

ELECTRIC SUMMARY			
Approved versus Pro Forma Rate Base & Already Refunded Earnings Sharing			
Per Order 5	Total Approved Rate Base	Earnings Sharing Calculation	
Attrition Study Rate Base¹	* \$ 1,343,867	Total 2016 Earnings to Share	\$ 5,194
Pro Forma Rate Base: Total Contested and Uncontested Adjustments ²	* \$ 1,315,891	Remove Attrition vs Pro Forma Revenue Requirement	\$ (2,653)
Approved Rate Base Above Pro Forma	\$ 27,976	Earnings Sharing Excluding Attrition Rate Base Portion	\$ 2,541
Net Revenue Requirement of Attrition Rate Base Above Pro Forma Rate Base on a Calendar Basis	* \$ 2,865	50% Share of Non-Attrition Rate Base Earnings Sharing	\$ 1,270
Rate Effective Period Jan. 11, 2016 - Dec. 15, 2016 (338 / 365 days, or 92.6%)		Actual Amount Refunded	\$ 2,597
Resulting Adjusted Revenue Requirement	\$ 2,653	Revised 50% Share Portion	\$ (1,270)
		Net Refund Already Paid to Offset Any Ordered Refund	\$ 1,327

¹Attrition rate base includes escalation of plant related balances only, not total rate base. Escalation of rate base is based on approved escalation percentages on test period net plant per Order 5.

²Per Order 05 (Tables A1) in Docket No. UE-150204.

2016 Net Amount Due Customers if 2015 Refund Ordered (000s)	
Attrition Above Pro Forma Rate Base for Rate Effective Period	\$ 2,653
2016 "Non-Attrition" Related Earnings-Sharing 50%	\$ 1,270
Total 2016 Amount Owed Customers	\$ 3,923
Actual Amount Refunded	\$ 2,597
Net Amount Owed Customers if Refund Ordered	\$ 1,326

*Please see colored shading of corresponding figures at pages 2-3.

Electric Attrition Rate Base Calculation - Approved (Based on approved %'s)

CBR Line Number	\$000s	Base Rate Base Cost to Escalate				Escalate Rate Base Cost				2016 Rate Base Cost [H]+[I]=J	
	12.2014 Commission Basis Report Restated Totals	Approved Deferred Debit/Credit & Reg. Amorts Adj	December 2014 Escalation Base	Escalation Factor	Non- Energy Cost Escalation Amount	Trended 2016 Non- Energy Rate Base Cost [E]+[G]=[H]	After Attrition Adj - Project Compass				
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]		[J]
1	Debt Interest						\$ (493)	\$ (493)	\$ (395)	\$ (887)	
2	RATE BASE										
3	Plant in Service										
4	Intangible	\$ 102,620		\$ 102,620	8.41% *	\$ 8,632	\$ 111,252	\$ 46,004	\$ 157,256		
5	Production	\$ 746,101		\$ 746,101	8.41%	\$ 62,762	\$ 808,863		\$ 808,863		
6	Transmission	\$ 371,971		\$ 371,971	8.41%	\$ 31,290	\$ 403,261		\$ 403,261		
7	Distribution	\$ 842,795		\$ 842,795	0.00% *	\$ -	\$ 842,795		\$ 842,795		
8	General	\$ 196,867		\$ 196,867	8.41%	\$ 16,560	\$ 213,427		\$ 213,427		
9	Subtotal: Plant in Service	\$ 2,260,354	\$ -	\$ -	\$ -	\$ 2,260,354	\$ 119,245	\$ 2,379,599	\$ 46,004	\$ 2,425,603	
10	Accumulated Depreciation and Amortization									\$ -	
11	Intangible	\$ (20,242)		\$ (20,242)	8.41%	\$ (1,703)	\$ (21,945)	\$ (1,943)	\$ (23,888)		
12	Production	\$ (325,531)		\$ (325,531)	8.41%	\$ (27,384)	\$ (352,915)		\$ (352,915)		
13	Transmission	\$ (123,869)		\$ (123,869)	8.41%	\$ (10,420)	\$ (134,289)		\$ (134,289)		
14	Distribution	\$ (252,722)		\$ (252,722)	0.00% *	\$ -	\$ (252,722)		\$ (252,722)		
15	General	\$ (65,720)		\$ (65,720)	8.41%	\$ (5,528)	\$ (71,248)		\$ (71,248)		
	Subtotal: Accumulated										
16	Depreciation and Amortization	\$ (788,084)	\$ -	\$ -	\$ -	\$ (788,084)	\$ (45,035)	\$ (833,119)	\$ (1,943)	\$ (835,062)	
17	Net Plant	\$ 1,472,270	\$ -	\$ -	\$ -	\$ 1,472,270	\$ -	\$ 74,210	\$ 1,546,480	\$ 44,061	\$ 1,590,541
18	Deferred Taxes	(257,766)		\$ (257,766)	8.41%	\$ (21,683)	\$ (279,449)	\$ (2,003)	\$ (281,452)		
19	Net Plant After Deferred taxes	\$ 1,214,504	\$ -	\$ -	\$ -	\$ 1,214,504	\$ 0	\$ 52,527	\$ 1,267,031	\$ 42,058	\$ 1,309,089
20	Deferred Debits and Credits	10,846	\$ (6,250)	\$ 4,596	0.00%	\$ -	\$ 4,596		\$ 4,596		
21	Working Capital	47,807		\$ 47,807	0.00%	\$ -	\$ 47,807		\$ 47,807		
										\$ -	
22	TOTAL RATE BASE	\$ 1,273,157	\$ -	\$ (6,250)	\$ -	\$ 1,266,907	\$ 52,527	\$ 1,319,434	\$ 42,058	\$ 1,361,492	\$ 1,343,867
23	ATTRITION ADJUSTED RATE BASE REVENUE REQUIREMENT										
24	Approved Rate of Return	7.29%								7.29%	
25	Return on Plant in Service	\$ 92,813								\$ 99,253	
26	Revenue Conversion Factor	0.62018								0.62018	
27	Rate Base (prior to growth factor adj)									\$ 160,039	
28	Authorized Cost of Debt	2.68%									
29	Revenue Growth Factor									1.013115	
30	Attrition Adjusted Revenue Requirement on Rate Base									\$ 157,967	

