Exhibit ___ (TES-2) Docket UE-061546

Witness: Thomas E. Schooley

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET UE-061546

Complainant,

VS.

PACIFICORP dba Pacific Power & Light Company,

Respondent.

In the Matter of the Petition of

PACIFIC POWER & LIGHT COMPANY

For an Accounting Order Approving Deferral of Certain Costs Related to the MidAmerican Energy Holdings Company Transition.

DOCKET UE-060817

EXHIBIT TO TESTIMONY OF

Thomas E. Schooley

STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Revenue Requirements Presentation

February 16, 2007

PacifiCorp Results of Operations For Ratemaking Purposes For The Twelve Months Ended March 2006 - Washington

| | | (1) Unadjusted | (2) Ratemaking | (3) Total Adjusted | (4) <i>Per</i> | (5) Results With |
|--|--|---|--|--|-------------------|---|
| | | Results | Adjustments | at Present Rates | Staff | Price Change |
| | Operating Revenues: | | | | 5.41% | |
| 1 | General Business Revenues | \$216,563,926 | \$10,000,070 | \$226,563,996 | \$12,251,343 | \$238,815,339 |
| | Interdepartmental | 0 | \$0 | 0 | 0 | 0 |
| 3 | Special Sales | 70,040,265 | (\$2,408,487) | 67,631,778 | 0 | 67,631,778 |
| | Other operating revenues | 12,858,150 | (\$425,515) | 12,432,635 | 0 | 12,432,635 \$318,879,752 |
| 5 | Total Operating Revenues | \$299,462,341 | \$7,166,068 | \$306,628,409 | \$12,251,343 | \$310,075,732 |
| 6 | Operating Expenses: | | | | | |
| 7 | Steam Production | 39,215,319 | (\$173,833) | 39,041,486 | | 39,041,486 |
| _ | Steam Production Nuclear Production | 0 | \$0 | . 0 | | 0 |
| - | Hydro Production | 5,398,239 | (\$88,290) | 5,309,949 | | 5,309,949 |
| | Other Power Supply | 106,559,228 | \$14,420,731 | 120,979,959 | , | 120,979,959 |
| | Transmission | 19,293,803 | (\$315,554) | 18,978,249 | | 18,978,249 |
| | Distribution | 11,409,387 | (\$15,539) | 11,393,848 | | 11,393,848 |
| | Customer Accounting | 7,937,764 | (\$103,271) | 7,834,493 | 59,419 | 7,893,912 |
| | Customer Service & Info | 5,471,850 | (\$4,960,687) | 511,163 | | 511,163 |
| | Sales | 0 | \$0 | 0 | | 0 |
| | Administrative & General | 17,593,731 | (\$3,475,269) | 14,118,462 | | 14,118,462 |
| 18 | Total O&M Expense | 212,879,321 | 5,288,288 | 218,167,609 | 59,419 | 218,227,028 |
| | Depreciation | 28,733,363 | (\$390,322) | 28,343,041 | | 28,343,041 |
| | Amortization | 4,314,307 | (\$398,417) | 3,915,890 | | 3,915,890 |
| | Taxes Other than Income | 13,139,570 | (\$421,840) | 12,717,730 | 497,772 | 13,215,502 |
| | Income Taxes: Federal | 4,490,665 | (\$360,986) | 4,129,679 | 4,092,953 | 8,222,632 |
| 23 | : State | 0 | \$0 | 0 | . 0 | 0 |
| | Deferred Income Taxes | 6,573,773 | (\$1,488,593) | 5,085,180 | | 5,085,180 |
| | Investment Tax Credit Adj. | 0 | \$0 | 0 | • | 0 |
| | Misc. Revenue & Expense | (2,408,092) | \$2,008,335 | (399,757) | | (399,757) |
| 27 | Total Operating Expenses: | 267,722,907 | 4,236,465 | 271,959,372 | 4,650,144 | 276,609,516 |
| | | | | | | |
| 28 | | | | ## 4 CCO PAR | ea 401 100 | e42 270 226 |
| | Operating Revenue for Return: | \$31,739,434 | \$2,929,603 | \$34,669,037 | \$7,601,199 | \$42,270,236 |
| 28 | | \$31,739,434 | \$2,929,603 | \$34,669,037 | \$7,601,199 | \$42,270,236 |
| 28 29 | Operating Revenue for Return: | \$31,739,434 | | | \$7,601,199 | |
| 28 29 30 31 | | \$31,739,434 1,054,370,908 | \$3,713,521 | 1,058,084,429 | \$7,601,199 | 1,058,084,429 |
| 28 29 30 31 32 | Rate Base: | 1,054,370,908 1,572 | \$3,713,521 (\$26) | 1,058,084,429 1,546 | \$7,601,199 | 1,058,084,429 1,546 |
| 28 29 30 31 32 33 | Rate Base: Electric Plant in Service | 1,054,370,908 1,572 2,814,534 | \$3,713,521 (\$26) (\$1,446,125) | 1,058,084,429 1,546 1,368,409 | \$7,601,199 | 1,058,084,429 1,546 1,368,409 |
| 28 29 30 31 32 33 34 | Rate Base: Electric Plant in Service Plant Held for Future Use | 1,054,370,908 1,572 2,814,534 0 | \$3,713,521 (\$26) (\$1,446,125) \$0 | 1,058,084,429 1,546 1,368,409 0 | \$7,601,199 | 1,058,084,429 1,546 1,368,409 0 |
| 28 29 30 31 32 33 34 35 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits | 1,054,370,908 1,572 2,814,534 0 0 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 | 1,058,084,429 1,546 1,368,409 0 0 | \$7,601,199 | 1,058,084,429 1,546 1,368,409 0 |
| 28 29 30 31 32 33 34 35 36 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) | \$7,601,199 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) |
| 28 29 30 31 32 33 34 35 36 37 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) | \$7,601,199 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) |
| 28 29 30 31 32 33 34 35 36 37 38 39 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc, Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) | \$7,601,199 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) |
| 28 29 30 31 32 33 34 35 36 37 38 39 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 | \$7,601,199 | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc, Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 | \$7,601,199 | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 | | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 | \$7,601,199 | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 | | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 | | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 | | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation Accum. Prov. for Amortization | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 (423,740,177) (27,862,556) | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) \$19,122,777 \$254,859 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) | | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation Accum. Prov. for Amortization Accum. Deferred Income Tax | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 (423,740,177) (27,862,556) (79,425,339) | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) \$19,122,777 \$254,859 (\$10,497,066) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) | | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation Accum. Prov. for Amortization Accum. Deferred Income Tax Unamortized ITC | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 (423,740,177) (27,862,556) (79,425,339) (1,914,487) | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) \$19,122,777 \$254,859 (\$10,497,066) \$365,750 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) | | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation Accum. Prov. for Amortization Accum. Deferred Income Tax Unamortized ITC Customer Advances for Const. | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 (423,740,177) (27,862,556) (79,425,339) (1,914,487) (984,551) | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) \$19,122,777 \$254,859 (\$10,497,066) \$365,750 \$984,551 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 | | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 |
| 28 29 30 31 32 33 344 35 36 37 38 39 40 41 42 43 45 50 51 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation Accum. Prov. for Amortization Accum. Deferred Income Tax Unamortized ITC Customer Advances for Const. Customer Service Deposits | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 (423,740,177) (27,862,556) (79,425,339) (1,914,487) (984,551) 0 | \$3,713,521 (\$26) (\$1,446,125) \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) \$19,122,777 \$254,859 (\$10,497,066) \$365,750 \$984,551 (\$2,001,969) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 (2,001,969) | | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 (2,001,969) |
| 28 29 30 31 32 33 344 35 36 37 38 39 40 41 424 45 46 47 48 49 50 51 52 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation Accum. Prov. for Amortization Accum. Deferred Income Tax Unamortized ITC Customer Advances for Const. Customer Service Deposits Miscellaneous Deductions | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 (423,740,177) (27,862,556) (79,425,339) (1,914,487) (984,551) | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) \$19,122,777 \$254,859 (\$10,497,066) \$365,750 \$984,551 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 | | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 50 51 51 52 53 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation Accum. Prov. for Amortization Accum. Deferred Income Tax Unamortized ITC Customer Advances for Const. Customer Service Deposits Miscellaneous Deductions | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 (423,740,177) (27,862,556) (79,425,339) (1,914,487) (984,551) 0 | \$3,713,521 (\$26) (\$1,446,125) \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) \$19,122,777 \$254,859 (\$10,497,066) \$365,750 \$984,551 (\$2,001,969) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 (2,001,969) | | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 (2,001,969) |
| 28 29 30 31 32 33 34 43 53 44 45 46 47 48 49 50 51 52 53 54 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation Accum. Prov. for Amortization Accum. Deferred Income Tax Unamortized ITC Customer Advances for Const. Customer Service Deposits Miscellaneous Deductions: Total Rate Base Deductions: | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 (423,740,177) (27,862,556) (79,425,339) (1,914,487) (984,551) 0 (7,140,575) | \$3,713,521 (\$26) (\$1,446,125) \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) \$19,122,777 \$254,859 (\$10,497,066) \$365,750 \$984,551 (\$2,001,969) (\$2,287,924) 5,940,978 | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 (2,001,969) (9,428,499) | 0 | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 (2,001,969) (9,428,499) |
| 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 51 52 53 54 54 55 56 56 57 57 57 57 57 57 57 57 57 57 57 57 57 | Rate Base: Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base Total Electric Plant: Deductions: Accum. Prov. for Depreciation Accum. Prov. for Amortization Accum. Deferred Income Tax Unamortized ITC Customer Advances for Const. Customer Service Deposits Miscellaneous Deductions: Total Rate Base Deductions: | 1,054,370,908 1,572 2,814,534 0 0 2,621,932 2,516,964 7,027,466 4,014,806 2,256,731 394,024 1,076,018,937 (423,740,177) (27,862,556) (79,425,339) (1,914,487) (984,551) 0 (7,140,575) | \$3,713,521 (\$26) (\$1,446,125) \$0 \$0 (\$2,644,180) (\$2,516,964) (\$7,084,001) \$4,244,617 \$0 (\$394,024) (6,127,182) \$19,122,777 \$254,859 (\$10,497,066) \$365,750 \$984,551 (\$2,001,969) (\$2,287,924) | 1,058,084,429 1,546 1,368,409 0 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 (2,001,969) (9,428,499) | 0 | 1,058,084,429 1,546 1,368,409 0 (22,248) 0 (56,535) 8,259,423 2,256,731 0 1,069,891,755 (404,617,400) (27,607,697) (89,922,405) (1,548,737) 0 (2,001,969) (9,428,499) |

