

**Exh. JH-5
Dockets UE-230172 and UE-210852
Witness: Joanna Huang**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,**

Respondent.

**DOCKETS UE-230172 and
UE-210852 (Consolidated)**

In the Matter of

**ALLIANCE OF WESTERN ENERGY
CONSUMERS'**

**Petition for Order Approving Deferral of
Increased Fly Ash Revenues**

EXHIBIT TO TESTIMONY OF

JOANNA HUANG

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Production Factor, Adjustments 9.1

September 14, 2023

**PacifiCorp
Washington 2023 General Rate Case
Production Factor Adjustment - Year 1**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>STAFF WASHINGTON ALLOCATED</u>	<u>REF#</u>
Electric Plant In Service							
Steam Production	312	PRO	612	CAGW	22.163%	136	
Steam Production	312	PRO	82,915	JBG	22.163%	18,376	
Steam Production	312	PRO	4,458	SG	7.979%	356	
Hydro Production	332	PRO	683,591	SG-P	7.979%	54,542	
Hydro Production	332	PRO	266,369	SG-U	7.979%	21,253	
Other Production	343	PRO	57,056	CAGW	22.163%	12,645	
Other Production	343	PRO	764,234	SG	7.979%	60,977	
			<u>1,859,234</u>			<u>168,285</u>	9.1.2
Depreciation Reserve							
Steam Production	108SP	PRO	(549)	CAGW	22.163%	(122)	
Steam Production	108SP	PRO	(573)	JBG	22.163%	(127)	
Steam Production	108SP	PRO	(23,180)	SG	7.979%	(1,850)	
Hydro Production	108HP	PRO	(199,771)	SG-P	7.979%	(15,939)	
Hydro Production	108HP	PRO	(87,858)	SG-U	7.979%	(7,010)	
Other Production	108OP	PRO	(207,056)	CAGW	22.163%	(45,890)	
Other Production	108OP	PRO	(1,555,298)	SG	7.979%	(124,094)	
			<u>(2,074,286)</u>			<u>(195,031)</u>	9.1.2
Depreciation Expense							
Steam Production	403SP	PRO	14,006	CAGW	22.163%	3,104	
Steam Production	403SP	PRO	69,177	JBG	22.163%	15,332	
Steam Production	403SP	PRO	11,227	SG	7.979%	896	
Hydro Production	403HP	PRO	11,589	SG-P	7.979%	925	
Hydro Production	403HP	PRO	11,564	SG-U	7.979%	923	
Other Production	403OP	PRO	(4,014)	CAGW	22.163%	(890)	
Other Production	403OP	PRO	33,073	SG	7.979%	2,639	
Other Production	403OP	PRO	-	WA	Situs	-	
			<u>146,623</u>			<u>22,928</u>	9.1.2

Description of Adjustment:

The production factor is a means of adjusting the pro forma production components of the revenue requirement to be consistent with Test Year production levels. The production factor has been calculated by dividing Washington's normalized historical retail load by the Washington pro forma load for the calendar year 2024 period. This calculation is detailed on page 9.1.3. This factor is then applied to the pro forma generation related components of the revenue requirement.

PacifiCorp
Washington 2023 General Rate Case
(cont.) Production Factor Adjustment - Year 1

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>STAFF WASHINGTON ALLOCATED</u>	<u>REF#</u>
Operating Expenses (Excluding Net Power Costs)							
Other Production	545	PRO	7,188	SG	7.979%	573	
Other Production	549	PRO	8,909	SG	7.979%	711	
			<u>16,096</u>			<u>1,284</u>	9.1.2
Net Power Costs							
Sales for Resale	447NPC	PRO	108,733	WA	Situs	108,733	
Purchased Power	555NPC	PRO	535,587	WA	Situs	535,587	
Wheeling Expenses	565NPC	PRO	71,333	WA	Situs	71,333	
Fuel Expenses	501NPC	PRO	212,901	WA	Situs	212,901	
Fuel Expenses	547NPC	PRO	362,633	WA	Situs	362,633	898,931
			<u>1,073,720</u>			<u>1,073,720</u>	9.1.2
Fly Ash Revenues							
Other Electric Revenues	456	PRO	(24,965)	JBG	22.163%	(5,533)	9.1.2
Production Tax Credit							
Federal Taxes	40910	PRO	(409,341)	SG	7.979%	(32,660)	9.1.2
WY Wind Generation Tax							
Taxes Other than Income	408	PRO	15,795	SG	7.979%	1,260	9.1.2

Description of Adjustment:

The production factor is a means of adjusting the pro forma production components of the revenue requirement to be consistent with Test Year production levels. The production factor has been calculated by dividing Washington's normalized historical retail load by the Washington pro forma load for the calendar year 2024 period. This calculation is detailed on page 9.1.3. This factor is then applied to the pro forma generation related components of the revenue requirement.

