

Exh. SEM-7
Dockets UE-191024 *et. al.*
Witness: Shelley E. McCoy

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY

Respondent.

Dockets UE-191024, UE-190750,
UE-190929, UE-190981, UE-180778
(*Consolidated*)

PACIFICORP

EXHIBIT OF SHELLEY E. MCCOY

Summary of Washington Results of Operations for the Test Period

April 2020

Revenue Requirement Adjustment Summary

The table below presents the Company's restating and pro forma ratemaking adjustments and their impact on net operating income (NOI), rate base, and the Washington revenue requirement.

Line No.	Adj. No.	A	B	C			D	E	F
				Unadjusted	Washington	Allocated Data (Per Books)	NOI	Rate Base	Rev. Req.
				65,862,798	778,699,634	(7,891,177)	(SEM-8)	Page 1.0	
1	3.1	Temperature Normalization		(5,106,556)	-	6,780,264	(SEM-8), Page 3.0 Total		
2	3.2	Revenue Normalizing		23,163,903	-	(30,756,029)	(SEM-8), Page 3.0 Total		
3	3.3	Wheeling Revenue		49,006	-	(65,068)	(SEM-8), Page 3.0 Total		
4	3.4	Ancillary Revenue		360,723	-	(478,952)	(SEM-8), Page 3.0 Total		
5			Tab 3 - Revenue - Subtotal	18,467,076	-	(24,519,785)			
6									
7	4.1	Miscellaneous Expense & Revenue		166,706	-	(221,345)	(SEM-8), Page 4.0 Total		
8	4.2	General Wage Increase (Annualizing)		(140,580)	-	186,657	(SEM-8), Page 4.0 Total		
9	4.3	General Wage Increase (Pro Forma)		(1,004,902)	-	1,334,266	(SEM-8), Page 4.0 Total		
10	4.4	Insurance Expense		431,317	-	(572,684)	(SEM-8), Page 4.0 Total		
11	4.5	Advertising		10,271	-	(13,637)	(SEM-8), Page 4.0 Total		
12	4.6	Memberships & Subscriptions		(12,542)	-	16,652	(SEM-8), Page 4.0 Total		
13	4.7	Revenue-Sensitive/ Uncollectible Expense		(49,185)	-	65,305	(SEM-8), Page 4.0.1 Total		
14	4.8	Legal Expenses		(30,761)	-	40,843	(SEM-8), Page 4.0.1 Total		
15	4.9	Payment Fees and Bill Credits		(1,031,460)	-	1,369,528	(SEM-8), Page 4.0.1 Total		
16	4.10	Remove Non-Recurring Entries		(199,241)	-	264,544	(SEM-8), Page 4.0.1 Total		
17	4.11	Environmental Remediation		(346,607)	(20,744)	458,091	(SEM-8), Page 4.0.1 Total		
18	4.12	Credit Facility Fee Adjustment		(80,284)	-	106,598	(SEM-8), Page 4.0.1 Total		
19	4.13	Amortization of Pension Settlement Adjustment		(116,542)	-	154,739	(SEM-8), Page 4.0.1 Total		
20			Tab 4 - O&M - Subtotal	(2,403,810)	(20,744)	3,189,556			
21									
22	5.1	Net Power Costs - Restating		4,483,749	-	(5,953,328)	(SEM-8), Page 5.0 Total		
23	5.2	Net Power Costs - Pro Forma		2,581,727	-	(3,427,906)	(SEM-8), Page 5.0 Total		
24	5.3	Colstrip #3 Removal		433,101	(5,100,656)	(1,096,179)	(SEM-8), Page 5.0 Total		
25	5.4	REC Purchase Adjustment		(126,400)	-	167,828	(SEM-8), Page 5.0 Total		
26	5.5	Nodal Pricing Model Adjustment		(35,145)	286,535	75,939	(SEM-8), Page 5.0 Total		
27			Tab 5 - NPC - Subtotal	7,337,032	(4,814,120)	(10,233,645)			
28									
29	6.1	Pro Forma Depreciation & Amortization Expense		1,936,994	-	(2,571,857)	(SEM-8), Page 6.0 Total		
30	6.2	Pro Forma Depreciation & Amortization Reserves		-	(55,137,271)	(5,633,294)	(SEM-8), Page 6.0 Total		
31	6.3	End-of-Period Reserves		-	(19,123,220)	(1,953,791)	(SEM-8), Page 6.0/6.0.1 Total		
32	6.4	Accelerated Depreciation on Jim Bridger & Colstrip		(53,801,050)	(22,940,110)	69,090,950	(SEM-8), Page 6.0.1 Total		
33	6.5	Depreciation Study		(1,863,187)	(470,360)	2,425,803	(SEM-8), Page 6.0.1/6.0.2 Total		
