

PacifiCorp Results of Operations For Ratemaking Purposes
For The Twelve Months Ended September 2004 - Washington

Revised Protocol Cost Assignments & Allocations

	(1) Unadjusted Results	(2) Ratemaking Adjustments	(3) Total Adjusted at Present Rates	(4) <i>revised Price Change</i>	(5) Results With Price Change
Operating Revenues:					
1 General Business Revenues	\$190,885,740	\$32,667,558	\$223,553,298	-1.7%	\$219,687,918
2 Interdepartmental	139	(\$139)	0		0
3 Special Sales	27,193,457	\$39,002,238	66,195,695	0	66,195,695
4 Other operating revenues	12,021,889	(\$6,205,216)	5,816,673	0	5,816,673
5 Total Operating Revenues	\$230,101,225	\$65,464,441	\$295,565,666	(\$3,865,380)	\$291,700,286
Operating Expenses:					
8 Steam Production	57,125,483	\$3,726,290	60,851,773		60,851,773
9 Nuclear Production	0	\$0	0		0
10 Hydro Production	3,078,509	\$918,859	3,997,368		3,997,368
11 Other Power Supply	22,759,571	\$57,454,851	80,214,422		80,214,422
12 Transmission	9,160,028	\$517,412	9,677,440		9,677,440
13 Distribution	13,155,664	\$620,185	13,775,849		13,775,849
14 Customer Accounting	7,519,963	\$520,542	8,040,505	(13,915)	8,026,590
15 Customer Service & Info	2,667,155	(\$2,190,610)	476,545		476,545
16 Sales	4,643	\$19	4,662		4,662
17 Administrative & General	17,495,244	(\$1,593,641)	15,901,603		15,901,603
18 Total O&M Expense	132,966,260	59,973,907	192,940,167	(13,915)	192,926,252
19 Depreciation	30,326,447	(\$351,839)	29,974,608		29,974,608
20 Amortization	5,091,055	(\$491,569)	4,599,486		4,599,486
21 Taxes Other than Income	5,340,479	\$764,574	6,105,053	(156,511)	5,948,541
22 Income Taxes: Federal	8,137,654	(\$1,215,743)	6,921,911	(1,234,521)	5,687,390
23 : State	1,437,537	(\$117,118)	1,320,419	(167,751)	1,152,668
24 Deferred Income Taxes	7,478,356	\$4,280,843	11,759,199		11,759,199
25 Investment Tax Credit Adj.	0	\$0	0		0
26 Misc. Revenue & Expense	(93,834)	(\$310,534)	(404,368)		(404,368)
27 Total Operating Expenses:	190,683,954	62,532,521	253,216,475	(1,572,698)	251,643,777
29 Operating Revenue for Return:	\$39,417,271	\$2,931,920	\$42,349,191	(\$2,292,682)	\$40,056,509
Rate Base:					
32 Electric Plant in Service	1,111,571,570	(\$15,066,117)	1,096,505,453		1,096,505,453
33 Plant Held for Future Use	103,004	\$0	103,004		103,004
34 Misc. Deferred Debits	9,176,647	(\$4,697,721)	4,478,926		4,478,926
35 Electric Plant Acq Adj	7,969,300	\$0	7,969,300		7,969,300
36 Nuclear Fuel	0	\$0	0		0
37 Prepayments	2,022,441	(\$2,095,473)	(73,032)		(73,032)
38 Fuel Stock	4,242,137	(\$4,242,137)	0		0
39 Material & Supplies	7,538,018	(\$7,510,396)	27,622		27,622
40 Working Capital	3,109,343	(\$3,134,862)	(25,519)		(25,519)
41 Weatherization Loans	795,339	\$33,180	828,519		828,519
42 Misc. Rate Base	(641,095)	\$657,963	16,868		16,868
43 Total Electric Plant:	1,145,886,704	(36,055,563)	1,109,831,141	0	1,109,831,141
Deductions:					
46 Accum. Prov. for Depreciation	(450,410,809)	(\$845,159)	(451,255,968)		(451,255,968)
47 Accum. Prov. for Amortization	(26,346,583)	\$934,440	(25,412,143)		(25,412,143)
48 Accum. Deferred Income Tax	(71,446,449)	(\$4,895,676)	(76,342,125)		(76,342,125)
49 Unamortized ITC	(2,123,888)	\$315,488	(1,808,400)		(1,808,400)
50 Customer Advances for Const.	(837,950)	\$717,441	(120,509)		(120,509)
51 Customer Service Deposits	(1,606,372)	\$0	(1,606,372)		(1,606,372)
52 Miscellaneous Deductions	(8,169,862)	(\$3,957,833)	(12,127,695)		(12,127,695)
54 Total Rate Base Deductions:	(560,941,913)	(7,731,299)	(568,673,212)	0	(568,673,212)
56 Total Rate Base:	584,944,791	(43,786,862)	541,157,929	0	541,157,929
58 Return on Rate Base	6.739%		7.826%		7.402%