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Production Factor Adjustment - Year 1

FERC Function	FERC Acct.	WJAM Fact.	Unadjusted / Per Books	Revised										Before Production Factor		After Production Factor		Washington Allocated Production Factor	Ref.		
				Washington Allocated Results	4.13 Incremental O&M Expenses	5.1 Net Power Costs (Restating)	5.2 Net Power Costs (Pro Forma) - Year 1	7.3 Production Tax Credit - Year 1	7.10 Wyoming Wind Generation Tax	8.4 Pro Forma Major Plant Additions - Year 1	8.11 Confidential Pro Forma Capital Additions - Year 1	10.2 Jim Bridger SCR Removal	10.5 Existing Coal-Fired Generation Assets - Year 1	10.6 Pro Forma JB Units 3, 4 and Colstrip 4 Additions - Year 1	10.7 Pro Forma JB Units 1 & 2 Additions - Year 1	10.8 Fly Ash Revenues - Year 1	Normalized Washington Allocated Results			Production Factor	Normalized Washington Allocated Results
Electric Plant In Service																					
Steam Production	312	CAGW	-											25,006			25,006	100.542%	25,142	136	9.1
Steam Production	312	JBG	-											1,706,337	1,684,132		3,390,469	100.542%	3,408,845	18,376	9.1
Steam Production	312	SG	-							65,622							65,622	100.542%	65,978	356	9.1
Hydro Production	332	SG-P	-							10,063,134							10,063,134	100.542%	10,117,677	54,542	9.1
Hydro Production	332	SG-U	-							3,921,217							3,921,217	100.542%	3,942,470	21,253	9.1
Other Production	343	CAGW	-							2,333,095							2,333,095	100.542%	2,345,740	12,645	9.1
Other Production	343	SG	-							8,928,617	2,321,669						11,250,285	100.542%	11,311,262	60,977	9.1
			-							25,311,685	2,321,669			1,731,343	1,684,132		31,048,828		31,217,113	168,285	9.1
Depreciation Reserve																					
Steam Production	108SP	CAGW	-							0.000				(22,460)			(22,460)	100.542%	(22,582)	(122)	9.1
Steam Production	108SP	JBG	-							0.000				(17,129)	(6,288)		(23,417)	100.542%	(23,544)	(127)	9.1
Steam Production	108SP	SG	-							(341,238)							(341,238)	100.542%	(343,088)	(1,850)	9.1
Hydro Production	108HP	SG-P	-							(2,940,829)							(2,940,829)	100.542%	(2,956,769)	(15,939)	9.1
Hydro Production	108HP	SG-U	-							(1,293,364)							(1,293,364)	100.542%	(1,300,374)	(7,010)	9.1
Other Production	108OP	CAGW	-							(8,466,748)							(8,466,748)	100.542%	(8,512,637)	(45,890)	9.1
Other Production	108OP	SG	-							(22,890,284)	(5,246)						(22,895,530)	100.542%	(23,019,624)	(124,094)	9.1
			-							(35,932,462)	(5,246)			(39,589)	(6,288)		(35,983,586)		(36,178,617)	(195,031)	9.1
Depreciation Expense																					
Steam Production	403SP	CAGW	-											572,166		568	572,734	100.542%	575,839	3,104	9.1
Steam Production	403SP	JBG	-										418,475	2,380,375	14,438	15,428	2,828,716	100.542%	2,844,047	15,332	9.1
Steam Production	403SP	SG	-							165,277							165,277	100.542%	166,173	896	9.1
Hydro Production	403HP	SG-P	-							170,598							170,598	100.542%	171,522	925	9.1
Hydro Production	403HP	SG-U	-							170,235							170,235	100.542%	171,158	923	9.1
Other Production	403OP	CAGW	-							(164,135)							(164,135)	100.542%	(165,025)	(890)	9.1
Other Production	403OP	SG	-							389,160	97,711						486,871	100.542%	489,510	2,639	9.1
Other Production	403OP	WA	-															100.542%			9.1
			-							731,135	97,711		418,475	2,952,541	15,006	15,428	4,230,296		4,253,224	22,928	9.1
Operating Expenses (Excluding Net Power Costs)																					
Other Production	545	SG	-	105,809													105,809	100.542%	106,382	573	9.1.1
Other Production	549	SG	-														131,145	100.542%	131,856	711	9.1.1
			-	105,809													236,954		238,238	1,284	9.1.1
Net Power Costs																					
Sales for Resale	447NPC	WA	1,285,829			18,775,653											20,061,482	100.542%	20,170,215	108,733	9.1.1
Purchased Power	555NPC	WA	84,296,523	(7,141,821)		21,662,088											98,816,790	100.542%	99,352,377	535,587	9.1.1
Wheeling Expenses	565NPC	WA	12,723,339			437,674											13,161,014	100.542%	13,232,346	71,333	9.1.1
Fuel Expenses	501NPC	WA	41,439,815			(2,159,200)											39,280,615	100.542%	39,493,516	212,901	9.1.1
Fuel Expenses	547NPC	WA	31,464,377			35,442,043											66,906,419	100.542%	67,269,052	362,633	9.1.1
			168,638,225		(7,141,821)	36,606,951											198,103,356		199,177,076	1,073,720	9.1.1
Fly Ash Revenues																					
Other Electric Revenues	456	JBG	-																(1,020,828)		
			-																(1,020,828)		(5,533)
Production Tax Credit																					
Federal Taxes	40910	SG	-				(6,025,906)												(6,025,906)		(32,660)
WY Wind Generation Tax																					
Taxes Other than Income	408	SG	-					232,525											232,525		1,260

**PacifiCorp
Washington 2023 General Rate Case
Production Factor Adjustment - Year 1**

Washington Historical Normalized Retail Sales (12-Months Ended June 2022)

	Washington		
Actual MWh	4,215,928		
Normalizing Adjustments	(166)		
Temperature Normalization	<u>(21,585)</u>		
Normalized Retail Sales (MWh)	4,194,177	Numerator in Production Factor Calculation	Ref. 3.1.2

Forecast Loads Used for Production Factor (12-Months Ending December 2024)

	Washington		
Pro Forma Retail Sales (MWh)	4,171,557	Denominator in Production Factor Calculation	
Production Factor	100.542%		Ref. 9.1.2

Production Factor

Washington Historical Temperature Adjusted Load (at Sales)	4,194,177	MWh
Washington Pro Forma 12-Months Ending December 2024	4,171,557	MWh
Production Factor	<u>100.542%</u>	