PacifiCorp Results of Operations For Ratemaking Purposes For The Twelve Months Ended March 2006 - Washington

| | (1) Unadjusted Results | (2) Ratemaking Adjustments | (3) Total Adjusted at Present Rates | (4) Per Staff | (5) Results With Price Change |
|--|------------------------------|--|---|---------------------|-------------------------------------|
| 59 | | | | | |
| 60 61 TAX CALCULATION 62 | = | ate Income Tax Rate deral Income Tax Rate | ÷ | 0.00% · 35.00% | |
| 63 64 Operating Revenue | 42,803,872 | 1,080,024 | 43,883,896 | 11,694,152 | 55,578,048 |
| 65 Other Deductions | | \$0 | Q | 0 | 0 |
| 66 Interest (AFUDC) | 0 17,657,050 | (\$105,430) | 17,551,620 | 0 | 17,551,620 |
| 67 Interest | 40,792,555 | \$1,030,852 | 41,823,407 | 0 | 41,823,407 |
| 68 Schedule "M" additions 69 Schedule "M" deductions | 51,800,867 | \$1,450,389. | 53,251,256 | 0 | 53,251,256 |
| 70 | 14,138,510 | 765,917 | 14,904,427 | 11,694,152 | (57,048,235) |
| 71 Income Before Tax | 14,136,310 | \$0 | 0 | 0 | C |
| 72 State Income Tax | 14,138,510 | 765,917 | 14,904,427 | 11,694,152 | (57,048,235) |
| 73 Taxable Income | 14,138,510 | (\$629,057) | (629,057) | 0 | (629,057) |
| 74 Adjustments to FIT 75 Federal Income Tax-Current | 4,948,479 | (360,986) | 4,587,493 | 4,092,953 | 8,680,446 |

Calculation of Revenue Requirement Deficiency or (Excess):

| a) Net Rate Base - Washington Jurisdiction | 534,765,048 |
|---|---------------|
| b) Proposed Rate of Return | 7.9045% |
| c) Net Operating Income Requirement | 42,270,236 |
| d) Proforma Net Operating Income | 34,669,037 |
| e) Net Operating Income Deficiency | 7,601,199 |
| f) NOI > Revenue Conversion Factor | 62.0438% |
| g) Revenue Requirement Deficiency (line e/line f) | \$ 12,251,343 |

| PacifiCorp General Rate Case | | | |
|--|-------------------------|------------|-----------|
| Conversion Factor | | • | Nominal |
| | | | Tax Rate |
| Operating Revenue | | 100.0000% | . * |
| Operating Revenue Deductions: | | | |
| | Uncollectible Accounts | 0.4850% | |
| | Franchise Tax | 0.0000% | |
| | WA Revenue Tax | 3.8730% | |
| | WUTC Fee | 0.1900% | corrected |
| Sub-Total | | 95.4520% | |
| | State Income Tax | 0.0000% | 0.000% |
| Sub-Total | | 95.4520% | |
| | ederal Income Tax @ 35% | 33.4082% | 35% |
| Net Operating Income Conversion Factor | • | 62.0438% | |
| Company uses inverse known as | "Net to Gross Bump-up". | 161.17646% | |
| | | | |
| Revenue Sensitive Tax Rates | | | |
| | customer accounting | 0.4850% | |
| | other taxes | 4.0630% | |

STAFF PROPOSED

Weighted Average Cost of Capital

With PCAM Risk Offset

| 1 | Type of Capital | Cap.Structure | | Weighted Cost | Debt Rate |
|---|----------------------------------|---------------|---------|---------------|-----------|
| 2 | Long-term Debt | 54.00% | 6.335% | 3.421% | |
| | Short term Debt | 3.00% | 4.500% | 0.135% | 3.556% |
| | Preferred Stock | 1.00% | 6.455% | 0.065% | |
| | Common Stock | 42.00% | 10.200% | 4.284% | |
| 6 | Weighted Average Cost of Capital | 100.00% | | 7.90% | |
| 7 | 1, | | • | | |

PacifiCorp

State of Washington

Adjustment 7.1, Interest True-up

| 1 Jurisdiction Specific Adjusted Rate Base | \$ 534,765,048 |
|--|------------------------|
| 2 Add Adj. 3.6 back to rate base | \$ 1,457,588 |
| 3 Rate Base | \$ 536,222,636 |
| 4 Weighted Cost of Debt | 3.556% |
| 5 Pro forma interest Expense | \$ 19,067,541 |
| 6 Actual Interest Expense | \$ 18,965,090 1* |
| 7 Increase/(decrease) interest expense | \$ 102,451 to adj. 7.1 |

1* Exhibit ___ (PMW-4) at page 2.17, line 1229

Electric Utility Results of Operations for the twelve months ended September 2004

| | | Total Ratemaking Adjustments | 3.1 Temperature Normalization | 3.2 ProForma Load Reduction | 3.3 Revenue Normalizing | 3.4 Centralia Gain | 3.5 Pole Attachment Revenue | 3.6 SO2 Emission Allowances |
|----------|--|------------------------------------|-------------------------------------|-----------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|
| , | Operating Revenues: General Business Revenues | 10,000,070 | (220,437) | (3,906,382) | 14,126,889 | | | - |
| 2 | Interdepartmental | (2,408,487) | • | | ٠ | | | |
| | Special Sales Other operating revenues | (425,515) | | | | (1,130,292) | (799,078) | . <u></u> |
| 5 | Total Operating Revenues | 7,166,068 | (220,437) | (3,906,382) | 14,126,889 | (1,130,292) | (799,078) | |
| 6 | • | | | | | | | |
| 7 | Operating Expenses: | (5.72 972) | | | | | | |
| | Steam Production Nuclear Production | (173,833) | | | | | | |
| | Hydro Production | (88,290) | | | | | | • |
| | Other Power Supply | 14,420,731 | | | | | | |
| 12 | Transmission | (315,554) | | | | | | |
| | Distribution | (15,539) | _ | | | - | | - |
| | Customer Accounting | (103,271) (4,960,687) | _ | | | | • | |
| | Customer Service & Info Sales | (4,500,007) | | | | | | |
| | Administrative & General | (3,475,269) | | | | | | |
| 18 | Total O&M Expense | 5,288,288 | - | • | - | - | - | |
| | | (200 222) | | | | | | |
| | Depreciation | (390,322) (398,417) | | | • | | | |
| | Amortization Taxes Other than Income | (421,840) | _ | - | - | • | - | - |
| | Income Taxes: Federal | (360,986) | (77,153) | (1,367,234) | 4,944,411 | (395,602) | (279,677) | (0) |
| 23 | : State | • | | • | • | - | - | (762,200) |
| | Deferred Income Taxes | (1,488,593) | | | | | | (702,200) |
| | Investment Tax Credit Adj. | - 0.000 336 | | | | | | 2,008,443 |
| | Misc. Revenue & Expense | 2,008,335 4,236,465 | (77,153) | (1,367,234) | 4,944,411 | (395,602) | (279,677) | 1,246,243 |
| 27 28 | Total Operating Expenses: | 4,250,152 | | | | | /== n 104\ | (1.04(.042) |
| 29 | Net Operating Income: | 2,929,603 | (143,284) | (2,539,148) | 9,182,478 | (734,690) | (519,401) | (1,246,243) |
| 30 | | | | | - | | | |
| 31 | Rate Base: | 2 212 621 | | | | | | |
| | Electric Plant in Service Plant Held for Future Use | 3,713,521 (26) | | | | | | |
| | Misc. Deferred Debits | (1,446,125) | | | | | | |
| | Electric Plant Acq Adj | - | | | | | | |
| | Nuclear Fuel | - | | | | | | |
| 37 | Prepayments | (2,644,180) | | | | | | |
| | Fuel Stock | (2,516,964) | | | | | | |
| | Material & Supplies | (7,084,001) 4,244,617 | | | | | | |
| | Working Capital Weatherization Loans | 4,244,017 | | | | | | |
| | Misc. Rate Base | (394,024) | | | <u> </u> | | | <u> </u> |
| 43 | | (6,127,182) | | | | | <u> </u> | |
| 44 | | | | • | | | | |
| 45 | | 10 133 777 | | | | | | |
| | Accum. Prov. for Depreciation | 19,122,777 254,859 | | | | - | | |
| | Accum. Prov. for Amortization Accum. Deferred Income Tax | (10,497,066) | | | | | | 1,930,860 |
| | Unamortized ITC | 365,750 | | | | | | |
| | Customer Advances for Const. | 984,551 | | | | | - | |
| | Customer Service Deposits | (2,001,969) | | | | • | | (3,388,448) |
| | Miscellaneous Deductions | (2,287,924) | | | • | | | |
| 53 54 | | 5,940,978 | | | <u> </u> | | | (1,457,588) |
| 55 | | | | | | _ | • | (1,457,588) |
| 56 | | (186,204) | • | . • | - | | | |
| 57 58 | | | | | | · | | |
| 59 | | | | | | | | |
| | TAX CALCULATION | | State Income Ta | | 0.00% | | | |
| 6 | Per Company | | Federal Income | Fax Rate | 35.00% | 70 | | |
| 62 | | * 000 014 | (220,437 | (3,906,382) | 14,126,889 | (1,130,292) | (799,078) | (2,008,443) |
| | Operating Revenue | 1,080,024 | (220,43) |) (3,500,500, | , -,,, | | • | |
| | Other Deductions Interest (AFUDC) | _ | | • | | | - | |
| | Interest | (105,430) | ı | | | | | 2 440 PST |
| | 7 Schedule "M" additions | 1,030,852 | | | | | | 2,449,857 441,415 |
| 6 | | 1,450,389 | | | | | | 441,413 |
| 6 | | 7/5 017 | /22A 427 | (3,906,382 |) 14,126,889 | (1,130,292) | (799,078) | (1) |
| | Income Before Tax | 765,917 | (220,437 | , (3,500,382 | , ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | (| |
| | State Income Tax Taxable Income | 765,917 | (220,43 | (3,906,382 |) 14,126,889 | (1,130,292 | (799,078) |) (1) |
| | 3 Adjustments to FIT | (629,057) | 1 | | | 1000.000 | (070 (77) | , m |
| | Federal Income Tax | (360,986) | (77,153 | 3) <u>(1,367,234</u> | | |) (279,677) |) (0) |
| | - 4.50.000 P.S. (1985) 1985-1986 经基度扩充的保险额额 | (Suppl) a 100 Sec. | erregelekti esittelektiketi | 经可证债券 化双环子 医内侧畸形术 | GO STREET CONTRACTOR | PHARTING SAME OF THE PARTY OF THE | อภาคารควร แบบครามกระดังสิโด | STATE OF THE WASHINGTON OF STATE |