34			Tab 6 - Depreciation/Amortization - Subtotal	(53,727,243)	(97,670,961)	61,357,811			
35									
36	7.1	Interest True Up		350,880	-	(465,883)	(SEM-8), Page 7.0 Total		
37	7.2	Property Tax Expense		(1,692,140)	-	2,246,750	(SEM-8), Page 7.0 Total		
38	7.3	Production Tax Credit		14,008,795	-	(18,600,272)	(SEM-8), Page 7.0 Total		
39	7.4	PowerTax ADIT Balance		-	7,638,008	780,364	(SEM-8), Page 7.0 Total		
40	7.5	Permanent Schedule M Adjustment		115,265	-	(153,043)	(SEM-8), Page 7.0 Total		
41	7.6	Remove Deferred State Tax Expense & Balance		(2,152,429)	25,563,147	5,469,651	(SEM-8), Page 7.0 Total		
42	7.7	WA Public Utility Tax Adjustment		197,797	-	(262,626)	(SEM-8), Page 7.0.1 Total		
43	7.8	AFUDC Equity		(970)	-	1,288	(SEM-8), Page 7.0.1 Total		
44	7.9	WA Low Income Tax Credit		2,613	-	(3,470)	(SEM-8), Page 7.0.1 Total		
45	7.10	Wyoming Wind Generation Tax		(142,526)	-	189,240	(SEM-8), Page 7.0.1 Total		
46	7.11	Removal of TCJA Deferred Balances		4,996,016	13,617,936	(5,242,170)	(SEM-8), Page 7.0.1 Total		
47	7.12	Depreciation Study Adjustment Tax Impacts		(2,877,084)	(344,082)	3,784,914	(SEM-8), Page 7.0.1 Total		
48			Tab 7 - Tax- Subtotal	12,806,216	46,475,008	(12,255,257)			
49									
50	8.1	Jim Bridger Mine Rate Base		-	11,495,811	1,174,510	(SEM-8), Page 8.0 Total		
51	8.2	Regulatory Assets and Liabilities Amortization		13,462,898	(12,227,255)	(19,124,694)	(SEM-8), Page 8.0 Total		
52	8.3	Customer Advances for Construction		-	(2,502,028)	(255,629)	(SEM-8), Page 8.0 Total		
53	8.4	Pro Forma Major Plant Additions		(232,480)	70,839,343	7,546,229	(SEM-8), Page 8.0/8.0.1 Total		
54	8.5	Miscellaneous Rate Base		-	(22,786,731)	(2,328,087)	(SEM-8), Page 8.0 Total		
55	8.6	Removal of Colstrip #4 AFUDC		208,716	(119,616)	(289,345)	(SEM-8), Page 8.0.1 Total		
56	8.7	Customer Service Deposits		(47,731)	(2,829,106)	(225,670)	(SEM-8), Page 8.0.1 Total		
57	8.8	Investor Supplied Working Capital		-	23,459,505	2,396,823	(SEM-8), Page 8.0.1 Total		
58	8.9	Removal of Bridger SCR		-	(41,383,476)	(4,228,089)	(SEM-8), Page 8.0.1 Total		
59	8.10	End-of-Period Plant Balances		-	26,891,641	2,747,480	(SEM-8), Page 8.0.2 Total		
60	8.11	Idaho Asset Exchange		-	6,343,966	648,154	(SEM-8), Page 8.0.2 Total		
61	8.12	Repowering Project Capital Additions		207,428	86,363,975	8,548,266	(SEM-8), Page 8.0.3 Total		
62	8.13	New Wind Generation and Associated Transmission Capital Additions		(2,412,364)	182,406,899	21,839,278	(SEM-8), Page 8.0.3 Total		
63	8.14	Other Plant Closure Costs		(9,816,674)	(4,908,337)	12,532,678	(SEM-8), Page 8.0.3 Total		
64			Tab 8 - Rate Base- Subtotal	1,369,792	321,044,592	30,981,904			
65									
66	9.1	Production Factor		1,847,944	(4,261,951)	(2,889,058)	(SEM-8), Page 9.0 Total		
67	9.2	System Non-Emitting Resources Adjustment		4,129,654	(56,434,564)	(11,249,012)	(SEM-8), Page 9.0 Total		
68	9.3	System Transmission - New Adjustment		(128,220)	1,427,866	316,129	(SEM-8), Page 9.0 Total		
69	9.4	System Transmission - Existing Adjustment		182,147	31,529,447	2,979,471	(SEM-8), Page 9.0 Total		
70			Tab 9 - Other Adjustments - Subtotal	6,031,524	(27,739,201)	(10,842,471)			
71									
72			Subtotal Normalizing Adjustments	(10,119,414)	237,274,574	37,678,115			
73									
74			Total Adjusted Results	55,743,385	1,015,974,208	29,786,938	(SEM-8)	Page 1.0	

