

## PACIFICORP d/b/a Pacific Power & Light Company

Revenue Requirement Summary for Washington Retail Operations  
Adjusted Operations for Test Year Ending March 2003

Line No.	Description	As Proposed By Company	Public Counsel Adjustments	As Proposed by Public Counsel
1	WA Jurisdictional Rate Base	596,314,312	(22,999,117)	573,315,195
2	Overall Rate of Return	<u>8.743%</u>	<u>-1.026%</u>	<u>7.72%</u>
3	Net Operating Income Required	52,135,760	(7,890,438)	44,245,322
4	NOI -- Existing Rates	<u>36,349,027</u>	<u>2,588,967</u>	<u>38,937,995</u>
5	NOI Deficiency (Excess)	15,786,733	(10,479,406)	5,307,327
6	Tax Conversion Factor (a)	<u>1.69287</u>	<u>1.69287</u>	<u>1.69287</u>
7	Revenue Deficiency (Excess)			
8	Before Considering Power			
9	Supply Adjustment	<u>26,724,893</u>	<u>(17,740,276)</u>	<u>8,984,617</u>
10	Power Supply Cost			
11	Adjustment Sponsored by			
12	Public Counsel Witness			
13	Jim Lazar			<u>(34,269,125)</u>
14	Revenue Deficiency (Excess)			
15	After Considering Power			
16	Supply Adjustment			<u>\$ (25,284,508)</u>
17	<u>(a) Tax Conversion Factor</u>			
18	Price Change Per Company	26,724,248		
19	Req. Incr. in NOI Per Company	<u>15,786,352</u>		
20	Tax Conversion Factor	<u>1.69287</u>		

**PACIFICORP d/b/a Pacific Power & Light Company**

Rate Base Summary for Washington Retail Operations  
Adjusted Operations for Test Year Ending March 2003

Description (a)	WA Jurisdictional As Adjusted by Company (b)	Customer Deposits (Sch. B-1) (c)	Cash Working Capital (Sch. B-2) (d)	Swift Canal (Sch. B-3) (e)	Miscellaneous Deferred Debits & Other Reg Assets (Sch. B-4) (f)	WA Jurisdictional As Adjusted by Public Counsel (g)
Rate Base:						
Electric Plant In Service	1,044,896,250			(245,542)		1,044,650,708
Plant Held for Future Use	99,617					99,617
Misc Deferred Debits	16,414,699				(10,552,885)	5,861,814
Elec Plant Acq Adj	8,826,303					8,826,303
Nuclear Fuel	-					-
Prepayments	1,334,636					1,334,636
Fuel Stock	4,067,988					4,067,988
Material & Supplies	6,612,849					6,612,849
Working Capital	8,479,233		(10,975,545)			(2,496,312)
Weatherization Loans	2,643,690					2,643,690
Misc Rate Base	30,149					30,149
Total Electric Plant:	1,093,405,414	-	(10,975,545)	(245,542)	(10,552,885)	1,071,631,442
Rate Base Deductions:						
Accum Prov For Deprec	(403,169,502)					(403,169,502)
Accum Prov For Amort	(20,423,185)					(20,423,185)
Accum Def Income Tax	(57,360,729)					(57,360,729)
Unamortized ITC	(2,634,576)					(2,634,576)
Customer Adv For Const	(38,641)					(38,641)
Customer Service Deposits	-	(1,225,146)				(1,225,146)
Misc Rate Base Deductions	(13,464,469)					(13,464,469)
Total Rate Base Deductions	(497,091,102)	(1,225,146)	-	-	-	(498,316,248)
Req. Incr. in NOI Per Company						
Total Rate Base:	596,314,312	(1,225,146)	(10,975,545)	(245,542)	(10,552,885)	573,315,195

**Pacificorp d/b/a Pacific Power & Light Company**  
Adjusted Operations for Test Year Ending March 2003  
Customer Deposits Adjustment