| | 4.1 Green Tag Removal | 4.2 Miscellaneous Gen. Expense | 4.3 International Assignees | 4.4 Out of Period | 4.5 Property Insurance | 4.6 Affiliate Management Fee Commitment |
|--|-----------------------------|--------------------------------------|-----------------------------------|-------------------------|---------------------------------------|--|
| Operating Revenues: | | | _ | - | - . | Communicat |
| General Business Revenues Interdepartmental Second Salar | - | • | | | | |
| 3 Special Sales 4 Other operating revenues | | | | | | |
| 5 Total Operating Revenues | | | | | | = |
| 6 | | | | | • | |
| 7 Operating Expenses: 8 Steam Production | | | | | | |
| 9 Nuclear Production | • | | | | | |
| 10 Hydro Production | | | | | | |
| 11 Other Power Supply | (41,141) | | | | | |
| 12 Transmission 13 Distribution | | | (15,539) | | | |
| 14 Customer Accounting | | | | | | |
| 15 Customer Service & Info. | | | | | | |
| 16 Sales | | (33,507) | (131,991) | (328,112) | 168,801 | (10,907) |
| 17 Administrative & General 18 Total O&M Expense | (41,141) | (33,507) | (147,530) | (328,112) | 168,801 | (10,907) |
| 18 Total Goeliz Expense | , ,, | • • • | | | | |
| 19 Depreciation | | | | | | |
| 20 Amortization | | | | - | | |
| 21 Taxes Other than Income 22 Income Taxes: Federal | 14,399 | 11,727 | 51,636 | 114,839 | (59,080) | 3,817 |
| 23 : State | - | - | - | | - | - |
| 24 Deferred Income Taxes | | | | | | |
| 25 Investment Tax Credit Adj. | | | | | · · · · · · · · · · · · · · · · · · · | |
| 26 Misc. Revenue & Expense 27 Total Operating Expenses: | (26,742) | (21,780) | (95,895) | (213,273) | 109,721 | (7,090) |
| 27 Total Operating Expenses: | . (==, -=) | | | | (100 711) | 7,090 |
| 29 Net Operating Income: | 26,742 | 21,780 | 95,895 | 213,273 | (109,721) | 7,000 |
| 30 | | • | | | | |
| 31 Rate Base: | | | | | | |
| 32 Electric Plant in Service 33 Plant Held for Future Use | | | | | ٠. | - |
| 34 Misc. Deferred Debits | | | | | | |
| 35 Electric Plant Acq Adj | | | | | | |
| 36 Nuclear Fuel | | • | | | | |
| 37 Prepayments 38 Fuel Stock | - | | | | | |
| 39 Material & Supplies | | | | | • | |
| 40 Working Capital | | | | | | |
| 41 Weatherization Loans | | | | | | |
| 42 Misc. Rate Base 43 Total Electric Plant: | | - | | - | | * |
| 44 | | | | | | |
| 45 Deductions: | | | | | | |
| 46 Accum. Prov. for Depreciation | | | | | | |
| 47 Accum. Prov. for Amortization 48 Accum. Deferred Income Tax | | | | | | |
| 49 Unamortized ITC | | | | | | |
| 50 Customer Advances for Const. | | | • | | | |
| 51 Customer Service Deposits | | | | | | |
| 52 Miscellaneous Deductions 53 | | | | | | <u> </u> |
| 54 Total Deductions: | | | | | | _ |
| 55 | | | | | - | - |
| 56 Total Rate Base: | - | = | | | | |
| 57 58 | | <u></u> | | | | |
| 59 | | | | | | |
| 60 TAX CALCULATION | | | | | | |
| 61 Per Company | | | | | | |
| 62 63 Operating Revenue | 41,141 | . 33,507 | 147,530 | 328,112 | (168,801) | 10,907 |
| 64 Other Deductions | | - | | | | |
| 65 Interest (AFUDC) | | | | | | |
| 66 Interest | | | | | | |
| 67 Schedule "M" additions 68 Schedule "M" deductions | | | | | | |
| 69 Schedule "M" neductions | | | | | (1/0 001) | 10,90 |
| 70 Income Before Tax | 41,141 | 33,507 | 147,530 | 328,112 | (168,801) | 10,90 |
| 71 State Income Tax | 41 141 | 33,507 | 147,530 | 328,112 | (168,801) | 10,90 |
| | 41,141 | 101,501 | 177,230 | | | |
| 72 Taxable Income 73 Adjustments to FIT | | | | 114,839 | (59,080) | 3,817 |

| | 4.7 DSM Amort Removal | 4.8 Corporate Cost ProForma | 4.9 A&G Expense Commitment | 4.10 Pro Forma Wages | 5.1 BPA Exchange | 5.2 James River Royalty Offset |
|---|-----------------------------|-----------------------------------|-------------------------------------|----------------------------|------------------------|--------------------------------------|
| Operating Revenues: | _ | Commitment | Communicate | - | - | - |
| General Business Revenues Interdepartmental Special Sales | | | | | | |
| Special Sales Other operating revenues | | | | | | 1,628,351 1,628,351 |
| 5 Total Operating Revenues _ | | | | | | 1,028,331 |
| 6 | | | | | | |
| 7 Operating Expenses: 8 Steam Production | | | | | | |
| 9 Nuclear Production | 4 | | ÷ | | | |
| 0 Hydro Production | | | | | 20,052,696 | |
| 1 Other Power Supply | | | | | 20,052,050 | |
| 2 Transmission 3 Distribution | | | | | | |
| 4 Customer Accounting | | | | | | |
| 5 Customer Service & Info | (4,960,687) | | | | | |
| 6 Sales | | (82,017) | (470,944) | 1,070,000 | | |
| 7 Administrative & General 8 Total O&M Expense | (4,960,687) | (82,017) | (470,944) | 1,070,000 | 20,052,696 | - |
| o I dial domin Expense | (-) / / | • | | | | |
| 9 Depreciation | | | | | | |
| 0 Amortization | | | | | | |
| Taxes Other than Income Income Taxes: Federal | 1,736,240 | 28,706 | 164,830 | (374,500) | (7,018,444) | 569,923 |
| 3 : State | - | • | - | • | - | - . |
| 4 Deferred Income Taxes | | | | | • | |
| 5 Investment Tax Credit Adj. | | | | | | |
| 6 Misc. Revenue & Expense Total Operating Expenses: | (3,224,447) | (53,311) | (306,114) | 695,500 | 13,034,252 | 569,92 |
| 18 | | | | (65.500) | (12.02/.253) | 1,058,42 |
| 9 Net Operating Income: | 3,224,447 | 53,311 | 306,114 | (695,500) | (13,034,252) | 1,036,424 |
| 0 | | | | | | |
| Rate Base: 2 Electric Plant in Service | | | | | | |
| 32 Plant Held for Future Use | | | | | | |
| 34 Misc. Deferred Debits | | | | | | |
| 5 Electric Plant Acq Adj | | | | | | |
| 36 Nuclear Fuel | | | | | | |
| 37 Prepayments 38 Fuel Stock | | | | | | |
| 39 Material & Supplies | | | | | | |
| 40 Working Capital | | | | | | |
| 41 Weatherization Loans 42 Misc. Rate Base | | | | | | |
| Total Electric Plant: | | | | | | |
| 14 | | | | | | |
| 5 Deductions: | | | | | | |
| 6 Accum. Prov. for Depreciation 17 Accum. Prov. for Amortization | • | | | | | |
| 8 Accum. Deferred Income Tax | | | | | | |
| 9 Unamortized ITC | | | | | | |
| 60 Customer Advances for Const. | | | | | | |
| 1 Customer Service Deposits 2 Miscellaneous Deductions | | | | | | |
| 53 | | | | | | |
| 54 Total Deductions: | | <u> </u> | | | - | |
| 755 | • | | - | • | · <u>-</u> | - |
| Total Rate Base: | | | | - | | |
| 58 | · | | | | | |
| 59 | | =: | | | | |
| 60 TAX CALCULATION | | | | | | |
| 61 Per Company | • | | | | | |
| 52 53 Operating Revenue | 4,960,687 | 82,017 | 470,944 | (1,070,000) | (20,052,696) | 1,628,35 |
| 64 Other Deductions | • | | | | | |
| 65 Interest (AFUDC) | | | | | | |
| 66 Interest | | | | | | |
| 67 Schedule "M" additions 68 Schedule "M" deductions | | | | | | |
| 69 Schedule W deductions | | | | 44 000 000 | (00.050.50C) | 1 400 04 |
| 70 Income Before Tax | 4,960,687 | 82,017 | 470,944 | (1,070,000) | (20,052,696) | 1,628,35 |
| 71 State Income Tax | 4 040 491 | 82,017 | 470,944 | (1,070,000) | (20,052,696) | 1,628,35 |
| 72 Taxable Income | 4,960,687 | 84,017 | 4,0,244 | 1-1 414 | | - |
| 73 Adjustments to FIT 74 Federal Income Tax | 1,736,240 | 28,706 | 164,830 | (374,500) | (7,018,444) | 569,92 |
| | | elev Malfort e Halto. | 0.0546.644. 655586524. | HARRAGEART WEEK | Salatak estősskektől | |

