Option 1: Compare to Rolled-In Methodology

1	Rolled In SE Factor:	Used for Energy Allocation	8.51%	From PPL JAM
2	Rolled In SG Factor:	Used for Generation Allocation	8.77%	From PPL JAM
3	Composite at 25% / 75%	Composite Allocator	8.71%	25% x (1) + 75% x (2)

Table 1   Company Allocation Method

	(A)		(B)		(C)	(D)	(E)
	Hydro		Total MWh		WA MWh	Cost/Mwh	Allocated Cost
4	Lewis		2,261,317		196,937	13.30	$2,618,277
5	Small North OR		85,554		7,451	33.01	$245,951
6	Small North WA		155,809		13,569	33.01	$447,924
7	North Umpqua		1,050,460		91,484	17.61	$1,611,262
8	Klamath		492,149		42,861	31.11	$1,333,298
9	Rogue		353,512		30,787	12.72	$391,690
10	Bear		386,780		33,685	34.78	$1,171,463
11	Hydro East		145,728		12,691	60.49	$767,699
12	Total Hydro		4,931,308		429,465	20.00	$8,587,565

	Thermal Assignment						
13	Total Thermal		49,489,272		4,309,996	30.63	$132,030,290
14	Total Washington Thermal + Hydro				4,739,461	29.67	$140,617,855

Table 2   Washington Hydro Allocation Method

	Hydro		Total MWh		WA MWh	Cost/Mwh	Allocated Cost	
15	Lewis		2,261,317		2,261,317	13.30	$30,064,212	
16	Small North OR		85,554		0	33.01	$0	
17	Small North WA		155,809		155,809	33.01	$5,143,255	
18	North Umpqua		1,050,460		0	17.61	$0	
19	Klamath		492,149		0	31.11	$0	
20	Rogue		353,512		0	12.72	$0	
21	Bear		386,780		0	34.78	$0	
22	Hydro East		145,728		0	60.49	$0	
23	Total Hydro		4,931,308		2,417,126	14.57	$35,207,467	
24	Hydro Difference				1,987,661		$26,619,902	L. 23 - L. 12
25	Thermal Difference				(1,987,661)	30.63	($60,889,027)	
26	**Net Difference**				**0**		**($34,269,125)**	
27	Total Washington Thermal + Hydro				4,739,461	22.44	$106,348,731	

Option 2:   Compare to Control Area Methodology

1 Rolled In SE Factor:	Used for Energy Allocation	22.63%	From PPL JAM	
2 Rolled In SG Factor:	Used for Generation Allocation	22.39%	From PPL JAM	
3 Composite at 25% / 75%	Composite Allocator	22.45%	25% x (1) + 75% x (2)	

Table 1   Control Area Method with Melded Hydro

	(A)	(B)	(C)	(D)	(E)
	Hydro	Total MWh	WA MWh	Cost/Mwh	Allocated Cost
4	Lewis	2,261,317	507,691	13.30	$6,749,754
5	Small North OR	85,554	19,208	33.01	$634,047
6	Small North WA	155,809	34,981	33.01	$1,154,719
7	North Umpqua	1,050,460	235,840	17.61	$4,153,733
8	Klamath	492,149	110,493	31.11	$3,437,158
9	Rogue	353,512	79,367	12.72	$1,009,753
10	Bear	0	0	34.78	$0
11	Hydro East	0	0	60.49	$0
12	Total Hydro	4,398,800	987,580	17.35	$17,139,163
	Thermal Assignment				
13	Colstrip	1,019,209	228,824	27.75	$6,350,435
14	Bridger	10,412,722	2,337,773	25.07	$58,602,130
15	Hermiston	1,952,160	438,282	40.34	$17,679,195
	Total Thermal	13,384,091	3,004,879	27.50	$82,631,761
16	Total Washington Thermal + Hydro		3,992,459	24.99	$99,770,924

Table 2   Control Area Method with Situs Hydro

	Hydro	Total MWh	WA MWh	Cost/Mwh	Allocated Cost	
17	Lewis	2,261,317	2,261,317	13.30	$30,064,212	
18	Small North OR	85,554	0	33.01	$0	
19	Small North WA	155,809	155,809	33.01	$5,143,255	
20	North Umpqua	1,050,460	0	17.61	$0	
21	Klamath	492,149	0	31.11	$0	
22	Rogue	353,512	0	12.72	$0	
23	Bear	0	0	34.78	$0	
24	Hydro East	0	0	60.49	$0	
23						
25	Total Hydro	4,338,227	2,417,126	14.57	$35,207,467	
26	Hydro Difference		1,429,546	14.57	$18,068,304	L. 25 - L. 12
27	Thermal Difference		(1,429,546)	27.50	($39,311,368)	
28	**Net Difference**		**0**		**($21,243,064)**	
29	Total Washington Thermal + Hydro		3,992,459	19.67	$78,527,860	

Notes on Exhibits JL-2 and JL-3

Data on Cost of power per kWh provided by Pacificorp in document entitled "Analysis of Generation Plant Costs" distributed December 3, 2002; no update of this was available per Public Counsel Data Request No. 147.

Data on general by power plant provided by Pacificorp in document dated 11/25/02, used for consistency with cost data provided December 3, 2002.

Small North unit costs assumed equal for Washington and Oregon. Energy pro-rated between states based on MSP 17 analysis dated 3/25/03

For purposes of this analysis, no change was made to the 25% energy, 75% demand allocation of costs. More re studies indicate that a 13% demand, 87% energy allocation of costs may be more appropriate.

In both Options, the first step is to subtract the Company's allocation of hydro costs and benefits, and substitute Washington hydro costs and benefits. The second step is to backfill the remaining load with thermal. In Option 1 this is done at the average system thermal cost. In Option 2 this is done at the average Control Area thermal cost.

In both Options, contracts in and out are assumed unchanged. The only change is the substitution of hydro costs and benefits for an equal amount of thermal costs and benefits.

In both Options, the Washington Hydro is compared with the amount of hydro energy that Washington would receive using the Company's Jurisdictional Allocation Model (JAM) allocation factors. The difference between these drives the hydro quantity difference. All Washington hydro is priced at the cost of Washington hydro as computed by Pacificorp.

Total mWh does not add up to system load due to exclusion of contracts. Total Washington load is approximately 4.3 million mWh, roughly the same order of magnitude as the hydro plus thermal costs and benefits examined.

A stricter definition of "Washington hydro" might treat contract hydro (mid-Columbia) as part of Washington hydro. This would have the effect of further reducing Washington power costs.

No re-examination of transmission is included in this analysis.

No examination of prudence is reflected in this analysis, and the analysis should not be interpreted as accepting the prudence of any resources.