

**Table 1**

**Net Operating Income Impacts**

Results based on Revised Protocol	Adj. No.	ICNU with Staff, OPC and MEHC	Contested/Uncontested
<b>1 Net Operating Income "Unadjusted"</b>		<b>33,209,409</b>	
2			
3 Pre Merger ECD	1.1	5,339,122	Contested
4 Stipulated NPC	1.2	1,667,324	Contested
5 Reverse Production Factor	1.3	6,095,125	Contested
6 WAPA Transmission	1.4	149,155	Contested
7 Health Care	1.5	259,986	Contested
8 Pension & OPEB	1.6	418,483	Contested
9 Incentive/Bonus Expense	1.7	1,284,297	Contested
10 Consolidated Tax Adjustment	1.8	7,967,000	Contested
11 RTO Expense	1.9	140,231	Contested
12 Interest Synch	1.10	(50,531)	Contested
13 Deffered Debits	1.11	(38,473)	Contested
14 Electric Plant Acq. Adjustment	1.12	197,472	Contested
15 Major Plant Additions	1.13	(94,396)	Contested
16 Amort. Of Capial Stock Expense	1.14	106,104	Contested
17 Weather Normalization	1.15	(681,088)	Uncontested
18 DSM Amortization Removal	1.16	1,352,847	Contested
19 Property Insurance	1.17	(95,136)	Contested
20 Misc. A&G	1.18	(85,242)	Contested
21 MEHC Rate Credits Excluding West Valley	1.20	642,958	Uncontested
23 Total Net Operating Income Adjustment		24,575,235	
<b>24 Sum of Unadjusted NOI plus Adjustments</b>		<b>57,784,644</b>	

**Table 2**

**Net Rate Base Impacts**

Results based on Revised Protocol	Adj. No.	Staff with MEHC	Contested/Uncontested
<b>1 Net Rate Base "Unadjusted"</b>		600,197,129	
<b>2</b>			
3 Pre Merger ECD	1.1	-	Contested
4 Stipulated NPC	1.2	-	Contested
5 Reverse Production Factor	1.3	-	Contested
6 WAPA Transmission	1.4	-	Contested
7 Health Care	1.5	(146,000)	Contested
8 Pension & OPEB	1.6	(235,000)	Contested
9 Incentive/Bonus Expense	1.7	(723,000)	Contested
10 Consolidated Tax Adjustment	1.8	-	Contested
11 RTO Expense	1.9	-	Contested
12 Interest Synch	1.10		Contested
13 Deffered Debits	1.11	(3,192,969)	Contested
14 Electric Plant Acq. Adjustment	1.12	(7,969,000)	Contested
15 Major Plant Additions	1.13	(31,162,634)	Contested
16 Amort. Of Capial Stock Expense	1.14	-	Contested
17 Weather Normalization	1.15	-	Uncontested
18 DSM Amortization Removal	1.16	-	Contested
19 Property Insurance	1.17	-	Contested
20 Misc. A&G	1.18	(57,761)	Contested
22 Affiliate Management Fee	1.20	-	Contested
<b>23 Total Net Rate Base Adjustments</b>		(43,486,364)	
<b>24 Sum of Unadjusted Net Rate Base plus Adjustn</b>		556,710,765	

PacifiCorp General Rate Case  
UE-050684

**Table 3**  
**Rate of Return**

**Weighted Average Cost of Capital**

**Staff Proposal**

	Type of Capital	Capital Structure	Rate	Weighted Cost
1				
2	Debt	51.80%	6.4270%	3.32919%
3	Preferred Stock	1.10%	6.5900%	0.07249%
4	Common Stock	47.10%	9.8000%	4.61580%
5	Weighted Average Cost of Capital	100.00%		<b>8.0175%</b>
6	Return On Equity			<b>9.8000%</b>

**Table 4**

**Conversion Factor**

1	Operating Revenue		100.0000%	
2	Operating Revenue Deductions:			
3		Uncollectible Accounts	0.3570%	
4		Franchise Tax	0.0000%	
5		WA Revenue Tax	3.8730%	
6		WUTC Fee	0.1900%	
7	Sub-Total		<u>95.5800%</u>	
8		State Income Tax	4.3393%	4.540%
9	Sub-Total		<u>91.2407%</u>	
10		Federal Income Tax @ 35%	31.9342%	
11	Net Operating Income Conversion Factor		<u><b>59.30643%</b></u>	
12	Company uses inverse known as "Net to Gross Bump-up".		168.61578%	
13				
14	Revenue Sensitive Tax Rates			
15		FIT	35%	
16		customer accounting	0.3570%	
17		other taxes	4.0630%	

PacifiCorp General Rate Case  
UE-050684

**Table 5**  
**Calculation of Net Operating Income Deficiency or (Excess):**

		<u>Cite</u> <u>Source</u>
1	Net Rate Base - Washington Jurisdiction	556,710,765 Table 2
2	Proposed Rate of Return	8.0175% Table 3
3	Net Operating Income Requirement	44,634,286
4	Proforma Net Operating Income	57,784,644 Table 1
5	Recommended Increase (Decrease) in Net Operating Inco	(13,150,359)

PacifiCorp General Rate Case  
UE-050684

**Table 6**  
**Revenue Requirement Calculation**

1	Net Operating Income Excess	(13,150,359)
2	NOI > Revenue Conversion Factor	59.30643%
3	Revenue Requirement Increase (Decrease) (line e/line f)	(22,173,580)