adjusted for
Growth factor

*Per Commission Order 05 in Docket No. UE-150204

Attrition Rate Base \$1,343,867
Pro Forma Rate Base 1,315,891
Net difference 27,976 Debt interest
Revenue requirement on Difference \$ 3,288 \$ (423)
Net Revenue Requirement of Attrition Base above Pro Forma Base \$ 2,865

TABLE A1
Electric - Contested Adjustments

Adj. No.	Contested Adjustment Description	Net Operating Income	Rate Base	Revenue Requirement
		<i>(000's of Dollars)</i>		
2.12	Director fees & Misc. Restating Expenses	26	-	(42)
ICNU-1	Corporate Jet	-	-	-
2.18	Restate L-T Incentive Pay	155	-	(250)
3.01	Pro Forma Transmission Revenue/Expense	59	-	(95)
3.02	Pro Forma Labor Non-Exec	(1,872)	-	3,018
3.03	Pro Forma Labor Exec	(79)	-	127
3.05	Pro Forma Insurance Expense	35	-	(56)
3.06	Pro Forma Property Tax	(733)	-	1,182
3.07	Pro Forma Information Tech/Service Expense	(218)	-	352
3.10	Pro Forma Major Maint.-Hydro Thermal, Other	-	-	-
3.11	Planned Capital Add Dec 2014 EOP	(1,756)	(4,371)	2,318
3.12U	Planned Cap. Add Dec 2014 EOP-Update(Incl. in 3.11)	-	-	-
3.13	WA CS2 & Colstrip O&M/ICNU 3.10	180	-	(290)
PC-E3.13	Reflect Updated Repairs Tax Deduction	(37)	(3,896)	(398)
4.01	Planned Capital Add 2015 EOP	(2,601)	56,363	10,819
4.02	Planned Capital Add 2016 AMA	-	-	-
4.04	O&M Offsets	309	-	(498)
4.05	Reconcile Pro Forma To Attrition	-	-	-
4.06N	Colstrip Refund Non-recurring	-	-	-
	Total Electric Contested Adjustments	(6,532)	48,096	16,187
	Add:			
	Total Electric Uncontested Adjustments from Table B1	125,058	1,267,795	(52,629)
	Attrition Allowance			28,332
	Total Contested & Uncontested Adjustments	118,533	1,315,891 *	(8,110)

* Yellow highlight added. As shown on page 1, reflects pro-forma rate base approved by the Commission per Order 05.