Notes:

- (1) The revenue requirement column is calculated using the Company's proposed return on rate base of 7.69% and the NOI conversion factor of 75.315%.
The development of these percentages can be found in Exhibit No. SEM-8 on pages 2.1 and 1.3 respectively.

**PacifiCorp
Summary
Washington General Rate Case - 2021
12 Months Ended June 2019**

Exhibit No. SEM-3

	Washington Allocated Actual Results June 2019	Exhibit No. SEM-3						
		Tab 3	Tab 4	Tab 5	Tab 6	Tab 7	Tab 8	Tab 9
		Revenue Adjustments	O&M Adjustments	Net Power Cost Adjustments	Depreciation & Amortization Adjustments	Tax Adjustments	Rate Base Adjustments	Other Adjustments
1 Operating Revenues:								
2 General Business Revenues	326,549,202	22,857,402	(252,204)	-	-	-	17,418,111	-
3 Interdepartmental	-	-	-	-	-	-	-	-
4 Special Sales	17,019,166	-	-	(14,800,953)	-	-	-	(65,386)
5 Other Operating Revenues	10,619,467	518,643	(427,912)	-	-	-	47,809	1,023,734
6 Total Operating Revenues	354,187,835	23,376,045	(680,116)	(14,800,953)	-	-	17,465,921	958,348
7								
8 Operating Expenses:								
9 Steam Production	70,560,214	-	252,912	(5,348,848)	51,760	-	8,498,026	(529,291)
10 Nuclear Production	-	-	-	-	-	-	-	-
11 Hydro Production	6,841,672	-	162,288	-	17,855	-	-	(3,614,806)
12 Other Power Supply	63,424,679	-	294,554	(2,708,427)	15,624	-	1,657,311	(1,043,463)
13 Transmission	32,375,788	-	(211,865)	(16,017,300)	9,962	-	-	(156,525)
14 Distribution	11,761,768	-	579,267	-	33,905	-	-	-
15 Customer Accounting	5,981,922	-	1,108,767	-	12,321	-	-	-
16 Customer Service & Info	1,003,435	-	31,872	-	2,407	-	-	-
17 Sales	-	-	-	-	-	-	-	-
18 Administrative & General	9,015,080	-	364,523	(4,015)	14,076	-	-	-
19 Total O&M Expenses	200,964,557	-	2,582,317	(24,078,589)	157,910	-	10,155,337	(5,344,086)
20 Depreciation	48,982,077	-	(485,149)	-	77,715,143	-	(378,804)	(864,714)
21 Amortization	5,113,848	-	-	738	(1,870,637)	-	5,092,170	(382,837)
22 Taxes Other Than Income	22,603,339	-	-	(37,469)	-	2,068,678	-	-
23 Income Taxes - Federal	18,041,170	4,908,970	(640,598)	1,868,923	1,417,759	(22,077,623)	(3,462,307)	1,977,692
24 Income Taxes - State	-	-	-	-	-	-	-	-
25 Income Taxes - Def Net	(7,119,821)	-	1,975	108,414	(23,692,932)	7,202,730	4,629,313	(459,231)
26 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-
27 Misc Revenue & Expense	(260,134)	-	265,149	-	-	-	60,420	-
28 Total Operating Expenses:	288,325,037	4,908,970	1,723,695	(22,137,984)	53,727,243	(12,806,216)	16,096,128	(5,073,176)
29								
30 Operating Rev For Return:	65,862,798	18,467,076	(2,403,810)	7,337,032	(53,727,243)	12,806,216	1,369,792	6,031,524