PacifiCorp Results of Operations For Ratemaking Purposes
For The Twelve Months Ended September 2004 - Washington

Revised Protocol Cost Assignments & Allocations

	(1) Unadjusted Results	(2) Ratemaking Adjustments	(3) Total Adjusted at Present Rates	(4) <i>revised Price Change</i>	(5) Results With Price Change
61 TAX CALCULATION		State Income Tax Rate		4.54%	
62 PER company		Federal Income Tax Rate		35.00%	
63					
64 Operating Revenue	56,470,818	5,879,902	62,350,720	(3,694,953)	58,655,767
65 Other Deductions					
66 Interest (AFUDC)	0	\$0	0	0	0
67 Interest	20,082,950	(\$1,447,744)	18,635,206	0	18,635,206
68 Schedule "M" additions	41,008,254	\$1,664,553	42,672,807	0	42,672,807
69 Schedule "M" deductions	52,708,145	\$9,943,006	62,651,151	0	62,651,151
70					
71 Income Before Tax	24,687,977	(950,807)	23,737,170	(3,694,953)	(65,303,397)
72 State Income Tax	1,437,537	(\$117,118)	1,320,419	(167,751)	1,152,668
73 Taxable Income	23,250,440	(833,689)	22,416,751	(3,527,202)	(66,456,065)
74 Adjustments to FIT	0	(\$353,842)	(353,842)	0	(353,842)
75 Federal Income Tax-Current	8,137,654	(645,633)	7,492,021	(1,234,521)	6,257,500
76	FIT above = sum of adjustments				

Calculation of Revenue Requirement Deficiency or (Excess):

	<i>Revised</i>
a) Net Rate Base - Washington Jurisdiction	541,157,929
b) Proposed Rate of Return	7.4020%
c) Net Operating Income Requirement	40,056,510
d) Proforma Net Operating Income	42,349,191
e) Net Operating Income Excess	(2,292,681)
f) NOI > Revenue Conversion Factor	59.3132%
g) Revenue Requirement Excess (line e/line f)	\$ (3,865,380)

PacifiCorp General Rate Case

Conversion Factor

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

*1 accepted Company number

*2 revised to reflect nominal tax rate on adjusted revenues

*3 current rate of February 2005

Weighted Average Cost of Capital**Staff Proposal**

1	Type of Capital	Cap.Structure		Weighted Cost	Debt Rate
2	Long-term Debt	51.30%	6.427%	3.29685%	
3	Short term Debt	4.00%	3.320%	0.13280%	3.4297%
4	Preferred Stock	1.20%	6.590%	0.07908%	
5	Common Stock	43.50%	8.950%	3.89325%	
6	Weighted Average Cost of Capital	100.00%		<u>7.4020%</u>	
7					
8					
9					
10					
11					
12	Per Company for Comparison				
13	Type of Capital	Cap.Structure		Weighted Cost	Debt Rate
14	Long-term Debt	49.40%	6.427%	3.1747%	
15	Short term Debt			0.0000%	3.1747%
16	Preferred Stock	1.10%	6.590%	0.0725%	
17	Common Stock	49.50%	11.125%	5.5069%	
18	Weighted Average Cost of Capital	100.00%		<u>8.7541%</u>	

