	*** ** ****	COMPANIATION OF THE PROPERTY IN	DECTIONSTRATES
2016	FIFCTDIC	ATTRITION REVENUE	RECHIREMENT

\$000s	Determine Base Cost and Revenue to Escalate									Escalate Non-Energy Cost												
CBR Line tumber DESCRIPTION	Co Ba	12,2014 ommission asis Report Restated Totals	(less) 12.2014 Normalized Net Power Supply	Deferre Debit/Cred Reg. Amo Adjs	it &	Rev Norm	Forma venue alization istment		ecember 2014 scalation Base	Escalation Factor	Non Energ Cost Escalat Amou	y ion	Trended 2016 Non- Energy Cos [E]+[G]=[H	st	(plus 2,2014 Formed Energy	Pro- Net	(plus) Revenue Growth	After Attritic Adj - CS2/Colstri Incrementa O&M Exp	After ip Adj al Co	r Attrition - Project ompass	[н]+[л]-	Cost Cost -[J]+[AA+[P(MP]=[K]
welve Months Ended December 31, 2013 REVENUES		[A]	[B]	[C]			[D]		[E]	[F]	[G]		[H]		[I]		[1]	[K]		[L]		[M]
1 Total General Business	S	488,372		s	_	\$	10.688	\$	499,060	1.31%			\$ 499,060	o			\$ 6,545				\$	- 505,605
2 Interdepartmental Sales	\$	922		s	-	\$	_	\$	922	1.31%			\$ 923	2			\$ 12				\$	934
3 Sales for Resale	\$	60,998	\$ (60,998)	\$	-	\$		\$	-					3	\$ 53.	757	\$ (2,595))			\$	51,162
4 Subtotal: Sales of Electricity	\$	550,292	\$ (60,998)	\$	E)	\$	10,688	\$	499,982				\$ 499,982	2	\$ 53	757	\$ 3,962				\$	557,701
5 Other Revenue	\$	17,163	\$ (13,684)	\$		\$	•	\$	3,479	0.00%		,	\$ 3,47	9	\$ 10	529	\$ -				\$	14,008
6 Total Electric Revenue	\$	567,455	\$ (74,682)	\$		\$	10,688	\$	503,461				\$ 503,46	1	\$ 64	286	\$ 3,962				\$	571,709
EXPENSES				[1]													20					
Production and Transmission	•	100 207	\$ (69,476)	r		\$		ø	50,831	4.82%	\$ 2,4	50	\$ 53,28	, L	\$ 89	306	s -	\$ 18	en.		\$	142,767
7 Operating Expenses	\$ \$		\$ (09,476)	\$	•	\$	-	Φ.	20,631	4.62/8	\$ 2,4					611	\$ 1,907	Ψ 10	,,		\$	77,520
8 Purchased Power 9 Depreciation/Amortization	\$	23,715	3 (110,041)	e e	_	\$	-	•	23,715	9.55%	\$ 2,2		\$ 25,97		\$	_	1,507				\$	25,979
	\$	8,101	1	(1382) (34	- 1091		_	\$	6,719	0.00%	\$ 2,2		\$ 6,71		\$	_					6719	