| | 5.3 Colstrip #3 Removal | 5,4 Misc Power Supply | 5.5 Revised CAGW & SO Allocators | 5.6 Water Year Adjustment | 7.1 Interest True-up (calculated) | 7.2 Utah Gross Receipts Tax | 7,3 Deferred Income Tax Reclass |
|--|-------------------------------|-----------------------------|--|---------------------------------|--|-----------------------------------|---------------------------------------|
| Operating Revenues: | | _ | _ | _ | (caiculateu) | - | |
| General Business Revenues Interdepartmental | • | - | (2,408,487) | ÷ | • | | |
| Special Sales | | | (124,496) | | | | |
| Other operating revenues Total Operating Revenues | | | (2,532,983) | | | | |
| Operating Expenses: | | | | | | | |
| Steam Production | - | | (173,833) | | | | |
| Nuclear Production | | | (88,290) | | | | |
| Hydro Production Other Power Supply | | (1,527,176) | | (1,540,683) | · | | |
| Transmission | | | (315,554) | | | | |
| Distribution . | | | | • | | | |
| Customer Accounting | | | | | | | |
| Customer Service & Info | | | | 4 | | | |
| Sales Administrative & General | | | (145,002) | | | | |
| Total O&M Expense | | (1,527,176) | (3,696,131) | (1,540,683) | - ' | | - |
| 7000 7000 | | | | | | | |
| Depreciation | (782,978) | | (274,505) | | | | |
| Amortization | (26.638) | | (40,711) (48,353) | | | (300,180) | |
| Taxes Other than Income | (36,638) 20,080 | 534,512 | 653,311 | 539,239 | (35,858) | 105,063 | - |
| Income Taxes: Federal : State | 20,000 | 551,512 | | • | - | - | - |
| State Deferred Income Taxes | 121,095 | | 17,199 | | | | |
| Investment Tax Credit Adj. | | | | | - | • | |
| Misc. Revenue & Expense | | | (108) | (1,001,444) | (35,858) | (195,117) | |
| Total Operating Expenses: | (678,441) | (992,664) | (3,389,298) | (1,001,444) | (35,650) | (222,227) | |
| N O ting Income | 678,441 | 992,664 | 856,315 | 1,001,444 | 35,858 | 195,117 | |
| Net Operating Income: | 070,441 | 224,55 | | | | | |
| Rate Base: | | | • | | | | |
| Electric Plant in Service | (25,982,218) | | (10,582,985) | | | | |
| Plant Held for Future Use | | | (26) | | | | |
| Misc. Deferred Debits | | | (18,110) | | | | |
| Electric Plant Acq Adj | | | | | | | |
| Nuclear Fuel | | | (22,248) | | | • | |
| Prepayments | | | (,, | | | | |
| Fuel Stock Material & Supplies | | | (56,535) | | | | |
| Working Capital | | | (61,775) | | | | |
| Weatherization Loans | | | | | | | |
| 2 Misc. Rate Base | (2.5.000.018) | | (10,741,679) | | | - | - |
| Total Electric Plant: | (25,982,218) | | (10,741,072) | | | | |
| 5 Deductions: | | • | | | | | |
| 6 Accum Prov. for Depreciation | 15,505,207 | | 4,160,371 | | | | , |
| 7 Accum. Prov. for Amortization | | | 250,963 | | | | (16,43 |
| 8 Accum. Deferred Income Tax | 566,765 | | (10,281) | | | | (10,12 |
| 9 Unamortized ITC | 245,000 | | | | | | |
| 0 Customer Advances for Const. | | | | | | | |
| 1 Customer Service Deposits | | | 45,954 | • | | | |
| 2 Miscellaneous Deductions | | | · · · | | | | (16.42 |
| Total Deductions: | 16,316,972 | | 4,447,007 | - | | | (16,43 |
| 5 | | | | | _ | _ | (16,43 |
| 6 Total Rate Base: | (9,665,246 |) - | (6,294,672) | - | - | | ()1-0 |
| 7 . | | | | | | | |
| 8 | | | | | | | |
| 9 THE CALCULATION | | | | | | | |
| 0 TAX CALCULATION | | | | | | | |
| 51 Per Company 52 | | | | | | 300,180 | |
| i3 Operating Revenue | 819,616 | 1,527,17 | 6 1,526,825 | 1,540,683 | - | 300,160 | _ |
| 64 Other Deductions | | | | | | | |
| 55 Interest (AFUDC) | | | (207,881) | | 102,451 | • | |
| 66 Interest | (702.076 | 2) | (305,405) | | | | |
| 57 Schedule "M" additions | (782,978 (20,73 <u>3</u> | | (437,30 <u>1)</u> | | | | |
| 58 Schedule "M" deductions | 120,732 | | | | | | |
| 59 70 Income Before Tax | 57,37 | 1,527,17 | 6 1,866,602 | 1,540,683 | 3 (102,451 |) 300,180 | - |
| 71 State Income Tax | - | | | 1 510 500 | 2 /102 451 | 300,180 | |
| 72 Taxable Income | 57,37 | 1,527,17 | 6 1,866,602 | 1,540,68 | (102,451 | , 300,180 | |
| 73 Adjustments to FIT | | | 2 653,311 | 539,23 | 9 (35,858 | 105,063 | |
| 74 Federal Income Tax | 20,089 | 534,51 | 233,311 | المطوريات | , _ 5 | | Derzasa bida ete |

| 2 Inter 3 Spec 4 Othe 5 6 7 8 Steam 9 Nucl 11 Othe 12 The 13 Dist 14 Cust 15 Cust 16 Sale 17 Adm 18 19 Dep 20 Ama 21 Taxx 22 Inco 23 24 Defi 25 Inve 26 Mise 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 39 Mat 29 9 M | Operating Revenues: eral Business Revenues rdepartmental cial Sales er operating revenues Total Operating Revenues Operating Expenses: am Production ro Production er Power Supply assensission ribution tomer Accounting tomer Service & Info | <u> </u> | <u>-</u> | - - | | - | | Deduction - |
|--|--|-------------|--------------|----------|---------------|----------------------|------------------|----------------------|
| 2 Inter 3 Spec 4 Othe 5 6 7 8 Steam 9 Nucl 11 Othe 12 The 13 Dist 14 Cust 15 Cust 16 Sale 17 Adm 18 19 Dep 20 Ama 21 Taxx 22 Inco 23 24 Defi 25 Inve 26 Mise 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 39 Mat 29 9 M | rdepartmental cial Sales er operating revenues Total Operating Revenues Operating Expenses: an Production red Production red Production er Power Supply assnission ribution tomer Accounting tomer Service & Info | | | | - | - | <u> </u> | |
| 4 Othe 5 6 7 7 8 Stean 9 Nucl 10 Hydrid 11 Othe 12 Tran 13 District 15 Cust 16 Sale 17 Adm 18 19 Dep 20 Ama 21 Taxa 22 Incc 23 24 Defi 25 Inve 26 Mis 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 39 Mat 39 Mat 39 Mat 39 Mat 39 Mat 37 Pre 39 Mat 39 Mat 39 Mat 37 Pre 39 Mat 39 Mat 39 Mat 31 Other 10 Hydrid 11 Other 12 Other 12 Other 12 Other 13 | Total Operating Revenues Total Operating Revenues Operating Expenses: In Production Idear Production or Production or Production or Prower Supply asmission ribution tomer Accounting tomer Service & Info | - | | <u> </u> | | | - | - |
| 5 6 7 8 Steam 9 Nucl 10 Hydri 11 Other 12 Trans 13 District 15 Cust 16 Sale 17 Adm 18 19 Dep 20 Am 21 Taxx 22 Inco 23 24 Defit 25 Inve 26 Miss 29 30 31 32 Elec 33 Plar 34 Miss 35 Elec 36 Nuc 37 Prej 38 Fue 38 Fue 39 Mat | Total Operating Revenues Operating Expenses: Im Production Itear Production Iter Production Iter Production Iter Production Iter Power Supply Institution Item Accounting Item Service & Info | | | <u> </u> | - | | <u> •</u> | |
| 6 7 8 Steam 9 Nucl 10 Hydri 13 Othe 13 District 14 Cust 15 Cust 15 Cust 16 Sale 17 Adm 18 19 Dep 20 Arms 21 Taxx 22 Inco 23 24 Defi 25 Inve 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Miss 35 Elec 36 Nuc 37 Prej 38 Fue 39 Mat | m Production lear Production or Production er Power Supply esmission ribution tomer Accounting tomer Service & Info | | | | | | | |
| 8 Stean 9 Nucl 10 Hydm 11 Othe 12 Tran 13 Dist 14 Cust 15 Cust 16 Sale 17 Adm 18 19 Dep 20 Ama 21 Tax 22 Inco 23 Cell 25 Inve 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Miss 36 Nuc 37 Pre 36 Nuc 37 Pre 38 Fue 39 Mat | m Production lear Production or Production er Power Supply esmission ribution tomer Accounting tomer Service & Info | | | | | | | |
| 10 Hydn 11 Othe 12 Tran 13 Dist 14 Cust 15 Cust 16 Sale 17 Adn 18 19 Dep 20 Ama 21 Tax 22 Inco 23 24 Defi 25 Inve 26 Mis 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 38 Fue 39 Mat | oro Production er Power Supply ssmission ribution tomer Accounting tomer Service & Info | | | | | | | |
| 11 Other 12 Tran 13 District 14 Cust 15 Cust 16 Sale 17 Adm 18 19 Dep 20 Am 22 Incc 23 24 Defi 25 Inve 26 Mis 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 39 Mat 30 District 15 Customer 15 C | er Power Supply asmission ribution tomer Accounting tomer Service & Info | | | | | | | |
| 12 Tran 13 Dist 14 Cust 15 Cust 15 Cust 16 Sale 17 Adm 18 19 Dep 20 Am 21 Tax 22 Inco 23 Pef 25 Inve 26 Mis 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 39 Mat | nsmission ribution tomer Accounting tomer Service & Info | | | | | | | |
| 13 District 14 Cust 15 Cust 16 Sale 17 Adm 18 19 Dep 20 Amo 21 Taxx 22 Inco 23 24 Defi 25 Inve 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Miss 35 Elec 36 Nuc 37 Prej 38 Fue 39 Mat 29 Ma | ribution tomer Accounting tomer Service & Info | | | | | | | |
| 14 Cust 15 Cust 16 Sale 17 Adn 18 19 Dep 20 Am 21 Tax 22 Incc 23 24 Defi 25 Inve 26 Mis 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 38 Fue | tomer Accounting tomer Service & Info | | | | | | | |
| 15 Cust 16 Sale 17 Adn 18 19 Dep 20 Am 21 Tax 22 Incc 23 24 Deft 25 Inve 26 Mis 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 39 Ma | tomer Service & Info | | | | | | | |
| 17 Adm 18 | ec. | | | | | | | |
| 19 Dep 20 Ama 21 Taxa 22 Incc 23 24 Defi 25 Inve 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Miss 35 Elec 36 Nuc 37 Prej 38 Fue 39 Mat | | | | | | | | |
| 19 Dep 20 Arm 21 Taxx 22 Incc 23 Defi 25 Inve 26 Miss 27 28 29 30 31 32 Elec 33 Plas 34 Mis 35 Elec 36 Nuc 37 Prel 38 Fue 39 Mat | ministrative & General Total O&M Expense | | | | - | | - | - |
| 20 Ama 21 Taxx 22 Inco 23 24 Defi 25 Inve 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 37 Prej 38 Fue 39 Mai | 10tal Own Expense | · - | | | | | | |
| 20 Ama 21 Taxx 22 Inco 23 24 Defi 25 Inve 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 37 Prej 38 Fue 39 Mai | reciation | | | | | | | |
| 22 Inco 23 24 Defi 25 Invo 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 37 Pre 38 Fue 39 Mai | ortization | | | | | | (36,669) | |
| 23 24 Defi 25 Inve 26 Mis 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 39 Mai | es Other than Income | | - | _ | - | (629,057) | 12,834 | (184,798) |
| 24 Defi 25 Inve 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 37 Pre 38 Fue 39 Mai | ome Taxes: Federal | • | - | - | - - | ţ-=-,·, | - | - ' |
| 25 Inve 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Pre 38 Fue 39 Mai | : State erred Income Taxes | (297,441) | (1,217,863) | | | | | |
| 26 Miss 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Prej 38 Fue 39 Mai | estment Tax Credit Adj. | (457,111) | (-,, , | | | | | |
| 27 28 29 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Prej 38 Fue 39 Mai | c. Revenue & Expense | | | | | ((20.057) | (23,835) | (184,798) |
| 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Prej 38 Fue 39 Mac | Total Operating Expenses: | (297,441) | (1,217,863) | | _ | (629,057) | (23,033) | (104,730) |
| 30 31 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Prej 38 Fue 39 Mac | Net Operating Income: | 297,441 | 1.217,863 | _ | | 629,057 | 23,835 | 184,798 |
| 31 32 Elect 33 Plar 34 Mis 35 Elect 36 Nuc 37 Prej 38 Fue 39 Mat | Net Operating Income. | 277,112 | | ··- | | | | |
| 32 Elec 33 Plar 34 Mis 35 Elec 36 Nuc 37 Prej 38 Fue 39 Mat | Rate Base: | - | | | | | | |
| 34 Mis 35 Elec 36 Nuc 37 Prej 38 Fue 39 Mai | ctric Plant in Service | | | | | | | |
| 35 Elec 36 Nuc 37 Prep 38 Fue 39 Mat | nt Held for Future Use | | | | | | | |
| 36 Nuc 37 Prej 38 Fue 39 Mai | sc. Deferred Debits | | | | | | | |
| 37 Prej 38 Fue 39 Mai | etric Plant Acq Adj | | | - | | | | |
| 38 Fue 39 Mai | | | | | | | | |
| 39 Ma | | | | | | | | |
| 40 Wo | terial & Supplies | | | | | | | |
| | rking Capital | | • | | | | | |
| | eatherization Loans | • | | | | | | |
| | sc. Rate Base Total Electric Plant: | | | | - | - | - | |
| 43 44 | TOTAL ELECTRIC FAME | | | | | | | |
| 45 | Deductions: | | | | | | | |
| | cum. Prov. for Depreciation | | | | | | | |
| | cum. Prov. for Amortization | (1.497.106) | (10,531,719) | | (498,669) | • | - | |
| | cum. Deferred Income Tax | (1,487,206) | (10,551,717) | | 120,750 | | | |
| | amortized ITC stomer Advances for Const. | | | | | | | |
| 51 Cit | stomer Service Deposits | | | | | | • | |
| 52 Mis | scellaneous Deductions | | | | | | | |
| 53 | ATT-1-1 95 1 -2" | (1 407 106) | (10,531,719) | | (377,919) | | | |
| 54 55 | Total Deductions: | (1,407,200) | (10,0,1,113) | <u>-</u> | | | | |
| 56 | Total Rate Base: | (1,487,206) | (10,531,719) | - | (377,919) | • | | - |
| 57 | *** | ŕ | | | | | | |
| 58 | | | | · | - | | | |
| 59 | · | | | | | | | |
| | A CALCULATION | | | | | | | |
| 62 | AX CALCULATION | | | | | | | |
| | AX CALCULATION or Company | | | | | | 26.660 | |
| 64 Ot | r Company | - | ٠ ـ | • | • | . - . | 36,669 | - |
| | | - | | • | ٠ | . 5 | 36,669 | - |
| 66 Int | r Company perating Revenue ther Deductions terest (AFUDC) | - | | · . | • | . . | 36,669 | - |
| | r Company perating Revenue ther Deductions ferest (AFUDC) terest | - | | | | . 5 | 36,669 | - |
| 69 | r Company perating Revenue ther Deductions terest (AFUDC) terest thedule "M" additions | - | · . | | · | - | 36,669 | 527,994 |
| 70 Inc | r Company perating Revenue ther Deductions ferest (AFUDC) terest | - | | | - | | | |
| | r Company perating Revenue ther Deductions ferest (AFUDC) terest thedule "M" additions thedule "M" deductions come Before Tax | - | · - | | | | 36,669 | 527,994 (527,994) |
| | or Company cerating Revenue ther Deductions terest (AFUDC) terest thedule "M" additions thedule "M" deductions come Before Tax ate Income Tax | - | - | | | <u> </u> | 36,669 | |
| 73 Ad 74 Fe | r Company perating Revenue ther Deductions ferest (AFUDC) terest thedule "M" additions thedule "M" deductions come Before Tax | | · | - | - | (629,057 (629,057 | 36,669 36,669 | (527,994) |