PacifiCorp
State of Washington

Electric Utility Results of Operations
for the twelve months ended September 2004

Contested Adjustments shaded>	revised Total	3.1	3.2	3.3	3.4	3.5	3.6	3.7	4.1	4.2
	Rate-making Adjustments	Weather Normalization	Effective Price Change	Revenue Normalizing	Little Mtn Steam	Special Revenue Reclassification	SO2 Emission Allowances	Centralia Gain	Capital Stock Expense Amort	Blue Sky Program Costs
38 Fuel Stock	(4,242,137)									
39 Material & Supplies	(7,510,396)									
40 Working Capital	(3,134,862)									
41 Weatherization Loans	33,180									
42 Misc. Rate Base	657,963									
43 Total Electric Plant:	(36,055,563)	-	-	-						
44										
45 Deductions:										
46 Accum. Prov. for Depreciation	(845,159)									
47 Accum. Prov. for Amortization	934,440									
48 Accum. Deferred Income Tax	(4,895,676)						1,267,166			
49 Unamortized ITC	315,488									
50 Customer Advances for Const.	717,441									
51 Customer Service Deposits	-									
52 Miscellaneous Deductions	(3,957,833)						(3,465,137)			
53										
54 Total Deductions:	(7,731,299)	-	-	-			(2,197,971)			
55										
56 Total Rate Base:	(43,786,862)	-	-	-	-	-	(2,197,971)	-	-	-
57										
58										
59										
60 TAX CALCULATION				State Income Tax Rate	4.54%					
61 Per Company				Federal Income Tax Rate	35.00%					
62										
63 Operating Revenue	5,879,902	1,419,339	15,032,852	19,538,189	(37,916)	(4,812,001)	325,569	(5,564,350)	-	52,930
64 Other Deductions	-									
65 Interest (AFUDC)	-									
66 Interest	(1,447,744)									
67 Schedule "M" additions	1,664,553						77,391			
68 Schedule "M" deductions	9,943,006						402,960			
69										
70 Income Before Tax	(950,807)	1,419,339	15,032,852	19,538,189	(37,916)	(4,812,001)	-	(5,564,350)	-	52,930
71 State Income Tax	(117,118)	64,438	682,492	887,034	(1,721)	(218,465)	-	(252,621)	-	2,403
72 Taxable Income	(833,689)	1,354,901	14,350,361	18,651,155	(36,195)	(4,593,536)	-	(5,311,729)	-	50,527
73 Adjustments to FIT	(353,842)									
74 Federal Income Tax	(1,215,743)	474,215	5,022,626	6,527,904	(12,668)	(1,607,738)	-	(1,859,105)	-	17,684

PacifiCorp
State of Washington

	4.3	4.4	4.5	4.6	4.7&4.8	4.9&4.10	4.10a	4.11	4.12
Contested Adjustments shaded>	Miscellaneous Gen. Expense	Regulatory Asset	Cal. Sale Term. Settlement	Interest Exp. On Customer Deposit	Wage & Benefits Restating	Wage & Benefits ProForma	Wage & Benefits Staff Adjustment	International Assignees	Customer Guarantees
38 Fuel Stock									
39 Material & Supplies									
40 Working Capital									
41 Weatherization Loans									
42 Misc. Rate Base									
43 Total Electric Plant:	-	-	-	-	-	-	-	-	-
44									
45 Deductions:									
46 Accum. Prov. for Depreciation									
47 Accum. Prov. for Amortization									
48 Accum. Deferred Income Tax									
49 Unamortized ITC									
50 Customer Advances for Const.									
51 Customer Service Deposits									
52 Miscellaneous Deductions									
53									
54 Total Deductions:	-	-	-	-	-	-	-	-	-
55									
56 Total Rate Base:	-	-	-	-	-	-	-	-	-
57									
58									
59									
60 TAX CALCULATION									
61 Per Company									
62									
63 Operating Revenue	24,701	(1,390,865)	(29,149)	(15,035)	(1,406,843)	(2,482,447)	1,148,312	395,291	4,075
64 Other Deductions									
65 Interest (AFUDC)									
66 Interest									
67 Schedule "M" additions									
68 Schedule "M" deductions									
69									
70 Income Before Tax	24,701	(1,390,865)	(29,149)	(15,035)	(1,406,843)	(2,482,447)	1,148,312	395,291	4,075
71 State Income Tax	1,121	(63,145)	(1,323)	(683)	(63,871)	(112,703)	52,133	17,946	185
72 Taxable Income	23,580	(1,327,720)	(27,826)	(14,352)	(1,342,972)	(2,369,744)	1,096,179	377,345	3,890
73 Adjustments to FIT									
74 Federal Income Tax	8,253	(464,702)	(9,739)	(5,023)	(470,040)	(829,410)	383,663	132,071	1,361

