	
Bell Atlantic	FCC	Nov-89	87-463 II
Allstate Insurance Company	California	Sep-89	REB-1006
Pacific Bell	California	Mar-89	87-11-0033
Iowa Power & Light	Iowa	Dec-88	RPU-88-10
Pacific Bell	California	Oct-88	88-05-009
Southern Bell	Florida	Apr-88	880069TL
Carolina Independent Telcos.	North Carolina	Apr-88	P-100, Sub 81
United States Telephone Association	U. S. Congress	Apr-88	
Carolina Power & Light	South Carolina	Mar-88	88-11-E
New Jersey Bell Telephone Co.	New Jersey	Feb-88	87050398
Carolina Power & Light	FERC	Jan-88	ER-88-224-000
Carolina Power & Light	North Carolina	Dec-87	E-2, Sub 537
Bell Atlantic	FCC	Nov-87	87-463
Diamond State Telephone Co.	Delaware	Jul-87	86-20
Central Telephone Co. of Nevada	Nevada	Jun-87	87-1249
Carolina Power & Light	North Carolina	Apr-87	E-2, Sub 526
ALLTEL	Florida	Apr-87	870076-PU
Southern Bell	Florida	Apr-87	870076-PU
Northern Illinois Gas Co.	Illinois	Mar-87	87-0032
So. New England Telephone Co.	Connecticut	Mar-87	87-01-02
Bell of Pennsylvania	Pennsylvania	Feb-87	860923
Carolina Power & Light	FERC	Jan-87	ER-87-240-000
Bell South	NTIA	Dec-86	61091-619
Heins Telephone Company	North Carolina	Oct-86	P-26, Sub 93
Public Service Co. of NC	North Carolina	Jul-86	G-5, Sub 207
Bell Atlantic	FCC	Feb-86	84-800 III
BellSouth	FCC	Feb-86	84-800 III

COMPANY	JURISDICTION	DATE	DOCKET NO.
ALLTEL Carolina, Inc	North Carolina	Feb-86	P-118, Sub 39
ALLTEL Georgia, Inc.	Georgia	Jan-86	3567-U
ALLTEL Ohio	Ohio	Jan-86	86-60-TP-AIR
Western Reserve Telephone Co.	Ohio	Jan-86	85-1973-TP-AIR
New England Telephone & Telegraph	Maine	Dec-85	
Iowa Southern Utilities	Iowa	Oct-85	RPU-85-11
ALLTEL-Florida	Florida	Oct-85	850064-TL
Bell Atlantic	FCC	Sep-85	84-800 II
Pacific Telesis	FCC	Sep-85	84-800 II
South Carolina Generating Co.	FERC	Apr-85	85-204
Pacific Bell	California	Apr-85	85-01-034
United Telephone Co. of Missouri	Missouri	Apr-85	TR-85-179
South Central Bell	Kentucky	Mar-85	9160
New England Telephone & Telegraph	Vermont	Mar-85	5001
Chesapeake & Potomac Telephone Co.	West Virginia	Mar-85	84-747
Chesapeake & Potomac Telephone Co.	Maryland	Jan-85	7851
Carolina Power & Light Co.	FERC	Dec-84	ER85-184000
Central Telephone Co. of Ohio	Ohio	Dec-84	84-1431-TP-AIR
Ohio Bell	Ohio	Dec-84	84-1435-TP-AIR
BellSouth	FCC	Nov-84	84-800 I
Pacific Telesis	FCC	Nov-84	84-800 I
New Jersey Bell	New Jersey	Aug-84	848-856
Southern Bell	South Carolina	Aug-84	84-308-C
Pacific Power & Light Co.	Montana	Jul-84	84.73.8
Carolina Power & Light Co.	South Carolina	Jun-84	84-122-E
Southern Bell	Georgia	Mar-84	3465-U
Carolina Power & Light Co.	North Carolina	Feb-84	E-2, Sub 481
Southern Bell	North Carolina	Jan-84	P-55, Sub 834
South Carolina Electric & Gas	South Carolina	Nov-83	83-307-E
Empire Telephone Co.	Georgia	Oct-83	3343-U
Carolina Power & Light Co.	FERC	Aug-83	ER83-765-000
Southern Bell	Georgia	Aug-83	3393-U
General Telephone Co. of the SW	Arkansas	Jul-83	83-147-U
Heins Telephone Co.	North Carolina	Jul-83	No.26 Sub 88
General Telephone Co. of the NW	Washington	Jul-83	U-82-45
Carolina Power & Light	South Carolina	Apr-83	82-328-E
North Carolina Natural Gas	North Carolina	Apr-83	G21 Sub 235
Leeds Telephone Co.	Alabama	Apr-83	18578
General Telephone Co. of California	California	Apr-83	83-07-02
Carolina Power & Light	North Carolina	Feb-83	E-2 Sub 461
Eastern Illinois Telephone Co.	Illinois	Feb-83	83-0072
New Jersey Bell	New Jersey	Dec-82	8211-1030
Southern Bell	Florida	Nov-82	820294-TP
United Telephone of Missouri	Missouri	Nov-82	TR-83-135
Central Telephone Co. of NC	North Carolina	Nov-82	P-10 Sub 415
Concord Telephone Company	North Carolina	Nov-82	P-16 Sub 146
Carolina Telephone & Telegraph	North Carolina	Aug-82	P-7, Sub 670
Central Telephone Co. of Ohio	Ohio	Jul-82	82-636-TP-AIR
Southern Bell	South Carolina	Jul-82	82-294-C
General Telephone Co. of the SW	Arkansas	Jun-82	82-232-U
General Telephone Co. of Illinois	Illinois	Jun-82	82-0458
General Telephone Co. of the SW	Oklahoma	Jun-82	27482