Line No.	Description	Amount
1	Washington Jurisdictional	
2	Customer Deposits:	
3	28-Feb-02	\$ 1,095,724.26
4	31-Mar-02	1,206,914.12
5	30-Apr-02	1,214,182.12
6	31-May-02	1,231,364.12
7	30-Jun-02	1,204,007.12
8	31-Jul-02	1,215,226.40
9	31-Aug-02	1,195,363.40
10	30-Sep-02	1,202,793.40
11	31-Oct-02	1,215,140.15
12	30-Nov-02	1,221,966.15
13	31-Dec-02	1,255,340.72
14	31-Jan-03	1,340,732.22
15	28-Feb-03	<u>1,328,140.22</u>
16	Test Year Average	
17	Washington Jurisdictional	
18	Rate Base Offset	<u>\$ 1,225,145.72</u>
19	Current Interest Rate on	
20	WA Customer Deposits:	<u>1.18%</u>
21	Washington Jurisdictional	
22	Interest to be Reflected as an	
23	Above-the-Line Operating Expense	<u>\$ 14,457</u>

Req. Incr. in NOI Per Company

**Pacificorp d/b/a Pacific Power & Light Company**

Adjusted Operations for Test Year Ending March 2003

Adjustment to Company Proposed Lead Lag Study

Line No.	Accounts Payable Lag	WA Juris. Normalized Per Public Counsel	Lag Days	Dollar Days
1	Fuel	38,291,471	26.3	1,007,065,679
2	Steam O&M	11,224,944	31.0	347,973,263
3	Hydro O&M	4,616,629	27.6	127,418,949
4	Other Prod O&M	2,499,563	43.0	107,481,201
5	Purch. Power	94,383,639	38.6	3,643,208,461
6	Transmission	7,256,023	34.8	252,509,604
7	Distribution	1,870,680	32.4	60,610,031
8	Customer Acc't & Svc	3,688,944	31.0	114,357,252
9	Sales	33,510	32.9	1,102,478
10	A&G	<u>18,889,297</u>	39.8	<u>751,794,036</u>
12	Total	182,754,699	35.1	6,413,520,955
13	Payroll	24,886,429	16.1	400,671,506
14	Taxes Other			
15	Property	5,765,670	156.3	901,174,221
16	Other Taxes	3,049,426	8.0	24,395,408
17	Income Taxes			
18	Federal	6,431,309	33.0	212,233,209
19	State	1,571,587	16.3	25,616,868
20	Interest Expense	<u>20,831,657</u>	85.2	1,774,415,608
21	Totals	245,290,777	39.8	9,752,027,775
22	Revenue Lag Development			
23	Service Period (365/12/2)	15.21		
24	Billing Lag	2.00		
25	Collection Lag	<u>17.00</u>		
26	Total Revenue Lag	34.21		
27	Less Average Cash			
28	Expense Lag (Line 21)	<u>39.8</u>		
29	Net Payment Lag	(5.55)		
30	Cash Expenses Per Day	<u>672,030</u>		
31	Cash Working Capital Rate			
32	Base Offset Per Pubic Counsel	(3,728,874)		
33	CWC As Calculated by			
34	Pacificorp	<u>7,246,671</u>		
35	Adjustment to Pacificorp's			
36	Proposed Level of CWC	<u>(10,975,545)</u>		

**Pacificorp d/b/a Pacific Power & Light Company**

Adjusted Operations for Test Year Ending March 2003

Swift 1 Canal Outage Adjustment

Line No.	Description (a)	Amount (b)	Company Proposed Allocation Factor (c)	Adjustment Utilizing Co. Proposed Allocations (d)
1	Test Year Expenses Incurred for Swift 1			
2	Canal Outage			
3	Allocated Utilizing DGP Allocator	\$ 348,201	8.345%	\$ 29,058
4	Allocated Utilizing SO Allocator	<u>260,248</u>	16.833%	<u>43,808</u>
5	Total Test Year Expenses	<u>\$ 608,449</u>		<u>\$ 72,866</u>
6	Test Year 13 Month Average of Swift 1			
7	Canal Outage Costs Capitalized	\$ 1,458,674	16.833%	<u>\$ 245,542</u>
8	Source for data used in adjustment:	Public Counsel Data Request 21		