10 Regulatory Amortization 11 Taxes	\$	12,828	1	6	1175A1	\$		\$	12,828	11.96%	\$ 1,5		\$ 14,36	9	•						\$	14,362
12 Subtotal: Production and	-\$		\$(186,117)	\$ (1,	382)		-	\$	94,095	11.5070	\$ 6,2		\$ 100,34		\$ 164	917	\$ 1,907	\$ 18	30		2673	47 265320
appropriate and appropriate an																						is .
Distribution	e.	21 200		s		\$		\$	21,299	4.82%	\$ 1,0	26	\$ 22,32	5							\$	22,325
Operating Expenses	. S S			\$	-	\$	-	\$	23,794	9.55%	\$ 2,2		\$ 26,06		8						\$	26,066
14 Depreciation/Amortization	3	23,794		3		Φ	-	٩	23,194	9.5576	ψ Z,Z	12	\$ 20,00	~ I							•	20,000
Regulatory Amortizations	dr.	25 575		s		S	412	\$	25,987	11.96%	\$ 3,1	υδ	\$ 29,09	ا ۲			\$ 252				\$	29,347
15 Taxes 16 Subtotal: Distribution	<u>-\$</u>	25,575 70,668		\$	-	\$	412	\$	71,080	11.90%	\$ 6,4		\$ 77,48		\$	-	\$ 252	\$ -	10		\$	77,739
16 Subtotal Distribution	Φ	70,000	0.	"		J	712	Ψ	71,000		Ψ 0,.	•	.,,,,		-						ν.	
17 Customer Accounting	\$		•	\$	=	\$	57	\$	11,223	4.82%		41					\$ 35				\$	11,799
18 Customer Service & Information	\$	1,383		\$		\$		\$	1,383	4.82%		67	\$ 1,45	0							\$	1,450
19 Sales Expenses	\$	·-		\$	-	\$	-	\$	-	4.82%	\$ -		\$ -								\$	-
Administrative & General				200																	•	40.470
20 Operating Expenses	\$	46,210		\$	-	\$	21	\$	46,231	4.82%	\$ 2,2						\$ 13			0.005	\$	48,472
21 Depreciation/Amortization	\$	16,947		\$	-	\$	-	\$	16,947	9.55%	\$ 1,6			5					S	3,087		21,652
22 Taxes	_\$			\$	-	\$	-	\$	-	11.96%	\$ -		\$ -								\$	-
23 Subtotal: A&G	\$		\$ -	\$	-	\$	21	\$	63,178		\$ 3,8		\$ 67,02		\$	-	\$ 13			2.005	\$	70,124
24 Total Electric Expenses	\$	427,968	\$ (186,117)	\$ (1,	382)	\$	490	\$	240,959		\$ 17,1	08	\$ 258,06	⁷	\$ 164	917	\$ 2,207	\$ 18	30 \$	3,087	42845	9 426432
25 OPERATING INCOME BEFORE I	FIT \$	139,487	\$ 111,435	\$ 1,	382	\$	10,198	\$	262,502		\$ (17,1	08)	\$ 245,39	4	\$ (100	,631)	\$ 1,755	\$ (18	30) \$	(3,087)	14325	1 145278
	er.		*												*							
				I										_			4					