COMPANY	JURISDICTION	DATE	DOCKET NO.
Empire Telephone Co.	Georgia	May-82	3355-U
Mid-Georgia Telephone Co.	Georgia	May-82	3354-U
General Telephone Co. of the SW	Texas	Apr-82	4300
Carolina Power & Light Co.	South Carolina	Jan-82	81-163-E
General Telephone Co. of the SE	Alabama	Jan-82	18199
Elmore-Coosa Telephone Co.	Alabama	Nov-81	18215
General Telephone Co. of the SE	North Carolina	Sep-81	P-19, Sub 182
United Telephone Co. of Ohio	Ohio	Sep-81	81-627-TP-AIR
General Telephone Co. of the SE	South Carolina	Sep-81	81-121-C
Carolina Telephone & Telegraph	North Carolina	Aug-81	P-7, Sub 652
Southern Bell	North Carolina	Aug-81	P-55, Sub 794
Woodbury Telephone Co.	Connecticut	Jul-81	810504
Central Telephone Co. of Virginia	Virginia	Jun-81	810030
United Telephone Co. of Missouri	Missouri	May-81	TR-81-302
General Telephone Co. of the SE	Virginia	Apr-81	810003
New England Telephone	Vermont	Mar-81	4546
Carolina Telephone & Telegraph	North Carolina	Aug-80	P-7, Sub 652
Southern Bell	North Carolina	Aug-80	P-55, Sub 784
General Telephone Co. of the SW	Arkansas	Jun-80	U-3138
General Telephone Co. of the SE	Alabama	May-80	17850
Southern Bell	North Carolina	Oct-79	P-55, Sub 777
Southern Bell	Georgia	Mar-79	3144-U
General Telephone Co. of the SE	Virginia	Mar-76	810038
General Telephone Co. of the SW	Arkansas	Feb-76	U-2693, U-2724
General Telephone Co. of the SE	Alabama	Sep-75	17058
General Telephone Co. of the SE	South Carolina	Jun-75	D-18269

Vander Weide
Exhibit No.__(JHV-3)