PacifiCorp
State of Washington

	Contested Adjustments shaded>	4.13	4.14	4.15	4.16	4.17	<i>revised</i> 4.18	4.19	5.1	5.2	5.3
	Scottish Power Cross Charge	Cholla Transaction	DSM Amort Removal	Hydro Relicence Settlement Oblig.	Property Insurance	Misc. A & G	Remove RTO Expenses	Net Power Cost T3 Study	System Balancing Activity	BPA Regional Exchange	
38 Fuel Stock											
39 Material & Supplies											
40 Working Capital											
41 Weatherization Loans											
42 Misc. Rate Base							(57,761)				
43 Total Electric Plant:	-	-	-	(782,941)	-	(57,761)	-	-	-	-	
44											
45 Deductions:											
46 Accum. Prov. for Depreciation											
47 Accum. Prov. for Amortization				5,585							
48 Accum. Deferred Income Tax											
49 Unamortized ITC											
50 Customer Advances for Const.											
51 Customer Service Deposits											
52 Miscellaneous Deductions											
53											
54 Total Deductions:	-	-	-	5,585	-	-	-	-	-	-	
55											
56 Total Rate Base:	-	-	-	(777,356)	-	(57,761)	-	-	-	-	
57											
58											
59											
60 TAX CALCULATION											
61 Per Company											
62											
63 Operating Revenue	(355,390)	81,150	2,180,288	(81,719)	153,324	137,379	75,329	(8,976,734)	(588,837)	(20,107,633)	
64 Other Deductions											
65 Interest (AFUDC)											
66 Interest											
67 Schedule "M" additions	(141,746)									2,239,528	
68 Schedule "M" deductions											
69											
70 Income Before Tax	(497,136)	81,150	2,180,288	(81,719)	153,324	137,379	75,329	(8,976,734)	(588,837)	(17,868,105)	
71 State Income Tax	(22,570)	3,684	98,985	(3,710)	6,961	6,237	3,420	(407,544)	(26,733)	(811,212)	
72 Taxable Income	(474,566)	77,466	2,081,303	(78,009)	146,363	131,142	71,909	(8,569,190)	(562,104)	(17,056,893)	
73 Adjustments to FIT											
74 Federal Income Tax	(166,098)	27,113	728,456	(27,303)	51,227	45,900	25,168	(2,999,217)	(196,736)	(5,969,913)	