NATURAL GAS			
Approved versus Pro Forma Rate Base & Already Refunded Earnings Sharing			
Per Order 5	Total Approved Rate Base	Earnings Sharing Calculation	
Attrition Study Rate Base¹	* \$ 297,012	Total 2016 Earnings to Share	\$ 5,855
Pro Forma Rate Base: Total Contested and Uncontested Adjustments ²	* \$ 263,655	Remove Attrition vs Pro Forma Revenue Requirement	\$ (3,163)
Approved Rate Base Above Pro Forma	<u>\$ 33,357</u>	Earnings Sharing Excluding Attrition Rate Base Portion	<u>\$ 2,692</u>
Net Revenue Requirement of Attrition Rate Base Above Pro Forma Rate Base on a calendar basis	* \$ 3,416	50% Share of Non-Attrition Rate Base Earnings Sharing	<u>\$ 1,346</u>
Rate Effective Period Jan. 11, 2016 - Dec. 15, 2016 (338 / 365 days, or 92.6%)		Actual Amount Refunded	\$ 2,927
Resulting Adjusted Revenue Requirement	<u>\$ 3,163</u>	Revised 50% Share Portion	<u>\$ (1,346)</u>
		Net Refund Already Paid to Offset Any Ordered Refund	\$ 1,581

¹ Attrition rate base includes escalation of plant related balances only, not total rate base. Escalation of rate base is based on approved escalation percentages on test period net plant per Order 5.

² Per Order 05 (Tables A2) in Docket No. UG-150205.

2016 Net Amount Due Customers if 2015 Refund Ordered (000s)		
Attrition Above Pro Forma Rate Base for Rate Effective Period	\$	3,163
2016 "Non-Attrition" Related Earnings-Sharing 50%	\$	1,346
Total 2016 Amount Owed Customers	\$	4,509
Actual Amount Refunded	\$	2,927
Net Amount Owed Customers if Refund Ordered	\$	<u>1,582</u>

*Please see colored shading of corresponding figures at pages 5-6.

Natural Gas Attrition Rate Base Calculation - Approved (Based on approved %'s)

\$000s		Base Rate Base Cost to Escalate				Escalate Rate Base Cost				
CBR Line	DESCRIPTION	12.2014 Commission Basis Report Restated Totals	December 2014 Escalation Base	Escalation Factor	Escalation Amount [E] *[F]=[G]	Trended 2016 Non-Energy Rate Base Cost [E]+[G]=[H]	After Attrition Adj - 2016 Rate Base Project Cost [H]+[I]=[J]			
No.		[A]	[B] [C] [D]	[E]	[F]	[G]	[H]	[I]	[J]	
1	Debt Interest					\$ (357)	(357)	(114)	\$ (471)	
2	RATE BASE									
3	PLANT IN SERVICE									
4	Underground Storage	\$ 25,235		\$ 25,235	* 16.86%	\$ 4,255	29,490		\$ 29,490	
5	Distribution Plant	\$ 337,894		\$ 337,894	16.86%	56,969	394,863		394,863	
6	General Plant	\$ 59,169		\$ 59,169	16.86%	9,976	69,145	13,239	\$82,384	
7	Total Plant in Service	\$ 422,298	\$ - \$ - \$ -	\$ 422,298		71,199	493,497	13,239	506,736	
8	ACCUMULATED DEPR/AMORT									
9	Underground Storage	\$ (9,521)		\$ (9,521)	16.86%	(1,605)	(11,126)		(11,126)	
10	Distribution Plant	\$ (114,795)		\$ (114,795)	16.86%	(19,354)	(134,149)		(134,149)	
11	General Plant	\$ (17,429)		\$ (17,429)	16.86%	(2,939)	(20,368)	(559)	(20,927)	
12	Total Accumulated Depr/Amort	\$ (141,745)	\$ - \$ - \$ -	\$ (141,745)		(23,898)	(165,643)	(559)	(166,202)	
13	NET PLANT	\$ 280,553	\$ - \$ - \$ -	\$ 280,553		\$ 47,301	\$ 327,854	\$ 12,680	\$ 340,534	
14	DEFERRED TAXES	\$ (54,652)		\$ (54,652)	16.86%	(9,214)	(63,866)	(576)	(64,442)	
15	Net Plant After DFIT	\$ 225,901	\$ - \$ - \$ -	\$ 225,901		38,087	263,988	12,104	276,092	
16	GAS INVENTORY	\$ 14,762		\$ 14,762	0.00%	-	14,762		14,762	
17	GAIN ON SALE OF BUILD	\$ -		\$ -	0.00%	-	-		-	
18	OTHER	\$ (479)		\$ (479)	0.00%	-	(479)		(479)	
19	WORKING CAPITAL	\$ 10,073		\$ 10,073	0.00%	-	10,073		10,073	
20	TOTAL RATE BASE	\$ 250,257	\$ - \$ - \$ -	\$ 250,257		\$ 38,087	\$ 288,344	\$ 12,104	\$ 300,448	
21	ATTRITION ADJUSTED RATE BASE REVENUE REQUIREMENT									\$297,012
22	Proposed Rate of Return	7.29%							7.29%	
23	Return on Plant in Service	\$ 18,244							\$ 21,903	
24	Conversion Factor	0.62032							0.62032	
25	Rate Base (prior to growth factor adj)								\$ 35,309	
26	Authorized Cost of Debt	2.68%								
27	Revenue Growth Factor								1.01157	
28	Attrition Adjusted Revenue Requirement on Rate Base								\$ 34,905	