31								
32 Rate Base:								
33 Electric Plant In Service	1,869,127,180	-	-	(27,315,182)	-	-	307,126,762	(54,526,035)
34 Plant Held for Future Use	34,943	-	-	-	-	-	-	-
35 Misc Deferred Debits	4,541,410	-	-	-	-	-	(3,860,838)	-
36 Elec Plant Acq Adj	-	-	-	-	-	-	-	-
37 Nuclear Fuel	-	-	-	-	-	-	-	-
38 Prepayments	2,033,329	-	-	-	-	-	(2,033,329)	-
39 Fuel Stock	5,721,216	-	-	-	-	-	(5,721,216)	-
40 Material & Supplies	8,818,868	-	-	-	-	-	(8,818,868)	-
41 Working Capital	2,839,474	-	-	-	-	-	20,620,031	-
42 Weatherization	5,093	-	-	-	-	-	-	-
43 Misc Rate Base	-	-	-	-	-	-	-	-
44 Total Electric Plant:	1,893,121,513	-	-	(27,315,182)	-	-	307,312,541	(54,526,035)
45								
46 Rate Base Deductions:								
47 Accum Prov For Deprec	(743,720,455)	-	-	20,667,243	(102,161,036)	-	41,265,364	24,744,509
48 Accum Prov For Amort	(61,553,794)	-	-	(400)	(5,683,079)	-	-	5,363,476
49 Accum Def Income Tax	(272,700,961)	-	(20,744)	1,834,218	10,173,155	43,404,315	(241,529)	(3,321,151)
50 Unamortized ITC	(19,597)	-	-	-	-	-	-	-
51 Customer Adv For Const	22,215	-	-	-	-	-	(2,502,028)	-
52 Customer Service Deposits	-	-	-	-	-	-	(2,829,106)	-
53 Misc Rate Base Deductions	(36,449,286)	-	-	-	-	3,070,693	(21,960,651)	-
54								
55 Total Rate Base Deductions	(1,114,421,878)	-	(20,744)	22,501,062	(97,670,961)	46,475,008	13,732,050	26,786,834
56								
57 Total Rate Base:	778,699,634	-	(20,744)	(4,814,120)	(97,670,961)	46,475,008	321,044,592	(27,739,201)
58								
59 Return on Equity	11.65%	4.513%	-0.587%	1.904%	-12.704%	2.047%	-4.462%	2.123%
60 Price Change	(7,891,177)	(24,519,785)	3,189,556	(10,233,645)	61,357,811	(12,255,257)	30,981,904	(10,842,471)
61								
62 TAX CALCULATION:								
63 Operating Revenue	76,784,147	23,376,045	(3,042,434)	9,314,368	(76,002,416)	(2,068,678)	2,536,798	7,549,985
64 Other Deductions	-	-	-	-	-	-	-	-
65 Interest (AFUDC)	(3,011,899)	-	-	-	-	(4,620)	-	-
66 Interest	22,042,471	-	-	-	-	1,670,855	-	-
67 Schedule "M" Additions	91,716,240	-	(133,728)	(51,450)	82,753,649	(16,168,842)	16,395,098	1,222,074
68 Schedule "M" Deductions	58,295,026	-	(125,696)	363,285	-	18,519,240	35,419,074	(645,521)
69 Income Before Tax	91,174,790	23,376,045	(3,050,467)	8,899,633	6,751,233	(38,422,994)	(16,487,178)	9,417,579
70								
71 State Income Taxes	-	-	-	-	-	-	-	-
72 Taxable Income	91,174,790	23,376,045	(3,050,467)	8,899,633	6,751,233	(38,422,994)	(16,487,178)	9,417,579
73								
74 Federal Income Taxes + Other	18,041,170	4,908,970	(640,598)	1,868,923	1,417,759	(22,077,623)	(3,462,307)	1,977,692