PacifiCorp
State of Washington

	5.4	5.5	5.6	5.7	5.8	7.1	7.2	7.3	7.4	7.5
Contested Adjustments shaded>	Colstrip #3 Removal	Mid-Columbia Contract Alloc.	Seasonal Contract Alloc.	QF Contract Alloc.	Hydro Deferral Recovery	Interest True-up	Property Tax Expense	Renewable Energy Tax Credit	IRS Settlement	Malin Midpoint
38 Fuel Stock										
39 Material & Supplies										
40 Working Capital										
41 Weatherization Loans										
42 Misc. Rate Base										
43 Total Electric Plant:	(9,911,070)	-	-	-	1,753,186	-	-	-	-	-
44										
45 Deductions:										
46 Accum. Prov. for Depreciation	5,466,681									
47 Accum. Prov. for Amortization										
48 Accum. Deferred Income Tax	628,167				(613,615)				-	
49 Unamortized ITC	315,488									-
50 Customer Advances for Const.										
51 Customer Service Deposits										
52 Miscellaneous Deductions										(1,644,000)
53										
54 Total Deductions:	6,410,336	-	-	-	(613,615)	-	-	-	-	(1,644,000)
55										
56 Total Rate Base:	(3,500,734)	-	-	-	1,139,571	-	-	-	-	(1,644,000)
57										
58										
59										
60 TAX CALCULATION										
61 Per Company										
62										
63 Operating Revenue	347,330	1,564,711	2,560,511	1,737,328	(701,274)	-	(34,513)	-	-	244,000
64 Other Deductions										
65 Interest (AFUDC)										
66 Interest						(1,447,744)				
67 Schedule "M" additions	(298,569)									-
68 Schedule "M" deductions	(20,687)									
69										
70 Income Before Tax	69,448	1,564,711	2,560,511	1,737,328	(701,274)	1,447,744	(34,513)	-	-	244,000
71 State Income Tax	3,153	71,038	116,247	78,875	(31,838)	65,728	(1,567)	-	-	11,078
72 Taxable Income	66,295	1,493,673	2,444,264	1,658,453	(669,436)	1,382,017	(32,946)	-	-	232,922
73 Adjustments to FIT								(171,091)	-	
74 Federal Income Tax	23,203	522,786	855,492	580,459	(234,303)	483,706	(11,531)	(171,091)	-	81,523

PacifiCorp
State of Washington

	7.6	7.7	7.8	8.1	8.1a	8.2	8.3	8.4	8.5
Contested Adjustments shaded>	Flow-through Deferred Tax	Domestic Manufacturing Deduction	Update Schedule M Difference to Case	Update Cash Working Capital	Remove Current Assets	Trapper Mine Rate Base	JimBridger Mine Rate Base	ProForma Plant Additions	Environmental Settlement
Operating Revenues:									
1 General Business Revenues	-	-	-	-	-	-	-	-	-
2 Interdepartmental									
3 Special Sales									
4 Other operating revenues									
5 Total Operating Revenues	-	-	-	-	-	-	-	-	-
6									
Operating Expenses:									
7									
8 Steam Production									
9 Nuclear Production									
10 Hydro Production									
11 Other Power Supply									
12 Transmission									
13 Distribution									
14 Customer Accounting									
15 Customer Service & Info									
16 Sales									
17 Administrative & General									
18 Total O&M Expense	-	-	-	-	-	-	-	-	-
19 Depreciation								1,302,029	
20 Amortization									
21 Taxes Other than Income									
22 Income Taxes: Federal	-	(182,751)	(3,179,994)	-	-	-	-	(2,196,700)	-
23 : State	-	-	(432,108)	-	-	-	-	(298,495)	-
24 Deferred Income Taxes	3,699,000							2,192,078	
25 Investment Tax Credit Adj.									
26 Misc. Revenue & Expense									
27 Total Operating Expenses:	3,699,000	(182,751)	(3,612,102)	-	-	-	-	998,911	-
28									
29 Net Operating Income:	(3,699,000)	182,751	3,612,102	-	-	-	-	(998,911)	-
30									
Rate Base:									
31									
32 Electric Plant in Service						432,239	3,355,261	39,208,573	
33 Plant Held for Future Use									
34 Misc. Deferred Debits									(1,579,666)
35 Electric Plant Acq Adj									
36 Nuclear Fuel									
37 Prepayments					(2,022,441)				