| | 8.3 Update Cash Working Capital | 8.2 Remove Deferred Debits | 8.3 JimBridger Mine Rate Base | 8.4 Grid West Loan | 8.5 North Umpqua Relicensing | · 8.6 Yakama Sale | 8.7 Customer Advances |
|---|---------------------------------------|----------------------------------|-------------------------------------|--------------------------|------------------------------------|-------------------------|-----------------------------|
| Operating Revenues: 1 General Business Revenues | - | - | - | - | - | - | - |
| 2 Interdepartmental | | | | | • | | |
| 3 Special Sales 4 Other operating revenues | | | | | <u></u> | | |
| 5 Total Operating Revenues _ | | <u> </u> | | | | | |
| 6 7 Operating Expenses: | | | | | | | |
| 8 Steam Production | | | | | | | |
| 9 Nuclear Production | | | | | | | |
| 10 Hydro Production 11 Other Power Supply | | | | | | | |
| 12 Transmission | • | | | | | | |
| 3 Distribution | | | | (103,271) | | | |
| 4 Customer Accounting 5 Customer Service & Info | | | | - | | | |
| 6 Sales | | • | | | | | |
| 7 Administrative & General 8 Total O&M Expense | | | - | (103,271) | - | - | - |
| B I I I I I I I I I I I I I I I I I I I | | | | | | (9,369) | |
| 9 Depreciation | | | | 47,337 | (121,971) | (5,505) | |
| 20 Amortization 21 Taxes Other than Income | | | | | | 2.850 | |
| 21 Taxes Other man ricome 22 Income Taxes: Federal | - | - | - | 142,312 | 42,690 | 3,279 | - |
| 23 : State | - | - | - | - | • | | |
| 24 Deferred Income Taxes 25 Investment Tax Credit Adj. | | | | | | | |
| 26 Misc. Revenue & Expense | | | | 86,378 | (79,281) | (6,090) | |
| 27 Total Operating Expenses: | | | <u> </u> | 80,576 | (19,281) | (0,050) | |
| Net Operating Income: | _ | <u> </u> | | (86,378) | 79,281 | 6,090 | |
| 30 | · · · · · · · · · · · · · · · · · · · | | | | | | |
| Rate Base: | | | 18,630,829 | | (134,219) | (532,097) | |
| 32 Electric Plant in Service 33 Plant Held for Future Use | | | •••,, | | | | |
| 34 Misc. Deferred Debits | | (2,814,534) | | 112,424 | | - | |
| 35 Electric Plant Acq Adj | | | | | | | |
| 36 Nuclear Fuel 37 Prepayments | | | | | | | |
| 38 Fuel Stock | | | | | | | |
| 39 Material & Supplies | | | | | | • | |
| 40 Working Capital 41 Weatherization Loans | | | | | | | |
| 42 Misc. Rate Base | | | 18,630,829 | 112,424 | (134,219) | (532,097) | - |
| 43 Total Electric Plant: | | (2,814,534) | 10,030,029 | 112,424 | | | - |
| 44 45 Deductions: | | | | | | 90,231 | |
| 46 Accum, Prov. for Depreciation | | | | • | 3,896 | 50,231 | |
| 47 Accum. Prov. for Amortization 48 Accum. Deferred Income Tax | | | | | • | | |
| 48 Accum. Deferred filcome 12x 49 Unamortized ITC | | | | | | | 984,551 |
| 50 Customer Advances for Const. | | | • | | | | 704,551 |
| 51 Customer Service Deposits 52 Miscellaneous Deductions | | | | | | | |
| 53 | | | | | 2 206 | 90,231 | 984,551 |
| 54 Total Deductions: | | | | | 3,896 | | |
| 55 56 Total Rate Bases | | (2,814,534) | 18,630,829 | 112,424 | (130,323) | (441,866) | 984,551 |
| 57 | | | • | | | | |
| 58 | | <u>.</u> | | | | | |
| 59 60 TAX CALCULATION | | | | | | | |
| 61 Per Company | | | | | | | |
| 62 | | _ | | 55,934 | 121,971 | 9,369 | - |
| 63 Operating Revenue 64 Other Deductions | • | | | • | | | |
| 65 Interest (AFUDC) | | | | | | • | |
| 66 Interest | | | | (262,856 |) | | |
| 67 Schedule "M" additions 68 Schedule "M" deductions | | | | (613,528 | | | |
| 69 | | | | 406,606 | 121,971 | 9,369 | _ |
| 70 Income Before Tax | - | - | | 400,000 | 121,571 | - | |
| 71 State Income Tax 72 Taxable Income | | | • | 406,606 | . 121,971 | 9,369 | |
| 73 Adjustments to FIT | | | | 142,312 | 42,690 | 3,279 | |
| 74 Federal Income Tax | | _ | | | | | |