**PacifiCorp
Summary
Washington General Rate Case - 2019
12 Months Ended June 2019**

	Total Tabs 3-9	
	Normalizing Adjustments	Washington Normalized Results
1 Operating Revenues:		
2 General Business Revenues	40,023,309	366,572,511
3 Interdepartmental	-	-
4 Special Sales	(14,866,339)	2,152,828
5 Other Operating Revenues	1,162,275	11,781,742
6 Total Operating Revenues	<u>26,319,246</u>	<u>380,507,081</u>
7		
8 Operating Expenses:		
9 Steam Production	2,924,560	73,484,774
10 Nuclear Production	-	-
11 Hydro Production	(3,434,664)	3,407,008
12 Other Power Supply	(1,784,401)	61,640,278
13 Transmission	(16,375,728)	16,000,060
14 Distribution	613,172	12,374,940
15 Customer Accounting	1,121,088	7,103,010
16 Customer Service & Info	34,279	1,037,714
17 Sales	-	-
18 Administrative & General	374,584	9,389,664
19 Total O&M Expenses	<u>(16,527,110)</u>	<u>184,437,447</u>
20 Depreciation	75,986,475	124,968,552
21 Amortization	2,839,434	7,953,282
22 Taxes Other Than Income	2,031,209	24,634,548
23 Income Taxes - Federal	(16,007,186)	2,033,984
24 Income Taxes - State	-	-
25 Income Taxes - Def Net	(12,209,732)	(19,329,553)
26 Investment Tax Credit Adj.	-	-
27 Misc Revenue & Expense	325,569	65,435
28 Total Operating Expenses:	<u>36,438,659</u>	<u>324,763,696</u>
29		
30 Operating Rev For Return:	<u>(10,119,414)</u>	<u>55,743,385</u>
31		
32 Rate Base:		
33 Electric Plant In Service	225,285,545	2,094,412,724
34 Plant Held for Future Use	-	34,943
35 Misc Deferred Debits	(3,860,838)	680,572
36 Elec Plant Acq Adj	-	-
37 Nuclear Fuel	-	-
38 Prepayments	(2,033,329)	-
39 Fuel Stock	(5,721,216)	-
40 Material & Supplies	(8,818,868)	0
41 Working Capital	20,620,031	23,459,505
42 Weatherization	-	5,093
43 Misc Rate Base	-	-
44 Total Electric Plant:	<u>225,471,324</u>	<u>2,118,592,837</u>
45		
46 Rate Base Deductions:		
47 Accum Prov For Deprec	(15,483,920)	(759,204,375)
48 Accum Prov For Amort	(320,002)	(61,873,797)
49 Accum Def Income Tax	51,828,264	(220,872,697)
50 Unamortized ITC	-	(19,597)
51 Customer Adv For Const	(2,502,028)	(2,479,813)
52 Customer Service Deposits	(2,829,106)	(2,829,106)
53 Misc Rate Base Deductions	(18,889,958)	(55,339,244)
54		
55 Total Rate Base Deductions	<u>11,803,249</u>	<u>(1,102,618,629)</u>
56		
57 Total Rate Base:	<u>237,274,574</u>	<u>1,015,974,208</u>
58		
59 Return on Equity		6.00%
60 Price Change	37,678,115	29,786,938
61		
62 TAX CALCULATION:		
63 Operating Revenue	(38,336,331)	38,447,816
64 Other Deductions		
65 Interest (AFUDC)	(4,620)	(3,016,520)
66 Interest	1,670,855	23,713,326
67 Schedule "M" Additions	84,016,801	175,733,041
68 Schedule "M" Deductions	53,530,382	111,825,408
69 Income Before Tax	<u>(9,516,147)</u>	<u>81,658,643</u>
70		
71 State Income Taxes	-	-
72 Taxable Income	<u>(9,516,147)</u>	<u>81,658,643</u>
73		
74 Federal Income Taxes + Other	<u>(16,007,186)</u>	<u>2,033,984</u>