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March 9, 2009

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive Southwest
P.O. Box 47250
Olympia, WA 98504-8002

Attention: David W. Danner
Executive Director and Secretary

**RE: In the matter of WUTC v. PacifiCorp d/b/a Pacific Power
Docket UE-090205**

Dear Mr. Danner:

Enclosed please find revised exhibits of Company witness R. Bryce Dalley in the above referenced docket. Pursuant to WAC 480-07-460(1)(b)(i), these revisions are being made to incorporate corrections to the categorization (restating or pro forma) of the rate making adjustments that were identified through discussion with Commission staff. The total Washington allocated adjustment amounts and the requested price increase do not change. Further, at the request of Commission staff, also enclosed is a revised Exhibit A to the application. On item 8 in this exhibit, the Company has added a description of the method or methods used to calculate the rate of return on common equity.

Revised pages have been marked "REVISED 3/09/09" and all changes have been highlighted. The revised exhibits include the following:

Exhibit A – Summary of Requested Electric Rate Increase
Exhibit No. __ (RBD-3) page 1.1
Exhibit No. __ (RBD-3) page 7.1
Exhibit No. __ (RBD-3) page 8.1

Also enclosed please find electronic copies of the revised exhibits and supplemental work papers provided in support of the exhibits sponsored by Company witness R. Bryce Dalley.

Washington Utilities and Transportation Commission

March 9, 2009

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If you have any questions or require further information, please contact Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,

A handwritten signature in cursive script that reads "Andrea Kelly/ea".

Andrea Kelly

Vice President, Regulation

Enclosures

cc. Service List

CERTIFICATE OF SERVICE

I certify that I have cause to be served the foregoing document, via overnight delivery, to the following:

Industrial Customers of Northwest Utilities

Irion Sanger
Davison Van Cleve, P.C.
333 S.W. Taylor, Suite 400
Portland, OR 97204
Telephone: (503) 241-7242
Facsimile: (503) 241-8160

Washington Utilities & Trans. Comm'n

Don Trotter
1400 S. Evergreen Park Drive S.W.
PO Box 40128
Olympia WA 98504
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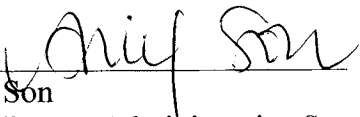
Office of the Attorney General

Sarah A. Shifley
900 4th Avenue – Suite 2000
Seattle WA 98164
Telephone: (206) 389-2055
Facsimile: (206) 464-6451

The Energy Project

Chuck Eberdt
1322 N. State St.
Bellingham, WA 98225
Telephone: (360) 733-6559
Facsimile: (360) 671-0541

DATED this 9th day of March, 2009.



Ariel Son
Coordinator, Administrative Services

PACIFICORP

Exhibit A
Summary of Requested Electric General Rate Increase
Washington Jurisdiction
Filed February 9, 2009

- 1) The date and amount of the latest prior general rate increase authorized by the Commission, and the revenue realized from that authorized increase in the test period, based on the company's test period units of revenue.**

| | |
|-------------------------------------|------------------|
| Date: | October 15, 2008 |
| Amount: | \$18,400,000 |
| Amount Realized in the test period: | \$18,213,000 |

- 2) Total revenues at present rates and at requested rates.**

| | |
|-----------------|---------------|
| Present Rates | \$254,947,000 |
| Requested Rates | \$293,461,000 |

- 3) Requested revenue change in percentage, in total and by major customer class**

| | |
|-------------------------|-------|
| Residential | 15.2% |
| Commercial & Industrial | 15.2% |
| Public Street Lighting | 0.0% |
| Total | 15.1% |

- 4) Requested revenue change in dollars, in total and by major customer class**

| | |
|-------------------------|--------------|
| Residential | \$17,010,000 |
| Commercial & Industrial | \$21,505,000 |
| Public Street Lighting | \$ 0,000 |
| Total | \$38,515,000 |

- 5) Requested rate change in dollars per month, per average residential customer.**

Monthly impact at average usage of 1,300 kWh per month - \$13.77

6) Most current customer count by major customer class.

| | |
|-------------------------|---------|
| Residential | 102,466 |
| Commercial & Industrial | 24,033 |
| Public Street Lighting | 3,265 |
| Total | 129,764 |

Twelve months ended June 2008.

7) Current authorized overall rate of return and authorized rate of return on common equity.

| | |
|---|--------|
| Overall rate of return (UE-061546) | 8.06% |
| Rate of return on common equity (UE-061546) | 10.20% |

8) Requested overall rate of return and requested rate of return on common equity, and the method or methods used to calculate rate of return on common equity.

| | |
|---------------------------------|--------|
| Overall rate of return | 8.513% |
| Rate of return on common equity | 11.00% |

Method of calculation: The discounted cash flow and risk premium analysis methodologies were used to determine a reasonable range of return on equity. Based on these quantitative results and further review of other economic data, a point estimate of 11.0 percent was recommended.

