

[Source: Staff McGuire Exhibit No. CMR-2\_Revised at pages 4-5, Docker No. UE--150204]

2016 ELECTRIC ATTRITION REVENUE REQUIREMENT

CBR Line Number	DESCRIPTION	Determine Base Cost and Revenue to Escalate					Escalate Non-Energy Cost			Other Cost & Revenue Adj.				
		12.2014 Commission Basis Report Restated Totals	(less) 12.2014 Normalized Net Power Supply	Deferred Debit/Credit & Reg. Amoris Adj	Pro Forma Revenue Normalization Adjustment	December 2014 Escalation Base	Escalation Factor	Non-Energy Cost Escalation Amount	Trended 2016 Non-Energy Cost [E]+[G]=[H]	(plus) 12.2014 Pro-Formed Net Energy Cost	(plus) Revenue Growth	After Attrition Adj - CS2/Colstrip Incremental O&M Exp	After Attrition Adj - Project Compass	2016 Revenue and Cost [H]+[I]+[J]+[AA]+[PC OMP]=[K]
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]
REVENUES														
1	Total General Business	\$ 488,372		\$ -	\$ 10,688	\$ 499,060	1.31%	\$ 499,060		\$ 6,545			\$ 505,605	
2	Interdepartmental Sales	\$ 922		\$ -	\$ -	\$ 922	1.31%	\$ 922		\$ 12			\$ 934	
3	Sales for Resale	\$ 60,998	\$ (60,998)	\$ -	\$ -	\$ -			\$ 53,757	\$ (2,595)			\$ 51,162	
4	Subtotal: Sales of Electricity	\$ 550,292	\$ (60,998)	\$ -	\$ 10,688	\$ 499,982		\$ 499,982	\$ 53,757	\$ 3,962			\$ 557,701	
5	Other Revenue	\$ 17,163	\$ (13,684)	\$ -	\$ -	\$ 3,479	0.00%	\$ 3,479	\$ 10,529	\$ -			\$ 14,008	
6	Total Electric Revenue	\$ 567,455	\$ (74,682)	\$ -	\$ 10,688	\$ 503,461		\$ 503,461	\$ 64,286	\$ 3,962			\$ 571,709	
EXPENSES														
Production and Transmission														
7	Operating Expenses	\$ 120,307	\$ (69,476)	\$ -	\$ -	\$ 50,831	4.82%	\$ 2,450	\$ 53,281	\$ 89,306	\$ -	\$ 180	\$ 142,767	
8	Purchased Power	\$ 116,643	\$ (116,641)	\$ -	\$ -	\$ 2		\$ -	\$ 2	\$ 75,611	\$ 1,907		\$ 77,520	
9	Depreciation/Amortization	\$ 23,715		\$ -	\$ -	\$ 23,715	9.55%	\$ 2,264	\$ 25,979	\$ -			\$ 25,979	
10	Regulatory Amortization	\$ 8,101		\$ (1,382)	\$ (3,409)	\$ 6,719	0.00%	\$ -	\$ 6,719	\$ -			\$ 6,719	
11	Taxes	\$ 12,828		\$ -	\$ -	\$ 12,828	11.96%	\$ 1,534	\$ 14,362	\$ -			\$ 14,362	
12	Subtotal: Production and	\$ 281,594	\$ (186,117)	\$ (1,382)	\$ -	\$ 94,095		\$ 6,248	\$ 100,343	\$ 164,917	\$ 1,907	\$ 180	\$ 267,347	
Distribution														
13	Operating Expenses	\$ 21,299		\$ -	\$ -	\$ 21,299	4.82%	\$ 1,026	\$ 22,325				\$ 22,325	
14	Depreciation/Amortization	\$ 23,794		\$ -	\$ -	\$ 23,794	9.55%	\$ 2,272	\$ 26,066				\$ 26,066	
15	Regulatory Amortizations	\$ 25,575		\$ -	\$ 412	\$ 25,987	11.96%	\$ 3,108	\$ 29,095	\$ 252			\$ 29,347	
16	Subtotal: Distribution	\$ 70,668		\$ -	\$ 412	\$ 71,080		\$ 6,407	\$ 77,487	\$ -	\$ 252	\$ -	\$ 77,739	
17	Customer Accounting	\$ 11,166		\$ -	\$ 57	\$ 11,223	4.82%	\$ 541	\$ 11,764	\$ 35			\$ 11,799	
18	Customer Service & Information	\$ 1,383		\$ -	\$ -	\$ 1,383	4.82%	\$ 67	\$ 1,450				\$ 1,450	
19	Sales Expenses	\$ -		\$ -	\$ -	\$ -	4.82%	\$ -	\$ -				\$ -	
Administrative & General														
20	Operating Expenses	\$ 46,210		\$ -	\$ 21	\$ 46,231	4.82%	\$ 2,228	\$ 48,459	\$ 13			\$ 48,472	
21	Depreciation/Amortization	\$ 16,947		\$ -	\$ -	\$ 16,947	9.55%	\$ 1,618	\$ 18,565		\$ 3,087		\$ 21,652	
22	Taxes	\$ -		\$ -	\$ -	\$ -	11.96%	\$ -	\$ -				\$ -	
23	Subtotal: A&G	\$ 63,157	\$ -	\$ -	\$ 21	\$ 63,178		\$ 3,846	\$ 67,024	\$ -	\$ 13	\$ -	\$ 70,124	
24	Total Electric Expenses	\$ 427,968	\$ (186,117)	\$ (1,382)	\$ 490	\$ 240,959		\$ 17,108	\$ 258,067	\$ 164,917	\$ 2,207	\$ 180	\$ 3,087	
25	OPERATING INCOME BEFORE FIT	\$ 139,487	\$ 111,435	\$ 1,382	\$ 10,198	\$ 262,502		\$ (17,108)	\$ 245,394	\$ (100,631)	\$ 1,755	\$ (180)	\$ (3,087)	

\*For emphasis, a box has been added around the Power Supply adjustments to draw attention to the removal of the 12.2014 Power Supply revenues and expenses in Column [B] and the addition of pro forma Power Supply revenues and expenses in Column [I] after the trended "2016 Non-Energy Cost" on column [H]. Other boxed and shaded figures are in the original of Exhibit No. CMR-2\_Revised.