| | 8.8 Centralia Transmission | 8.9 Leaning Juniper | 8.10 Misc. Rate Base | 8.11 Colstrip #4 AFUDC | 8.12 Trojan Removal | 8.13 MEHC Transition Savings | 8.14 Remove per books working capital |
|---|----------------------------------|---------------------------|----------------------------|------------------------------|---|---------------------------------------|---|
| Operating Revenues: 1 General Business Revenues 2 Interdepartmental | Line Sale - | - | | ٠ | - | - | - |
| 3 Special Sales 4 Other operating revenues | | | | | | | |
| 5 Total Operating Revenues | | | | | | | <u> </u> |
| 6 | | | | | | | |
| 7 Operating Expenses: 8 Steam Production | | | | | | | |
| 9 Nuclear Production | | | | | | | |
| 0 Hydro Production | | | | | | | |
| 1 Other Power Supply | | 450,487 | | | | | |
| 2 Transmission 3 Distribution | | | | | | | |
| 4 Customer Accounting | | | | | | | |
| 15 Customer Service & Info | | | | | | | |
| 6 Sales | | | (657,375) | | | (2,891,698) | |
| 7 Administrative & General Total O&M Expense | | 450,487 | (657,375) | - | | (2,891,698) | |
| 8 Total O&M Expense | | . , | | | | • | |
| 19 Depreciation | (1,114) | 710,644 | | (33,000) | (283,072) | | |
| 20 Amortization | | | | • | (205,072) | | |
| 21 Taxes Other than Income | 390 | (865,335) | 230,081 | - | 2,456 | 1,012,094 | - |
| 22 Income Taxes: Federal 23 : State | 570 | (, | | - | - | | . • |
| 24 Deferred Income Taxes | | 650,617 | | | | | |
| 25 Investment Tax Credit Adj. | | | | | • | | |
| 26 Misc. Revenue & Expense | (724) | 946,413 | (427,294) | (33,000) | (280,616) | (1,879,604) | - |
| Total Operating Expenses: | (724) | 240,412 | (32.12.17 | | | - 050 504 | |
| 29 Net Operating Income: | 724 | (946,413) | 427,294 | 33,000 | 280,616 | 1,879,604 | |
| 30 | | | | | | | |
| 31 Rate Base: | (((7(0) | 22,862,810 | | (481,839) | | | |
| 32 Electric Plant in Service | (66,760) | 22,802,610 | | (101,007) | · | | |
| 33 Plant Held for Future Use 34 Misc. Deferred Debits | | | | | | 1,274,095 | |
| 35 Electric Plant Acq Adj | | | | | | | |
| 36 Nuclear Fuel | | | • | | | | |
| 37 Prepayments | | | | - | | | |
| 38 Fuel Stock | • | | | | | | |
| 39 Material & Supplies 40 Working Capital | • | | | | | | (4,014,806) |
| 41 Weatherization Loans | | | | | (394,024) | | |
| 42 Misc. Rate Base | (44.740) | 00.0/2.010 | | (481,839) | (394,024) | 1,274,095 | (4,014,806) |
| 43 Total Electric Plant: | (66,760) | 22,862,810 | _ | (401,002) | , | | |
| 44 45 Deductions: | • | | | | | | |
| 46 Accum. Prov. for Depreciation | 26,852 | (659,884) | | | | | |
| 47 Accum. Prov. for Americation | | (451.250) | | | | | |
| 48 Accum. Deferred Income Tax | 977 | (451,358) | | | 5 | | |
| 49 Unamortized ITC 50 Customer Advances for Const. | | | • | | | | |
| 51 Customer Service Deposits | | | | • | 5.054.570 | | |
| 52 Miscellaneous Deductions | | | | | 1,054,570 | | |
| 53 | 27 070 | (1,111,242) | | | 1,054,570 | | - |
| 54 Total Deductions: | 27,829 | (1,111,242) | | | | | |
| 55 56 Total Rate Base: | (38,931) | 21,751,568 | - | (481,839) | 660,546 | 1,274,095 | (4,014,806 |
| 57 | , | | | | | | |
| 58 | | <u>:</u> | | | | | - |
| 59 | | | | | | | |
| 60 TAX CALCULATION 61 Per Company | - | | | | | | |
| 61 Per Company 62 | | | | | 603.075 | 2,891,698 | = |
| 63 Operating Revenue | 1,114 | (1,161,131) | 657,375 | 33,000 | 283,072 | 2,091,096 | |
| 64 Other Deductions | | | | | | • | |
| 65 Interest (AFUDC) | | | | • | | | |
| 66 Interest 67 Schedule "M" additions | | 241,288 | | (33,000) | (276,054) | | |
| 68 Schedule "M" deductions | | 1,552,542 | | | | <u> </u> | · |
| 69 | | /0 /TO 0050 | 657 275 | - | 7,018 | 2,891,698 | - |
| 70 Income Before Tax | 1,114 | (2,472,385) | 657,375 | • | | | |
| 71 State Income Tax 72 Taxable Income | 1,114 | (2,472,385) | 657,375 | | 7,018 | 2,891,698 | - |
| 73 Adjustments to FIT | | | | | 2,456 | 1,012,094 | _ |
| | 390 | (865,335 | | | | | |

| | | 8.15 Remove per books current assets | 8.16 ISWC | 8.17 Customer Deposits |
|----------|---|--|---------------------|------------------------------|
| | Operating Revenues: | | | |
| 2 1 | General Business Revenues nterdepartmental | • | - | - |
| | Special Sales Other operating revenues | | | |
| 5 | Total Operating Revenues | | | |
| 6 | | | | |
| 9] | Operating Expenses: Steam Production Nuclear Production | | | |
| | Hydro Production | | | |
| | Other Power Supply Transmission | | | |
| | Distribution | | | |
| | Customer Accounting | | | |
| | Customer Service & Info | | | |
| | Sales Administrative & General | | | 37,483 |
| 18 | Total O&M Expense | - | - * | 37,483 |
| | | | | |
| | Depreciation | | | |
| | Amortization Taxes Other than Income | • | | |
| | Income Taxes: Federal | - | - | (13,119) |
| 23 | : State | • | • | - |
| | Deferred Income Taxes | | | |
| | Investment Tax Credit Adj. | _ | | |
| 26 27 | Misc. Revenue & Expense Total Operating Expenses: | | | 24,364 |
| 28 | 10121 Operating Expenses | | | |
| 29 | Net Operating Income: | | | (24,364) |
| 30 | | _ | ì | |
| 31 | Rate Base: | : | | |
| | Electric Plant in Service Plant Held for Future Use | | | |
| | Misc. Deferred Debits | | | |
| | Electric Plant Acq Adj | | | |
| 36 | Nuclear Fuel | (2.(21.022) | | |
| | Prepayments | (2,621,932) (2,516,964) | | |
| | Fuel Stock Material & Supplies | (7,027,466) | | |
| | Working Capital | (, , , | 8,321,198 | |
| | Weatherization Loans | | | |
| | Misc. Rate Base | (12,166,362) | 8,321,198 | |
| 43 | Total Electric Plant | (12,100,502) | alpa-1/2- | |
| 44 45 | Deductions | | | |
| 46 | Accum. Prov. for Depreciation | | | |
| | Accum. Prov. for Americation | | | |
| | Accum. Deferred Income Tax Unamortized ITC | | | |
| | Customer Advances for Const. | | | |
| 51 | Customer Service Deposits | | | (2,001,969) |
| | Miscellaneous Deductions | | | |
| 53 | | | - | (2,001,969) |
| 54 55 | | | | |
| 56 | | : (12,166,362) | 8,321,198 | (2,001,969) |
| 57 | | | | |
| 58 | | | | |
| 59 60 | TAX CALCULATION | | | • |
| | Per Company | | | |
| 62 | 2 . | | | (37,483) |
| | Operating Revenue | - | <u>.</u> | (5.,.25) |
| | Other Deductions Interest (AFUDC) | | | |
| | Interest (APODC) | | | |
| | 7 Schedule "M" additions | | | |
| 68 | 3 Schedule "M" deductions | | | |
| 69 | | - | | (37,483) |
| | D Income Before Tax 1 State Income Tax | - - | | |
| | 2 Taxable Income | | | (37,483) |
| 7: | 3 Adjustments to FIT | | | (13,1 <u>19)</u> |
| 7 | 4 Federal Income Tax | The second of the second of | Ewitane addin | |
| | | | SPANIE STATE OF THE | SERVICE CONTRACTOR |