PacifiCorp
State of Washington

	7.6	7.7	7.8	8.1	8.1a	8.2	8.3	8.4	8.5
Contested Adjustments shaded>	Flow-through Deferred Tax	Domestic Manufacturing Deduction	Update Schedule M Difference to Case	Update Cash Working Capital	Remove Current Assets	Trapper Mine Rate Base	JimBridger Mine Rate Base	ProForma Plant Additions	Environmental Settlement
38 Fuel Stock					(4,242,137)				
39 Material & Supplies					(7,538,018)				
40 Working Capital				1,044,155	(4,153,498)				-
41 Weatherization Loans									
42 Misc. Rate Base									
43 Total Electric Plant:	-	-	-	1,044,155	(17,956,094)	432,239	3,355,261	39,208,573	(1,579,666)
44									
45 Deductions:									
46 Accum. Prov. for Depreciation								(1,302,029)	
47 Accum. Prov. for Amortization									
48 Accum. Deferred Income Tax	(7,357,000)	-	-					(1,577,036)	
49 Unamortized ITC									
50 Customer Advances for Const.									
51 Customer Service Deposits									
52 Miscellaneous Deductions									
53									
54 Total Deductions:	(7,357,000)	-	-	-	-	-	-	(2,879,065)	-
55									
56 Total Rate Base:	(7,357,000)	-	-	1,044,155	(17,956,094)	432,239	3,355,261	36,329,508	(1,579,666)
57									
58									
59									
60 TAX CALCULATION									
61 Per Company									
62									
63 Operating Revenue	-	-	-	-	-	-	-	(1,302,029)	-
64 Other Deductions									
65 Interest (AFUDC)									
66 Interest									
67 Schedule "M" additions			(1,929,778)					1,315,177	
68 Schedule "M" deductions			7,588,027					6,587,930	
69									
70 Income Before Tax	-	-	(9,517,805)	-	-	-	-	(6,574,782)	-
71 State Income Tax	-	-	(432,108)	-	-	-	-	(298,495)	-
72 Taxable Income	-	-	(9,085,697)	-	-	-	-	(6,276,287)	-
73 Adjustments to FIT		(182,751)							
74 Federal Income Tax	-	(182,751)	(3,179,994)	-	-	-	-	(2,196,700)	-

PacifiCorp
State of Washington

	8.6	8.7	8.8	8.9	8.10	8.11	8.12	8.13	8.14
Contested Adjustments shaded>	Customer Advances	Dave Johnston Mine Closure	Colstrip #4 AFUDC	Trojan Removal	Production Factor on Rate Base	Remove Naches & Skookumchuck	Remove Trail Mountain	Remove Deferred Environmental Remediation	Remove Transition Regulatory Asset
38 Fuel Stock									
39 Material & Supplies									
40 Working Capital		-							
41 Weatherization Loans									
42 Misc. Rate Base				698,857					
43 Total Electric Plant:	-	-	(531,339)	698,857	(8,732,348)	(1,282,951)	(1,538,585)	(482,508)	(2,390,210)
44									
45 Deductions:									
46 Accum. Prov. for Depreciation					(7,529,012)	759,061			
47 Accum. Prov. for Amortization									
48 Accum. Deferred Income Tax					1,051,800	64,358			
49 Unamortized ITC									
50 Customer Advances for Const.	717,441								
51 Customer Service Deposits									
52 Miscellaneous Deductions				590,383					140,746
53									
54 Total Deductions:	717,441	-	-	590,383	(6,477,212)	823,419	-	-	140,746
55									
56 Total Rate Base:	717,441	-	(531,339)	1,289,240	(15,209,560)	(459,532)	(1,538,585)	(482,508)	(2,249,464)
57									
58									
59									
60 TAX CALCULATION									
61 Per Company									
62									
63 Operating Revenue	-	-	33,000	20,897	1,381,898	38,321	-	-	-
64 Other Deductions									
65 Interest (AFUDC)									
66 Interest									
67 Schedule "M" additions			(33,000)					(118,798)	1,869,918
68 Schedule "M" deductions		(303,368)							2,096,168
69									
70 Income Before Tax	-	303,368	-	20,897	1,381,898	38,321	-	(118,798)	(226,250)
71 State Income Tax	-	13,773	-	949	62,738	1,740	-	(5,393)	(10,272)
72 Taxable Income	-	289,595	-	19,948	1,319,160	36,581	-	(113,405)	(215,978)
73 Adjustments to FIT									
74 Federal Income Tax	-	101,358	-	6,982	461,706	12,803	-	(39,692)	(75,592)