**Pacificorp d/b/a Pacific Power & Light Company**  
Adjusted Operations for Test Year Ending March 2003  
Miscellaneous Deferred Debits/Other Regulatory Assets Adjustment

Line No.	Description	Amount	Reference
1	Miscellaneous Deferred Debits Included in		
2	Pacificorp's Proposed Washington		Public
3	Jurisdictional Rate Base for Which there		Counsel
4	is no WUTC Order Authorizing Deferral		DR No.
5	Accounting	(7,090,093)	148
6	Other Regulatory Assets Included in		
7	Pacificorp's Proposed Washington		Public
8	Jurisdictional Rate Base for Which there		Counsel
9	is no WUTC Order Authorizing Deferral		DR No.
10	Accounting	<u>(3,462,792)</u>	131
11	Total Miscellaneous Deferred Debits and		
12	Other Regulatory Assets for Which		
13	Pacificorp has no WUTC Order Authorizing		
14	Deferral Accounting	<u>(10,552,885)</u>	Line 5 + 10
15	Washington Jurisdictional Amortization of		
16	Miscellaneous Deferred Debits Included		
17	Within Pacificorp's Proposed Adjusted		
18	Operating Expenses for which there is no		Public
19	WUTC Order Authorizing Deferral		Counsel
20	Accounting and Prospective Rate		DR No.
21	Recovery	(1,005,699)	148
22	Washington Jurisdictional Amortization of		
23	Other Regulatory Assets Included		
24	Within Pacificorp's Proposed Adjusted		
25	Operating Expenses for which there is no		Public
26	WUTC Order Authorizing Deferral		Counsel
27	Accounting and Prospective Rate		DR No.
28	Re Recovery	<u>(1,131,461)</u>	149
29	Total Miscellaneous Deferred Debits and		
30	Other Regulatory Assets Amortization		
31	Expense for Which There is no WUTC		
32	Order Authorizing Deferral Accounting	<u>(2,137,160)</u>	Line 21 + 28

**PACIFICORP d/b/a Pacific Power & Light Company**  
Net Operating Income Summary for Washington Retail Operations  
Adjusted Operations for Test Year Ending March 2003

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Line No.	Description	Washington Jurisdictional As Adjusted by Company (b)	Customer Deposit Interest (Sch. B-1) (c)	Swift Canal Expenses (Sch. B-3) (d)	Misc. Def. Debits Other Reg Assets Amort. (Sch. B-4) (e)	IRS Settlement Payments (Sch. C-1) (f)	Employee Benefits (Sch. C-2) (g)	Interest Synch. (Sch. C-3) (h)	Washington Jurisdictional As Adjusted by Public Counsel (l)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(l)	
1	Operating Revenues:								
2	General Business Revenues	198,589,099						198,589,099	
3	Interdepartmental	-						-	
4	Special Sales	96,578,032						96,578,032	
5	Other Operating Revenues	8,275,819						8,275,819	
6	Total Operating Revenues	<u>303,442,950</u>						<u>303,442,950</u>	
7	Operating Expenses:								
8	Steam Production	51,615,809						51,615,809	
9	Nuclear Production	-						-	
10	Hydro Production	5,429,336		(72,866)				5,356,470	
11	Other Power Supply	104,539,425						104,539,425	
12	Transmission	8,098,811						8,098,811	
13	Distribution	7,073,844						7,073,844	
14	Customer Accounting	6,612,545						6,612,545	
15	Customer Service & Info	214,200						214,200	
16	Sales	50,208						50,208	
17	Administrative & General	24,755,832	14,457				(690,474)	24,079,815	
18	Total O&M Expenses	<u>208,390,010</u>	<u>14,457</u>	<u>(72,866)</u>	<u>-</u>	<u>-</u>	<u>(690,474)</u>	<u>207,641,127</u>	
19	Depreciation	29,219,529						29,219,529	
20	Amortization	4,442,033			(2,137,160)			2,304,873	
21	Taxes Other Than Income	8,815,096						8,815,096	
22	Income Taxes - Federal	7,294,655	(5,716)	28,811	845,033	(1,159,454)	273,013	315,388	
23	Income Taxes - State	1,571,587						1,571,587	
24	Income Taxes - Def Net	7,973,284						7,973,284	
25	Investment Tax Credit Adj.	-						-	
26	Req. Incr. in NOI Per Company	(612,272)						(612,272)	
27	Total Operating Expenses:	<u>267,093,922</u>	<u>8,741</u>	<u>(44,055)</u>	<u>(1,292,127)</u>	<u>(1,159,454)</u>	<u>(417,460)</u>	<u>315,388</u>	
28	Operating Rev For Return:	<u><u>36,349,027</u></u>	<u><u>(8,741)</u></u>	<u><u>44,055</u></u>	<u><u>1,292,127</u></u>	<u><u>1,159,454</u></u>	<u><u>417,460</u></u>	<u><u>(315,388)</u></u>	
								<u><u>38,937,995</u></u>	