Summary of Adjustments

| · | | | | Staff's | P | acifiCorp's | |
|---------------------------------------|------|--------------|---------------|--------------|-----|----------------|-------------------|
| | | | | Revenue | | Revenue | |
| | Adj. | NOI | Net Rate Base | Requirement | | equirement | |
| | No. | Impact | Impact | Impact | Imp | act per Filing | Difference |
| A | В | С | D | Е | | F | G |
| 1 Per Books | | \$31,739,435 | \$534,951,251 | 16,996,894 | \$ | 18,293,896 | \$ (1,297,002) |
| 2 Adjustments | | | | | | | |
| 3 REVENUE | | | | | | | 0 |
| 4 Temperature Normalization (u) | 3.1 | (143,284) | - | 230,940 | | 230,481 | 459 |
| 5 ProForma Reduction in Load (u) | 3.2 | (2,539,148) | - | 4,092,509 | | 4,084,379 | 8,130 |
| 6 Revenue Normalizing (u) | 3.3 | 9,182,478 | - | (14,799,993) | | (14,770,591) | (29,402) |
| 7 Centralia Gaiπ (u) | 3.4 | (734,690) | - | 1,184,147 | | 1,181,795 | 2,352 |
| 8 Pole Attachment Revenue (u) | 3.5 | (519,401) | - | 837,152 | | 835,489 | 1,663 |
| 9 SO2 Emission Allowances (u) | 3.6 | (1,246,243) | (1,457,588) | 1,822,951 | | 1,815,704 | 7,247 |
| 10 | | | | | | | |
| 11 O & M | | | | | | //2.01.0 | (0.5) |
| 12 Green Tag Removal (u) | 4.1 | 26,742 | - | (43,101) | | (43,016) | (85) |
| 13 Miscellaneous General Expense (u) | 4.2 | 21,780 | - | (35,104) | | (35,034) | (70) |
| 14 International Assignees (u) | 4.3 | 95,895 | - . | (154,559) | | (154,252) | (307) |
| 15 Out of Period Expense Adj. | 4.4 | 213,273 | - | (343,746) | | (72,012) | (271,734) |
| 16 Propety Insurance (u) | 4.5 | (109,721) | | 176,844 | | 176,493 | 351 |
| 17 Affiliate Fee Commitment (u) | 4.6 | 7,090 | - | (11,427) | | (11,404) | (23) |
| 18 DSM Amortization Removal (u) | 4.7 | 3,224,447 | - | (5,197,049) | | (5,186,724) | (10,325) |
| 19 Corporate Cost Commitment (u) | 4.8 | 53,311 | - | (85,925) | | (85,754) | (171) |
| 20 A&G Expense Commitment (u) | 4.9 | 306,114 | · = | (493,383) | | (492,403) | (980) |
| 21 Proforma Wage Adjustment | 4.10 | (695,500) | = | 1,120,982 | | - | 1,120,982 |
| 22 | | | | | | | |
| 23 | | | | | | | |
| 24 POWER COSTS | | | | | | 055 440 | . 41.505 |
| 25 BPA Exchange (u) | 5.1 | (13,034,252) | - | 21,008,147 | | 20,966,412 | 41,735 |
| 26 James River Royalty Offset (u) | 5.2 | 1,058,428 | - | (1,705,937) | | (1,702,548) | (3,389) |
| 27 Removal of Colstrip #3 (u) | 5.3 | 678,441 | (9,665,246) | | | (2,344,276) | 19,425 |
| 28 Misc. Power Supply | 5.4 | 992,664 | ÷ | (1,599,941) | | - | (1,599,941) |
| 29 Revised CAGW & SO Factors | 5.5 | 856,315 | (6,294,672) | | | - | (2,182,127) |
| 30 Water Year Adjustment | 5.6 | 1,001,444 | • | (1,614,092) | | - | (1,614,092) |
| 31 | 5.7 | - | - | - | | - | |
| 32 | | | | | | | |
| 33 TAX ADJUSTMENTS | | | | | | 0.50.51.1 | (10(005) |
| 34 Interest True Up | 7.1 | 35,858 | - | (57,794) | | 368,211 | (426,005) |
| 35 Utah Gross Receipts Tax (u) | 7.2 | 195,117 | - | (314,483) | | (313,858) | (625) |
| 36 Reclass Deferred Income Tax (u) | 7.3 | - | (16,435) | | | (2,131) | 37 . |
| 37 Malin Midpoint (u) | 7.4 | 297,441 | (1,487,206) | | | (671,247) | 2,370 |
| 38 Flow-through Deferred Tax Adj. (u) | 7.5 | 1,217,863 | (10,531,719) | (3,304,661) | 1 | (3,324,296) | 19,635 |
| 39 IRS Settlement Amortization | 7.6 | - | - | | | 1,082,832 | (1,082,832) |
| 40 Year-end Deferred Tax (u) | 7.7 | · • | (377,919) | | | (48,992) | 845 |
| 41 Renewable Energy Tax Credit (u) | 7.8 | 629,057 | | (1,013,892) | | (1,011,878) | (2,014) |
| 42 Low Income Tax Credit (u) | 7.9 | 23,835 | - | (38,416) | | (38,340) | (76) |
| 43 Production Activity Deduction | 7.10 | 184,798 | • - | (297,851) | • | - | (297,851) |

Summary of Adjustments

| | Adj. No. | NOI Impact | Net Rate Base Impact | Staff's Revenue Requirement Impact | PacifiCorp's Revenue Requirement Impact per Filing | Difference |
|---|-------------|---------------|-------------------------|---|---|--------------|
| A | В | Č | D | Е | F | G |
| 44 | | | | | | |
| 45 RATE BASE | | | | | | |
| 46 Cash Working Capital | 8.1 | - | - | | 22,796 | (22,796) |
| 47 Remove Deferred Debits (u) | 8.2 | - | (2,814,534) | (358,575) | (364,864) | 6,289 |
| 48 Bridger Mine Rate Base | 8.3 | - | 18,630,829 | 2,373,589 | 2,633,158 | (259,569) |
| 49 Grid West Loan (u) | 8.4 | (86,378) | 112,424 | 153,544 | 153,519 | 25 |
| 50 North Umpqua Relicensing (u) | 8.5 | 79,281 | (130,323) | (144,386) | (144,423) | 37 |
| 51 Yakama Sale (u) | 8.6 | 6,090 | (441,866) | (66,110) | (67,078) | 968 |
| 52 Customer Advances (u) | 8.7 | - | 984,551 | 125,433 | 127,633 | (2,200) |
| 53 Centralia Transmission Line Sale (u) | 8.8 | 724 | (38,931) | (6,127) | (6,212) | 85 |
| 54 Leaning Juniper (u) | 8.9 | (946,413) | 21,751,568 | 4,296,570 | 4,342,144 | (45,574) |
| 55 Miscelianeous Rate Base Adj. (u) | 8.10 | 427,294 | - | (688,697) | (687,329) | (1,368) |
| 56 Colstrip 4 AFUDC Adj. (u) | 8.11 | 33,000 | (481,839) | (114,575) | (115,546) | 971 |
| 57 Trojan Removal (u) | 8.12 | 280,616 | 660,546 | (368,132) | (365,758) | (2,374) |
| 58 MEHC Transition Savings | 8.13 | 1,879,604 | 1,274,095 | (2,867,158) | (1,044,879) | (1,822,279) |
| 59 Remove Working Capital | 8.14 | · . | (4,014,806) | (511,491) | - | (511,491) |
| 60 Remove Current Assets | 8.15 | - | (12,166,362) | (1,550,008) | | (1,550,008) |
| 61 ISWC | 8.16 | - | 8,321,198 | 1,060,130 | - | 1,060,130 |
| 62 Customer Deposits | 8.17 | (24,364) | (2,001,969) | (215,784) | - | (215,784) |
| 63 | 0.11 | (= -, / | | | | |
| 64 | | | | | | |
| 65 Total | | 34,669,038 | 534,765,047 | 12,251,339 | 23,210,097 | (10,958,758) |
| 66 Conversion Factor | | | | 0.620438 | 0.621670 | |
| 67 Percentage Increase in Revenues | | | | 5.4% | 10.2% | |
| 68 | | | | | • | |
| 69 | | | | | | |
| 70 | | | | | | |
| • = | | Staff | Staff | | Company | Company |
| 71 Capital Structure | | 54.00% | | | 50.00% | 6.34% |
| 72 Long-term Debt / Cost | | 3.00% | | | 3.00% | 4.50% |
| 73 Short term Debt / Cost | | 1.00% | | | 1.00% | 6.46% |
| 74 Preferred Stock / Cost | | 42.00% | | | 46.00% | 10.20% |
| 75 Common Stock / Cost | | 72.0070 | 7.90% | - | - | 8.06% |
| 76 Weighted Average Cost of Capital | | | 5070 | | | |

PacifiCorp General Rate Case Appendix to Exhibit No. ___ (TES-2)

Mechanics of the Exhibit

| The following is a description of how to navigate Exhibit No(TES-2) and how it compares to Exhibit No (PMW-4). |
|--|
| |
| Starting at Exhibit No(TES-2), page 1, Column 1; this is the same as Exhibit No(PMW-4), page 2.2, Washington unadjusted results, also known as "per books" results. Column 2 is the sum of the adjustments presented in pages 7 – 14. Column 3 is the sum of columns 1 and 2. Column 4 retrieves the revenue requirement from page 3 and shows the revenue related expenses. Finally Column 5 shows the total results after Staff's revenue requirement recommendation. |
| Page 3 of Exhibit TES-2 shows the calculation of the revenue requirement similar to the top portion of the Company's page 1.2, Exhibit No(PMW-4). |
| Page 4 shows Staff's recommended conversion factor which may be compared to the Company's Exhibit No(PMW-4), page 1.3. |
| Page 5 of Exhibit No(TES-2) calculates the recommended cost of capital and return on rate base. |
| Page 6 shows the calculation of Adjustment 7.1, Interest True-up. |
| Pages 7-14 present Staff's adjustments to the unadjusted results of operations. The format of these pages follows the format of the first page of tabs 3, 4, 5, etc., in Exhibit No (PMW-4). In Exhibit No (PMW-4) the first page of the adjustment tabs is the sum of the Company's Types 1, 2, and 3. Staff does not distinguish between the "types" of adjustments presented by PacifiCorp and has combined them in each adjustment. Each column is one adjustment with the tax consequences of revenue or expense calculated in the lower section of the column beginning at line 60. Note that Adjustment 7.1, interest true-up, is automatically recalculated with changes in rate base or debt cost. This recalculation is shown at page 6. |
| Pages 15 and 16 are a summary of the adjustments showing the net operating income impact, net rate base impact, and revenue requirement impact of each adjustment. A comparison to the revenue requirement impact of each of PacifiCorp's adjustments is included. |
| Pages 18-23 are summary tables of the components of revenue requirements as requested in the last PacifiCorp general rate case. |
| |
| |
| |