PacifiCorp UE-050684Summary of Staff Adjustments

<u>Results based on Revised Protocol</u>		Adj.	NOI	Net Rate Base	Revenue	As Filed Revenue
		No.	Impact	Impact	Requirement	Requirement
					Impact	Impact
1	Per Books		\$39,417,272	\$584,944,791	\$6,542,121	\$ 19,879,477
2	Uncontested Adjustments		(\$5,831,074)	(\$13,937,385)	\$8,091,671	\$6,476,523
3						
4	Contested Adjustments					
5	REVENUES (Tab 3)					
6	Weather Normalization	3.1	880,686	-	(1,484,806)	2,823,280
7	O & M (Tab 4)					
8	Capital Stock Expense Amort	4.1	-	-	0	179,038
9	Wages & Benefits - Staff	4.10a	712,516	-	(1,201,277)	-
10	Scottish Power Cross Charge	4.13	(166,722)	-	281,087	627,341
11	Miscellaneous A & G (revised)	4.18	85,242	(57,761)	(150,924)	-
12	Remove RTO Expenses	4.19	46,741	-	(78,804)	-
14	NET POWER COSTS (Tab 5)					
15	Mid-Columbia Contract Allocation	5.5	970,888	-	(1,636,883)	-
16	Seasonal Contract Allocation	5.6	1,588,771	-	(2,678,614)	-
17	QF Contract Allocation	5.7	1,077,995	-	(1,817,462)	-
18	Hydro Deferral Recovery	5.8	(435,134)	1,139,571	875,833	-
19	TAX ADJUSTMENTS (Tab 7)					
20	Property Tax Expense	7.2	(21,415)	-	36,105	176,912
21	Renewable Energy Tax Credit	7.3	171,091	-	(288,453)	(273,313)
22	IRS Settlement Amortization	7.4	-	-	0	882,491
23	Malin Midpoint	7.5	151,400	(1,644,000)	(460,418)	350,715
24	RATE BASE (Tab 8)					
25	Cash Working Capital	8.1	-	1,044,155	130,305	154,131
26	Remove Current Assets	8.1a	-	(17,956,094)	(2,240,834)	-
27	Trapper Mine Rate Base	8.2	-	432,239	53,941	70,815
28	Bridger Mine Rate Base	8.3	-	3,355,261	418,720	574,213
29	Major Plant - Pro Forma	8.4	(998,911)	36,329,508	6,217,877	7,047,072
30	Dave Johnston Mine Closure	8.7	(115,131)	-	194,107	234,004
31	Production factored Rate Base	8.10	857,454	(15,209,560)	(3,343,717)	-
32	Remove Naches & Skookumchuck	8.11	23,778	(459,532)	(97,436)	-
33	Remove Trail Mountain	8.12	-	(1,538,585)	(192,008)	-
34	Remove Environmental Remediation	8.13	87,429	(482,508)	(207,617)	-
35	Remove Transition Regulatory Asset	8.14	1,673,404	(2,249,464)	(3,102,024)	-
36	New Eastside Resource Allocation	8.15	1,714,261	(31,477,428)	(6,818,415)	-
37	A & G Allocator - per books	8.16	609,573	(1,215,543)	(1,179,413)	-
38	A & G Allocator - Uncontested Adjs.	8.17	(149,163)	88,485	262,526	-
39	A & G Allocator - Staff Adjs.	8.18	(1,759)	51,779	9,428	-
42						
43	Total		\$42,349,192	\$541,157,929	(\$3,865,384)	\$39,202,699
44						
45				% Increase in Revenues	-1.73%	17.9%
46						
47						
48				Rate Of Return	7.40200%	8.75411%
49				Conversion Factor	0.593132	0.593050

