

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY,

Respondent.

DOCKETS UE-230172

**DAVID E. DISMUKES, PH.D.
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT DED-5

Results of Alternative Class Cost of Service Study

September 14, 2023

Results of Alternative Class Cost of Service Study

Description	Washington Jurisdiction Normalized	Residential (Schedule 16)	Small General Service (Schedule 24)	Large General Service < 1,000 kW (Schedule 36)	Large General Service > 1,000 kW (Schedule 48)	Large General Dedicated Facilities (Schedule 48)	Agricultural Pumping (Schedule 40)	Street & Area Lighting (Sch. 15, 51-54, 57)
Rate Base								
Total Electric Plant in Service	\$ 2,408,541,689	\$ 1,161,839,337	\$ 335,699,756	\$ 435,458,838	\$ 169,220,254	\$ 198,145,014	\$ 99,571,936	\$ 8,606,554
Plus: Rate Base Additions	30,852,256	14,719,637	4,313,395	5,676,220	2,194,383	2,591,798	1,250,867	105,955
Less: Rate Base Deductions	(1,338,969,598)	(650,792,694)	(188,724,553)	(238,596,772)	(92,135,524)	(106,952,352)	(56,355,925)	(5,411,779)
Total Net Electric Plant in Service	\$ 1,100,424,347	\$ 525,766,280	\$ 151,288,598	\$ 202,538,286	\$ 79,279,113	\$ 93,784,461	\$ 44,466,878	\$ 3,300,730
Operating Income								
Electric Operating Revenues								
Sales to Ultimate Customers	\$ 404,628,751	\$ 176,071,755	\$ 58,004,210	\$ 84,757,249	\$ 31,760,598	\$ 38,671,305	\$ 14,475,016	\$ 888,617
Electric Sales Debits and Credits	21,088,384	7,760,638	2,901,099	4,897,866	1,929,324	2,667,521	909,986	21,951
Other Electric Operating Revenues	20,654,359	13,790,726	2,928,432	1,551,741	583,887	756,990	769,881	272,702
Total Electric Operating Revenues	\$ 446,371,495	\$ 197,623,119	\$ 63,833,741	\$ 91,206,856	\$ 34,273,809	\$ 42,095,816	\$ 16,154,883	\$ 1,183,270
Electric Operating Expenses								
Operation & Maintenance Expenses	\$ 299,613,962	\$ 127,105,585	\$ 39,601,072	\$ 62,484,833	\$ 25,002,475	\$ 33,800,434	\$ 10,971,818	\$ 647,745
Depreciation Expense	55,619,536	27,003,822	7,767,691	9,998,618	3,866,898	4,416,882	2,338,420	227,204
Amortization Expense	15,472,659	8,045,746	2,160,889	2,444,439	959,946	1,176,871	598,994	85,774
Taxes Other Than Income	28,898,160	13,987,137	3,946,407	5,211,822	2,049,915	2,444,771	1,170,001	88,108
Income Taxes - Federal	(14,192,441)	(5,248,039)	(1,608,957)	(3,475,555)	(1,364,972)	(2,018,435)	(494,784)	18,301
Income Taxes - State	-	-	-	-	-	-	-	-
Income Taxes Deferred	(2,711,755)	(2,090,885)	(498,024)	(61,854)	(19,183)	140,461	(148,874)	(33,394)
Investment Tax Credit Adj	-	-	-	-	-	-	-	-
Misc Revenues & Expense	(98,259)	(40,067)	(12,976)	(21,418)	(8,607)	(11,314)	(3,711)	(165)
Total Electric Operating Expenses	\$ 382,601,861	\$ 168,763,298	\$ 51,356,102	\$ 76,580,884	\$ 30,486,471	\$ 39,949,669	\$ 14,431,863	\$ 1,033,573
Total Operating Income	\$ 63,769,633	\$ 28,859,820	\$ 12,477,640	\$ 14,625,972	\$ 3,787,338	\$ 2,146,147	\$ 1,723,020	\$ 149,697
Rate of Return on Rate Base ("ROR")	5.80%	5.49%	8.25%	7.22%	4.78%	2.29%	3.87%	4.54%
Relative Rate of Return ("RROR")	1.00	0.95	1.42	1.25	0.82	0.39	0.67	0.78

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Required Income Under Company's Proposed ROR								
Rate Base	\$ 1,100,424,347	\$ 525,766,280	\$ 151,288,598	\$ 202,538,286	\$ 79,279,113	\$ 93,784,461	\$ 44,466,878	\$ 3,300,730
Proposed Rate of Return	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
Required Operating Income @ 7.60 ROR	\$ 83,632,236	\$ 39,958,230	\$ 11,497,931	\$ 15,392,907	\$ 6,025,212	\$ 7,127,618	\$ 3,379,482	\$ 250,855
Electric Operating Expenses								
Income Tax Adjustment	6,642,091	3,173,492	913,168	1,222,508	478,524	566,077	268,399	19,923
Revenue Credits	\$ (41,484,238)	\$ (21,439,372)	\$ (5,797,100)	\$ (6,395,863)	\$ (2,491,867)	\$ (3,395,549)	\$ (1,670,140)	\$ (294,346)
Total Cost of Service	\$ 431,391,950	\$ 190,455,648	\$ 57,970,101	\$ 86,800,436	\$ 34,498,339	\$ 44,247,815	\$ 16,409,604	\$ 1,010,006
Electric Rate Revenues								
Sales to Ultimate Customers	\$ 404,628,751	\$ 176,071,755	\$ 58,004,210	\$ 84,757,249	\$ 31,760,598	\$ 38,671,305	\$ 14,475,016	\$ 888,617
Total Electric Rate Revenues	\$ 404,628,751	\$ 176,071,755	\$ 58,004,210	\$ 84,757,249	\$ 31,760,598	\$ 38,671,305	\$ 14,475,016	\$ 888,617
Revenue Deficiency	\$ 26,763,199	\$ 14,383,893	\$ (34,109)	\$ 2,043,187	\$ 2,737,741	\$ 5,576,510	\$ 1,934,588	\$ 121,389
Proposed Rate Increase (Decrease)	6.61%	8.17%	-0.06%	2.41%	8.62%	14.42%	13.37%	13.66%
Relative Proposed Rate Increase	1.00	1.24	(0.01)	0.36	1.30	2.18	2.02	2.07