Staff_DR_130 Revised-Attachment B

*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.

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		2016 ELECTRIC ATTRITION REVENUE REQUIREMENT												
	\$000s	I	Determine Ba	se Cost and Rev	enue to Escalate		Escalate Non-Energy Cost Other Cost & Revenue Ad							
CBR Line Number	· ·	12.2014 Commission Basis Report Restated Totals [A]	(less) 12.2014 Normalized Net Power Supply [B]	Deferred Debit/Credit & Reg. Amorts Adjs [C]	Pro Forma Revenue Normalization Adjustment	December 2014 Escalation Base [E]	Escalation Factor [F]	Non- Energy Cost Escalation Amount [G]	Trended 2016 Non- Energy Cost [E]+[G]=[H]	(plus) 12.2014 Pro- Formed Net Energy Cost [I]	(plus) Revenue Growth	After Attrition Adj - CS2/Colstrip Incremental O&M Exp [K]	After Attrition 2016 Pevenue and	
	Federal Income Tax	11	1-3	1-3	t- 3								[2]	
. 26 27 28 29 30	Current Accrual Debt Interest Deferred Income Taxes Amortized ITC - Noxon	\$ (7,683) \$ (136) \$ 46,085 \$ (128)	\$ 39,002 \$ -	\$ 484 \$ (132) \$ - \$ -	5	\$ 35,372 \$ (268) \$ 46,085 \$ (128)		\$ (5,988) \$ (586) \$ - \$ -		\$ (35,221)	\$ 614	\$ (63)	\$ (339) 854 1005 \$ 46,085 (\$128)	
31	NET OPERATING INCOME	\$ 101,349	\$ 72,433	\$ 1,030	\$ 6,629	\$ 181,441		\$ (10,535)	\$ 170,906	\$ (65,410)	\$ 1,141	\$ (117)	\$ (2,007) 104513 105983	
32	RATE BASE Plant in Service Intangible	\$ 102,620		s -	\$ -	\$ 102,620	7.83%		\$ 110,654				\$ 39,518 110654 150172	
33	Production	\$ 746,101		\$ -	\$ -	\$ 746,101	7.83%		\$ 804,511				\$ 804,511	
34	Transmission	\$ 371,971 \$ 842,795	(1)	\$ -	\$ - \$ -	\$ 371,971 \$ 842,795	7.83% 7.83%		\$ 401,091 \$ 908,775	(1)			\$ 401,091 \$ 908,775	
35 36	Distribution General	\$ 842,795 \$ 196,867		\$ -	\$ -	\$ 196,867	7.83%		\$ 212,279				\$ 212,279	
37	Subtotal: Plant in Service	\$ 2,260,354	\$ -	\$ -	\$ -	\$2,260,354	7.0570		\$2,437,310	****			2437310 2476828	
٥,	Accumulated Depreciation and Amort					, ,							\$	
38	Intangible	\$ (20,242)	*	\$ -	\$ -	\$ (20,242)	7.83%		\$ (21,827)				\$ (1,543) (21826) (23370)	
39	Production	\$ (325,531)		\$ -	\$ -	\$ (325,531)	7.83%		\$ (351,016)		01		\$ (351,016)	
40	Transmission	\$ (123,869)		\$ -	\$ -	\$ (123,869)	7.83%		\$ (133,566)				\$ (133,566) \$ (272,507)	
41	Distribution General	\$ (252,722) \$ (65,720)		s - s -	\$ - \$ -	\$ (252,722) \$ (65,720)	7.83% 7.83%		\$ (272,507) \$ (70,865)				\$ (70,865)	
42	Subtotal: Accumulated	\$ (65,720)		2 -	ъ -	3 (03,720)	7.0370	\$ (3,143)	\$ (70,803)				\$ (70,000)	
43	Depreciation and Amortization	\$ (788,084)	\$ -	\$ -	\$ -	\$ (788,084)	a		\$ (849,781)	5			(849781) (851324)	
44	Net Plant	\$ 1,472,270	\$ -	\$: -	\$ -	\$1,472,270	\$ -	\$115,259	\$1,587,529			\$ -	1587529 1625504	
45	Deferred Taxes	(257,766)		s -	\$ -	\$ (257,766)	7.83%	\$(20,180)	\$ (277,946)				(1844) (1543) (279,790)	
46	Net Plant After Deferred taxes	\$ 1,214,504	\$ -	\$ -	\$ -	\$1,214,504	\$ 0	\$ 95,080	\$1,309,584				1307740 1345715	
47	Deferred Debits and Credits	10,846		13750 (6250)		\$ 24,596	0.00%	\$ -	\$ 24,596		8		24596 4596	
48	Working Capital	47,807	ř.	\$ -		\$ 47,807	0.00%	\$ -	\$ 47,807				47807 \$ -	
49	TOTAL RATE BASE	\$ 1,273,157	\$ -	\$ 13,750	\$ -	\$1,286,907		\$ 95,080	\$1,381,987			,	1380143 1398118	
50	RATE OF RETURN	7.96%	*				1 10			*			7.58%	
50 51 52 53 54	ATTRITION ADJUSTED REVENUE Proposed Rate of Return Return on Plant in Service at Proposed Operating Income Deficiency Revenue Conversion Factor Revenue Requirement	7.29%	NT										7.29% 100612 101923 (2901) (4060) 0.62018 (6209) (6547) 1.013115	
55 56	Revenue Growth Factor Attrition Adjusted Revenue Requirem	ent								2			(6209) (6462)	

Staff_DR_130 Revised-Attachment B

*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.

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(1) As can be seen in the Columns [B] and [I] above there are no Power Supply rate base adjustments.