PacifiCorp UE-050684

Results based on Revised Protocol

	Difference
1 Per Books	\$ (13,337,356)
2 Uncontested Adjustments	\$1,615,148
3	
4 Contested Adjustments	
5 REVENUES (Tab 3)	
6 Weather Normalization	(4,308,086)
7 O & M (Tab 4)	
8 Capital Stock Expense Amort	(179,038)
9 Wages & Benefits - Staff	(1,201,277)
10 Scottish Power Cross Charge	(346,254)
11 Miscellaneous A & G (revised)	(150,924)
12 Remove RTO Expenses	(78,804)
14 NET POWER COSTS (Tab 5)	
15 Mid-Columbia Contract Allocation	(1,636,883)
16 Seasonal Contract Allocation	(2,678,614)
17 QF Contract Allocation	(1,817,462)
18 Hydro Deferral Recovery	875,833
19 TAX ADJUSTMENTS (Tab 7)	
20 Property Tax Expense	(140,807)
21 Renewable Energy Tax Credit	(15,140)
22 IRS Settlement Amortization	(882,491)
23 Malin Midpoint	(811,133)
24 RATE BASE (Tab 8)	
25 Cash Working Capital	(23,826)
26 Remove Current Assets	(2,240,834)
27 Trapper Mine Rate Base	(16,874)
28 Bridger Mine Rate Base	(155,493)
29 Major Plant - Pro Forma	(829,195)
30 Dave Johnston Mine Closure	(39,897)
31 Production factored Rate Base	(3,343,717)
32 Remove Naches & Skookumchuck	(97,436)
33 Remove Trail Mountain	(192,008)
34 Remove Environmental Remediation	(207,617)
35 Remove Transition Regulatory Asset	(3,102,024)
36 New Eastside Resource Allocation	(6,818,415)
37 A & G Allocator - per books	(1,179,413)
38 A & G Allocator - Uncontested Adjs.	262,526
39 A & G Allocator - Staff Adjs.	9,428
42	
43 Total	(\$43,068,083)
44	
45	
46	
47	
48	
49	

PacifiCorp General Rate Case

Appendix to Exhibit No. ____ (TES-3)

Mechanics of the Exhibit

The following is a description of how to navigate Exhibit No. ____ (TES-3) and how it compares to Exhibit No. ____ (PMW-3).

Starting at Exhibit No. ____ (TES-3), page 1, Column 1; this is the same as Exhibit No. ____ (PMW-3), page 2.2, Washington unadjusted results, also known as "per books" results. Column 2 is the sum of the adjustments presented in pages 5 – 19. Column 3 is the sum of columns 1 and 2. Column 4 retrieves the revenue requirement from page 2 and shows the revenue related expenses. Finally Column 5 shows the total results after Staff's revenue requirement recommendation.

Page 3 of Exhibit TES-3 shows the calculation of the revenue requirement similar to the top portion of the Company's page 1.2, Exhibit No. ____ (PMW-3).

Page 4 shows Staff's recommended conversion factor which may be compared to the Company's Exhibit No. ____ (PMW-3), page 1.3.

Page 5 of Exhibit No. ____ (TES-3) calculates the recommended cost of capital and return on rate base.

Pages 6-19 present Staff's adjustments to the unadjusted results of operations. The format of these pages follows the format of the first page of tabs 3, 4, 5, etc., in Exhibit No. ____ (PMW-3). In Exhibit No. ____ (PMW-3) the first page of the adjustment tabs is the sum of the Company's Types 1, 2, and 3. Staff does not distinguish between the "types" of adjustments presented by PacifiCorp and has combined them in each adjustment. Each column is one adjustment with the tax consequences of revenue or expense calculated in the lower section of the column beginning at line 60. Note that Adjustment 7.1, interest true-up, is automatically recalculated with changes in rate base or debt cost. This recalculation is not shown in the paper copies, but may be found in the Excel spreadsheet below the tax calculation in columns B – D.

Page 20 is a summary of the adjustments showing the net operating income impact and net rate base impact of the uncontested adjustments and each staff adjustment. A comparison to PacifiCorp's adjustments is included.