Exhibit No.___(JHV-3)
Docket Nos. UE-050684 &
UE-050412
2005 PP&L Rate Case
Witness: James H. Vander Weide

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WUTC V. PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY	)	Docket No. UE-050684
IN THE MATTER OF THE PETITION OF PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY FOR AN ORDER APPROVING DEFERRAL OF COSTS RELATED TO DECLINING HYDRO GENERATION	)	Docket No. UE-050412

PACIFICORP

Exhibit To
Direct Testimony of James H. Vander Weide

Capital Structure Pre-And Post-Acquisition

January 2006

CAPITAL STRUCTURE PRE- AND POST-ACQUISITION

EXISTING STRUCTURE

PacifiCorp Holdings Inc. (PHI)

(Sept. 30 2005)

Long-term Debt	55.0%
Shareholders Equity	45.0%

PacifiCorp

(Requested Capital Structure)

Long-term Debt	49.4%
Preferred Stock	1.1%
Shareholders Equity	49.5%

POST-ACQUISITION STRUCTURE

PPW Holdings

(Proposed)

Long-term Debt	0.0%
Shareholders Equity	100.0%

PacifiCorp

(Requested Capital Structure)

Long-term Debt	49.4%
Preferred Stock	1.1%
Shareholders Equity	49.5%

Vander Weide
Exhibit No.__(JHV-4)

Exhibit No.___(JHV-4)
Docket Nos. UE-050684 &
UE-050412
2005 PP&L Rate Case
Witness: James H. Vander Weide

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WUTC V. PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY	)	Docket No. UE-050684
IN THE MATTER OF THE PETITION OF PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY FOR AN ORDER APPROVING DEFERRAL OF COSTS RELATED TO DECLINING HYDRO GENERATION	)	Docket No. UE-050412

PACIFICORP

Exhibit To
Direct Testimony of James H. Vander Weide

Hypothetical Revenue Requirement Calculation
Stand-Alone Subsidiary v. Double-Leveraged Subsidiary

January 2006

Hypothetical Revenue Requirement Calculation
Stand-Alone Subsidiary v. Double-Leveraged Subsidiary

	(a) Component	(b) Amount	(c) Weight	(d) Nominal Cost	(e) After-tax Cost	(f) Weighted Nominal Cost	(g) Weighted After-tax Cost
Parent							
1	Debt	$ 1,000	33.33%	6.50%	4.23%	2.17%	1.41%
2	Equity	2,000	66.67%	14.39%	14.39%	9.59%	9.59%
3	Totals	$ 3,000	100.00%			11.76%	11.00%
Stand-Alone Subsidiary							
4	Debt	$ 3,000	50.00%	6.00%	3.90%	3.00%	1.95%
5	Equity	3,000	50.00%	11.00%	11.00%	5.50%	5.50%
6	Totals	$ 6,000	100.00%			8.50%	7.45%
Double-Leveraged Subsidiary							
7	Debt - Sub	$ 3,000	50.00%	6.00%	3.90%	3.00%	1.95%
8	Debt - Parent	1,000	16.67%	6.50%	4.23%	1.08%	0.70%
9	Equity - Parent	2,000	33.33%	14.39%	14.39%	4.80%	4.80%
10	Totals	$ 6,000	100.00%			8.88%	7.45%

		Stand-Alone Subsidiary Revenue Requirement		Double-Leveraged Subsidiary Revenue Requirement
11	Revenue Requirement	$ 687.69	**<= EQUALS =>**	$ 687.69
12	O&M	-		-
13	EBITDA	687.69		687.69
14	Depreciation	-		-
15	EBIT	687.69		687.69
16	Interest	180.00		245.00
17	EBT	507.69		442.69
18	Taxes	177.69		154.94
19	Net Income	$ 330.00		$ 287.75
20	ROE	11.00%		14.39%

Note: Income tax rate is assumed to be 35%.