Table 1
Net Operating Income Impacts
Adjustment

| | Adjustment | | Staff |
|--|------------|-----|--------------|
| | No. | N | OI Impact_ |
| | | | |
| 1 Net Operating Income "Unadjusted" | | \$ | 31,739,435 |
| 2 REVENUES | | | |
| 3 Temperature Normalization (u) | 3.1 | \$ | (143,284) |
| 4 ProForma Reduction in Load (u) | 3.2 | \$ | (2,539,148) |
| 5 Revenue Normalizing (u) | 3.3 | \$ | 9,182,478 |
| 6 Centralia Gain (u) | 3.4 | \$ | (734,690) |
| 7 Pole Attachment Revenue (u) | 3.5 | \$ | (519,401) |
| 8 SO2 Emission Allowances (u) | 3.6 | \$ | (1,246,243) |
| 9 | | | |
| 10 O&M | | | |
| 11 Green Tag Removal (u) | 4.1 | \$ | 26,742 |
| 12 Miscellaneous General Expense (u) | 4.2 | \$ | 21,780 |
| 13 International Assignees (u) | 4.3 | \$ | 95,895 |
| 14 Out of Period Expense Adj. | 4.4 | \$ | 213,273 |
| 15 Propety Insurance (u) | 4.5 | \$ | (109,721) |
| 16 Affiliate Fee Commitment (u) | 4.6 | \$ | 7,090 |
| 17 DSM Amortization Removal (u) | 4.7 | \$ | 3,224,447 |
| 18 Corporate Cost Commitment (u) | 4.8 | \$ | 53,311 |
| 19 A&G Expense Commitment (u) | 4.9 | \$ | 306,114 |
| 20 Proforma Wage Adjustment | 4.10 | \$ | (695,500) |
| 21 | | | |
| 22 POWER COSTS | | | |
| 23 BPA Exchange (u) | 5.1 | \$ | (13,034,252) |
| 24 James River Royalty Offset (u) | 5.2 | ·\$ | 1,058,428 |
| 25 Removal of Colstrip #3 (u) | 5.3 | \$ | 678,441 |
| 26 Misc. Power Supply | 5.4 | \$ | 992,664 |
| 27 Revised CAGW & SO Factors | 5.5 | \$ | 856,315 |
| 28 Water Year Adjustment | 5.6 | \$ | 1,001,444 |
| 29 | | | |
| 30 TAX ADJUSTMENTS | | | |
| 31 Interest True Up | 7.1 | \$ | 35,858 |
| 32 Utah Gross Receipts Tax (u) | 7.2 | \$ | 195,117 |
| 33 Reclass Deferred Income Tax (u) | 7.3 | \$ | · - |
| 34 Malin Midpoint (u) | 7.4 | \$ | 297,441 |
| 35 Flow-through Deferred Tax Adj. (u) | 7.5 | \$ | 1,217,863 |
| 36 IRS Settlement Amortization | 7.6 | \$ | |
| 37 Year-end Deferred Tax (u) | 7.7 | \$ | _ |
| 38 Renewable Energy Tax Credit (u) | 7.8 | \$ | 629,057 |
| 39 Low Income Tax Credit (u) | 7.9 | \$ | 23,835 |
| 40 Production Activity Deduction | 7.10 | 5 | 184,798 |
| 41 | | | |
| 42 RATE BASE | | | |
| 43 Cash Working Capital | 8.1 | \$ | • |
| 44 Remove Deferred Debits (u) | 8.2 | \$ | _ |
| 45 Bridger Mine Rate Base | 8.3 | \$ | _ |
| 46 Grid West Loan (u) | 8.4 | 5 | (86,378) |
| 47 North Umpqua Relicensing (u) | 8.5 | \$ | 79,281 |
| | 8.6 | \$ | 6,090 |
| 48 Yakama Sale (u) 49 Customer Advances (u) | 8.7 | \$ | - |
| 50 Centralia Transmission Line Sale (u | | \$ | 724 |
| | 8.9 | \$ | (946,413) |
| 51 Leaning Juniper (u)52 Miscellaneous Rate Base Adj. (u) | 8.10 | \$ | 427,294 |
| | 8.11 | \$ | 33,000 |
| 53 Colstrip 4 AFUDC Adj. (u) | 8.12 | \$ | 280,616 |
| 54 Trojan Removal (u) | 8.13 | \$ | 1,879,604 |
| 55 MEHC Transition Savings | 8.14 | \$ | 1,0,7,00 |
| 56 Remove Working Capital | 8.15 | \$ | - |
| 57 Remove Current Assets | 8.16 | \$ | - |
| 58 ISWC | 8.17 | \$ | (24,364) |
| 59 Customer Deposits 60 Total | | -\$ | 34,669,038 |
| 60 Lota | | _ | -,,- |

Table 2 Net Rate Base Impacts

| Adjustment | Adj. No | Rate | Staff Base Impact |
|--|------------|------|--------------------------|
| B HYlm directed! | | \$ | 534,951,251 |
| Net Rate Base "Unadjusted" | | | 1,22,1 |
| 2 REVENUES 3 Temperature Normalization (u) | 3.1 | \$ | - |
| 4 ProForma Reduction in Load (u) | 3.2 | \$ | _ |
| 4 Proportia Reduction in Load (a) | 3,3 | \$ | _ |
| 5 Revenue Normalizing (u) | 3.4 | \$ | _ |
| 6 Centralia Gain (u) 7 Pole Attachment Revenue (u) | 3.5 | \$ | _ |
| 8 SO2 Emission Allowances (u) | 3.6 | \$ | (1,457,588) |
| 9 | | - | (-,,, |
| 10 O&M | | | |
| 11 Green Tag Removal (u) | 4.1 | \$ | _ |
| 12 Miscellaneous General Expense (u) | 4.2 | \$ | - |
| 13 International Assignees (u) | 4.3 | \$ | _ |
| 14 Out of Period Expense Adj. | 4.4 | \$ | |
| 15 Propety Insurance (u) | 4.5 | \$ | - |
| 16 Affiliate Fee Commitment (u) | 4.6 | \$ | - |
| 17 DSM Amortization Removal (u) | 4.7 | \$ | - |
| 18 Corporate Cost Commitment (u) | 4.8 | \$ | - |
| 19 A&G Expense Commitment (u) | 4.9 | \$ | - |
| 20 Proforma Wage Adjustment | 4.10 | \$ | - |
| 21 | | | |
| 22 POWER COSTS | | | |
| 23 BPA Exchange (u) | 5.1 | \$ | - |
| 24 James River Royalty Offset (u) | 5.2 | \$ | |
| 25 Removal of Colstrip #3 (u) | 5.3 | \$ | (9,665,246) |
| 26 Misc. Power Supply | 5.4 | \$ | - |
| 27 Revised CAGW & SO Factors | 5.5 | \$ | (6,294,672) |
| 28 Water Year Adjustment | 5.6 | \$ | - |
| 29 | | | |
| 30 TAX ADJUSTMENTS | | | |
| 31 Interest True Up | 7.1 | \$ | - |
| 32 Utah Gross Receipts Tax (u) | 7.2 | \$ | - |
| 33 Reclass Deferred Income Tax (u) | 7.3 | \$ | (16,435) |
| 34 Malin Midpoint (u) | 7.4 | \$ | (1,487,206) |
| 35 Flow-through Deferred Tax Adj. (u) | 7.5 | \$ | (10,531,719) |
| 36 IRS Settlement Amortization | 7.6 | \$ | - |
| 37 Year-end Deferred Tax (u) | 7.7 | \$ | (377,919) |
| 38 Renewable Energy Tax Credit (u) | 7.8 | \$ | - |
| 39 Low Income Tax Credit (u) | 7.9 | \$ | - |
| 40 Production Activity Deduction | 7.10 | \$ | • |
| 41 | | | |
| 42 RATE BASE | | | |
| 43 Cash Working Capital | 8.1 | \$ | |
| 44 Remove Deferred Debits (u) | 8.2 | \$ | (2,814,534) |
| 45 Bridger Mine Rate Base | 8.3 | \$ | 18,630,829 |
| 46 Grid West Loan (u) | 8.4 | \$ | 112,424 |
| 47 North Umpqua Relicensing (u) | 8.5 | \$ | (130,323) |
| 48 Yakama Sale (u) | 8.6 | \$ | (441,866) |
| 49 Customer Advances (u) | 8.7 | \$ | 984,551 |
| 50 Centralia Transmission Line Sale (u) | 8.8 | \$ | (38,931) |
| 51 Leaning Juniper (u) | 8.9 | \$ | 21,751,568 |
| 52 Miscellaneous Rate Base Adj. (u) | 8.10 | \$ | (491.920) |
| 53 Colstrip 4 AFUDC Adj. (u) | 8.11 | \$ | (481,839) |
| 54 Trojan Removal (u) | 8.12 | \$ | 660,546 |
| 55 MEHC Transition Savings | 8.13 | \$ | 1,274,095 |
| 56 Remove Working Capital | 8.14 | \$ | (4,014,806) |
| 57 Remove Current Assets | 8.15 | \$ | (12,166,362) |
| 58 ISWC | 8.16 | \$ | 8,321,198 (2,001,969) |
| 59 Customer Deposits | 8.17 | \$ | 534,765,047 |
| 60 Tota | i. | | 77,107,071 |

Table 3 Rate of Return

Staff Recommended Weighted Average Cost of Capital with a PCAM

| Type of Capital 1 Long-term Debt 2 Short term Debt 3 Preferred Stock | Capital Structure 54.00% 3.00% 1.00% | Interest Rate 6.3350% 4.5000% 6.4550% | Weighted Cost 3.42090% 0.13500% 0.06455% 4.28400% | Weighted Debt Rate 3.55590% |
|---|--------------------------------------|---|---|-----------------------------------|
| 4 Common Stock | 42.00% | 10.2000% _ | | |
| 5 Weighted Average Cost of Capital | 100.00% | - | 7.90% | |

Table 4 Conversion Factor

| | | | Nominal Tax Rate |
|---------------------------------------|----------------------------------|-------------|---------------------|
| 1 Operating Revenue | - | 100.0000% | |
| 2 Operating Revenue Deduction | s: | | |
| 3 | Uncollectible Accounts | 0.4850% | |
| 4 | Franchise Tax | 0.0000% | |
| · · · · · · · · · · · · · · · · · · · | WA Revenue Tax | 3.8730% | |
| 6 | WUTC Fee | 0.1900% | |
| 7 Sub-Total | | 95.4520% | |
| 8 | State Income Tax | 0.0000% | 4.540% |
| 9 Sub-Total | 2 1 | 95.4520% | |
| 10 | Federal Income Tax @ 35% | 33.4082% | 35% |
| 11 Net Operating Income Conv | - | 62.0438% | |
| | | 161.17646% | |
| 12 Company uses inverse | known as "Net to Gross Bump-up". | 101.170-070 | |

Table 5 Staff Recommended Increase in Net Operating Income

| | V | With PCAM |
|---|----|-------------|
| 1 Net Rate Base - Washington Jurisdiction | \$ | 534,765,047 |
| 2 Proposed Rate of Return | | 7.90% |
| 3 Net Operating Income Requirement | \$ | 42,270,236 |
| 4 Proforma Net Operating Income | \$ | 34,669,038 |
| 5 Recommended Increase (Decrease) in Net Operating Income | \$ | 7,601,198 |
| | | |
| Sources: | | |
| Line 1: From Table 2, line 77 | | |
| Line 2: From Table 3, lines 6 or 19 | - | |
| Line 3: Line 1 times line 2 | | |
| Line 4: From Table 1, line 74 | | |
| Line 5: Line 3 less line 4 | | |

Table 6 Staff Recommended Increase to Revenue Requirements

| | Revenue Requirement Calculation | Notes | With PCAM |
|---|---|-------|-------------------|
| 1 | Net Operating Income Excess | 1* | \$ 7,601,198 |
| 2 | NOI > Revenue Conversion Factor | 2* | 62.04380% |
| 4 | | | |
| 5 | Revenue Requirement Increase (Decrease) | 3* | \$ 12,251,341 |
| | Adjusted Revenues at Present Rates | 4* | \$ 226,563,996 |
| 8 | Percentage decrease | 5* | 5.4% |

Sources:

- 1* From Table 5, line 5
- 2* From Table 4, line 11
- 3* Line 1 divided by line 3
- 4* Exhibit ___(TES-2) at 1, line 1, column 3
- 5* Line 5 divided by line 7.