Adjusted for Growth Factor

*Per Commission Order 05 in Docket No. UE-150204

Attrition Rate Base	\$ 297,012	
Pro Forma Rate Base (per Order 05)	263,655	
Net difference	33,357	Debt interest
Revenue requirement on Difference	\$ 3,920	\$ (504)
Net Revenue Requirement of Attrition Base above Pro Forma Base	\$ 3,416	
Attrition Rate Base	\$ 297,012	
Actual 2016 CBR Rate Base	286,597	
Net difference	10,415	Debt interest
Revenue requirement on Difference	\$ 1,224	\$ (157)
Net Revenue Requirement of Attrition Base above 2016 CBR Rate Base	\$ 1,067	

DOCKETS UE-150204 and UG-150205 (consolidated)
ORDER 05

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TABLE A2
Natural Gas - Contested Adjustments

Adj. No.	Contested Adjustment Description	Net Operating Income	Rate Base	Revenue Requirement
		<i>(000's of Dollars)</i>		
2.12	Director Fees, Misc. Restating Adjustment	51	-	(82)
2.15	Restating Long-Term Incentive Plan	46	-	(74)
3.00	Pro Forma Labor Non-Exec	(561)	-	905
3.01	Pro Forma Labor Exec	(14)	-	23
3.03	Pro Forma Insurance	10	-	(16)
3.04	Pro Forma Property Tax	(131)	-	211
3.05	Pro Forma Information Tech/Serv Expense	(9)	-	15
3.07	Planned Capital Add Dec 2014 EOP	(112)	3,388	579
3.07U	Planned Capital Add-Dec. 2014 EOP-Update	-	-	-
3.08	Reflect Updated Repairs Tax Deduction (Incl. in 3.07U)	33	3,500	358
4.01	Planned Capital Add 2015 EOP	(757)	15,953	3,095
4.02	Planned Capital Add 2016 AMA	-	-	-
4.03	Project Compass Deferral, Regulatory Amortization	(743)	-	1,198
4.04	O & M Offsets	18	-	(29)
4.06	Reconcile Pro Forma to Attrition	-	-	-
	Total Natural Gas Contested Adjustments	(2,170)	22,841	6,183
	Add:			
	Total Natural Gas Uncontested Adjustments from Table B2	18,925	240,814	(2,208)
	Attrition Allowance			6,849
	Total Natural Gas Adjusted Results	16,754	263,655 *	10,824

* Yellow highlight added. As shown on page 4, reflects pro-forma rate base approved by the Commission per Order 05.