**Pacificorp d/b/a Pacific Power & Light Company**  
Adjusted Operations for the Test Year Ended March 31, 2003  
Eliminate Amortization of IRS Settlement Payments

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Adjustment to Eliminate the Company's	
2	Proposed Adjustment to Amortize	
3	IRS Settlement Payments Made During	
4	Fiscal Years 2003 and 2004 Over a Five	
5	Year Period	<u><u>\$ (1,159,454)</u></u>



**Pacificorp d/b/a Pacific Power & Light Company**  
Adjusted Operations for Test Year Ended March 31, 2003  
Employee Benefits Adjustment

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Total Company Employee Benefits	
2	Other Than Pensions and Post	
3	Retirement Medical Benefits that	
4	the Company Proposed to Reflect on a FY2004 Budget Basis	\$ 8,274,100
5	Company Proposed Allocation Factor (SO)	<u>8.3450%</u>
6	Washington Jurisdictional Adjustment to	
7	Remove Budgeted FY2004 Employee	
8	Benefits Other Than Pensions and Post	
9	Retirement Medical Benefits Utilizing	
10	Company's Proposed Jurisdictional	
11	Allocation Factors (SO)	<u>\$ (690,474)</u>
12	Source: Company W/Ps 4.2 & 4.2.2	

**Pacificorp d/b/a Pacific Power & Light Company**  
Adjusted Operations for Test Year Ended March 31, 2003  
Swift 2 Canal Outage Adjustment

Line No.	Description	Amount
1	Rate Base As Proposed by Public Counsel	\$ 573,315,195
2	Public Counsel Proposed Weighted Cost	
3	of Debt	<u>3.489%</u>
4	Annualized Interest Deduction Calculated	
5	Utilizing Public Counsel Proposed Rate	
6	Base and Weighted Cost of Debt	\$ 20,000,617
7	Annualized Interest Deduction Per	
8	Company	<u>20,831,657</u>
9	Increase (decrease) in Public Counsel	
10	Proposed Tax Deductible Interest	
11	Deduction	\$ (831,040)
12	Composite FIT/SIT Tax Rate	<u>37.951%</u>
13	Increase (decrease) in Composite	
14	Federal & State Income Tax Expense	<u><u>\$ 315,388</u></u>

**PACIFICORP d/b/a Pacific Power & Light Company**  
**OVERALL COST OF CAPITAL**

**As Proposed by Pacificorp**

<u>Line No.</u>	<u>Type of Capital</u>	<u>PERCENT</u>	<u>COST RATE</u>	<u>WT. COST RATE</u>	<u>AVG. COST RATE</u>
1	Common Equity	###	####	####	####
2	Preferred Stock	###	####	####	####
3	Long-term Debt	###	####	####	####
4	Short-term Debt	###	####	####	####
5	TOTAL CAPITAL	###			<u>####</u>

6 **Public Counsel Recommended**  
7 **Sponsored by Witness Stephen Hill**

<u>Line No.</u>	<u>Type of Capital</u>	<u>PERCENT</u>	<u>COST RATE</u>	<u>WT. COST RATE</u>	<u>AVG. COST RATE</u>
10	Common Equity	###	####	####	####
11	Preferred Stock	###	####	####	####
12	Long-term Debt	###	####	####	####
13	Short-term Debt	###	####	####	####
14	TOTAL CAPITAL	###			<u>####</u>