**PACIFIC POWER’S REBUTTAL REVENUE REQUIREMENT BASED ON JULY 1, 2016 RATE EFFECTIVE DATE[[1]](#footnote-1)**

**Year 1 Revenue Requirement Increase**

|  |  |  |
| --- | --- | --- |
| **Calculated Revenue Requirement for Year 1** | | **$10,746,470** |
| **Amount Not Requested** | | **($746,470)** |
| **Filed Revenue Requirement for Year 1** | | **$10,000,000** |
|  |  |  |
| Adjustments Accepted or Partially Accepted by Company in Rebuttal | | Revenue Requirement Impact ($) |
| 4.1 | Miscellaneous Expense & Revenue | $101,677 |
| 4.9 | Membership and Subscriptions[[2]](#footnote-2) | ($2,085) |
| 4.11 | Full Time Equivalent Reductions | ($874,949) |
| 5.2 | Colstrip #3 Removal | ($829,873) |
| 5.3 | EIM Costs Removal | ($526,900) |
| 6.5 | Retired Asset Depreciation Expense Removal | ($136,978) |
| 7.2 | Property Tax Expense[[3]](#footnote-3) | $226,458 |
| 7.4 | PowerTax ADIT Balance | $24,933 |
| 7.7 | Remove Deferred State Tax Expense & Balance | ($98,122) |
| 8.4 | Pro Forma Major Plant Additions | ($653,709) |
| ***Total Impact of Adjustments Accepted*** | | ***($2,769,550)*** |
|  |  |  |
| **Revised Revenue Requirement** | | **$7,976,920** |
|  |  |  |
| Adjustments Revised by the Company in Rebuttal | | Revenue Requirement Impact ($) |
| 4.2 | General Wage Increase | $537,169 |
| 6.4 | Accelerated Depreciation - Colstrip & Jim Bridger | $273,897 |
| 7.3 | Production Tax Credits | $251,089 |
| ***Total Impact of Revisions*** | | ***$1,062,155*** |
|  |  |  |
| **Rebuttal Revenue Requirement** | | **$9,039,075** |

**TABLE 2—Year 2 Revenue Requirement Increase**

|  |  |  |
| --- | --- | --- |
| **Calculated Revenue Requirement for Year 2** | | **$10,550,094** |
| **Amount Not Requested** | | **($230,094)** |
| **Filed Revenue Requirement for Year 2** | | **$10,320,000** |
|  |  |  |
| Adjustments Revised by the Company in Rebuttal | | Revenue Requirement Impact ($) |
| 1 | Jim Bridger Unit 4 Overhaul & SCR Installation | ($829,625) |
| 2 | SCADA EMS Replacement & Upgrade | ($53,066) |
| 3 | Union Gap Transmission Project | ($111,346) |
| 4 | Production Tax Credits | $615,295 |
| 5 | Remove Deferred State Tax Expense & Balance | $171,942 |
| 6 | Interest True Up | $105,192 |
| 7 | Retired Asset Depreciation Expense Removal | ($64,917) |
| ***Total Impact of Revisions*** | | ***($166,523)*** |
| **Revised Revenue Requirement Before Exclusion** | | **$10,383,571** |
|  |  |  |
| ***Amount not Requested*** | | ***($63,571)*** |
|  |  |  |
| **Rebuttal Revenue Requirement** | | **$10,320,000** |

1. *See* McCoy, Exh. No. SEM-6T 3 Table 1 and Table 2. [↑](#footnote-ref-1)
2. The Company has partially accepted Staff’s adjustment, but still disputes Staff’s removal of costs associated with the Yakima County Development Association. *See* McCoy, Exh. No. SEM-6T 12:6-13:6. [↑](#footnote-ref-2)
3. Through discovery, Staff indicated that they accepted the Company’s rebuttal adjustment. [↑](#footnote-ref-3)