

**Exh. JT-1Tr
Dockets UE-191024, UE-190750,
UE-190929, UE-190981,
UE-180778 (*Consolidated*)
Witness: Michael G. Wilding
Jason L. Ball
Corey Dahl
Robert Earle
Lance D. Kaufman
Shawn M. Collins
Alex Kronauer**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PACIFIC POWER & LIGHT COMPANY,

Respondent.

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

TESTIMONY OF

**Michael G. Wilding
Jason L. Ball
Corey Dahl
Robert Earle
Lance D. Kaufman
Shawn M. Collins
Alex Kronauer**

Revised Joint Testimony in Support of Settlement Stipulation

August 11, 2020

1 beginning January 1, 2021.⁷

Table 1 – Tax Benefits included in Schedule 197

TCJA Balances	Amount
Current Taxes	\$9.5 million
Non-protected EDIT	\$25.9 million
Deferred protected EDIT amortization	\$15.1 million
Total	\$50.5 million

2 **B. Rate of Return**

3 **Q. Is there a change to PacifiCorp’s authorized capital structure and cost of equity?**

4 A. No. The Parties have agreed to maintain the current authorized capital structure and
5 cost of equity that were previously approved for PacifiCorp in Docket UE-152253,
6 which supports a rate of return at 7.17 percent.

7 **C. Pro Forma Major Capital Additions & Net Power Costs**

8 **Q. Please explain the Parties’ agreement on pro forma capital additions.**

9 A. Certain major capital additions that will be placed in service after May 1, 2020 will be
10 placed into rates subject to refund and will be reviewed for prudence in a later
11 proceeding. The parties have agreed to support an expedited schedule for this
12 proceeding so that it may be concluded within seven months of filing.

13 There will be no further incorporation of capital additions into rates through
14 2023. PacifiCorp may include in the 2020 capital additions review any unanticipated
15 capital additions placed into service prior to the Company’s filing, which if found

⁷ The Company is using the Reverse South George Method to amortize protected EDIT. A full detail of these amounts is provided in Exhibit JT-2.