9) Requested capital structure.

| | |
|-----------------|-------|
| Long-term Debt | 49.1% |
| Preferred stock | 0.4% |
| Common Equity | 50.1% |
| Short-term Debt | 0.4% |

10) Requested total net operating income.

| | |
|-----------------------|---------------|
| Net operating income: | \$ 62,814,000 |
|-----------------------|---------------|

11) Requested total rate base and method of calculation, or equivalent.

| | |
|------------|---------------|
| Rate base: | \$737,858,000 |
|------------|---------------|

Method of calculation: Average of Monthly Averages (“AMA”).

12) Requested revenue effect of attrition allowance, if any requested.

Attrition allowance requested: No

PACIFICORP
State of Washington - Electric Utility
Actual, Adjusted & Normalized Results of Operations - West Control Area
Twelve Months Ended June 2008

| | (1) Unadjusted Results | (2) Restating Adjustments | (3) Total Restated Actual Results | (4) Pro Forma Adjustments | (5) Total Normalized Results |
|---------------------------------|------------------------------|---------------------------------|---|---------------------------------|------------------------------------|
| 1 Operating Revenues: | | | | | |
| 2 General Business Revenues | 246,437,321 | (7,984,976) | 238,452,345 | 16,494,180 | 254,946,525 |
| 3 Interdepartmental | - | - | - | - | - |
| 4 Special Sales | 178,104,375 | 556,994 | 178,661,370 | (120,821,860) | 57,839,509 |
| 5 Other Operating Revenues | 12,074,828 | (1,535,677) | 10,539,151 | 2,664,412 | 13,203,563 |
| 6 Total Operating Revenues | 436,616,525 | (8,963,659) | 427,652,866 | (101,663,268) | 325,989,598 |
| 7 | | | | | |
| 8 Operating Expenses: | | | | | |
| 9 Steam Production | 43,298,300 | (852,947) | 42,445,353 | 7,104,204 | 49,549,557 |
| 10 Nuclear Production | - | - | - | - | - |
| 11 Hydro Production | 4,634,548 | 232,355 | 4,866,903 | 34,405 | 4,901,308 |
| 12 Other Power Supply | 253,545,147 | (915,559) | 252,629,588 | (133,068,288) | 119,561,300 |
| 13 Transmission | 20,810,064 | 11,055 | 20,821,119 | 4,529,717 | 25,350,836 |
| 14 Distribution | 13,877,910 | 60,301 | 13,938,212 | 200,330 | 14,138,542 |
| 15 Customer Accounting | 7,667,033 | 226,978 | 7,894,012 | 87,975 | 7,981,987 |
| 16 Customer Service & Info | 2,721,936 | (2,156,195) | 565,740 | 4,343 | 570,083 |
| 17 Sales | - | - | - | - | - |
| 18 Administrative & General | 11,946,954 | 370,825 | 12,317,779 | 184,771 | 12,502,549 |
| 19 Total O&M Expenses | 358,501,893 | (3,023,187) | 355,478,706 | (120,922,542) | 234,556,164 |
| 20 Depreciation | 31,323,517 | (1,721,650) | 29,601,867 | 6,716,991 | 36,318,858 |
| 21 Amortization | 3,948,171 | (344,153) | 3,604,018 | 720,336 | 4,324,354 |
| 22 Taxes Other Than Income | 14,275,507 | (40,973) | 14,234,534 | 1,414,543 | 15,649,076 |
| 23 Income Taxes - Federal | (6,853,460) | (1,520,835) | (8,374,295) | (6,033,402) | (14,407,697) |
| 24 Income Taxes - State | - | - | - | - | - |
| 25 Income Taxes - Def Net | 14,681,371 | (10,402,853) | 4,278,518 | 6,972,528 | 11,251,046 |
| 26 Investment Tax Credit Adj. | - | - | - | - | - |
| 27 Misc Revenue & Expense | (679,489) | 575,419 | (104,069) | (562,832) | (666,901) |
| 28 Total Operating Expenses: | 415,197,510 | (16,478,231) | 398,719,279 | (111,694,380) | 287,024,899 |
| 29 | | | | | |
| 30 Operating Rev For Return: | 21,419,015 | 7,514,572 | 28,933,587 | 10,031,112 | 38,964,698 |
| 31 | | | | | |
| 32 Rate Base: | | | | | |
| 33 Electric Plant In Service | 1,165,713,304 | 4,976,898 | 1,170,690,202 | 158,037,127 | 1,328,727,328 |
| 34 Plant Held for Future Use | 102,719 | - | 102,719 | - | 102,719 |
| 35 Misc Deferred Debits | 8,368,049 | (1,424,126) | 6,943,922 | 905,229 | 7,849,151 |
| 36 Elec Plant Acq Adj | - | - | - | - | - |
| 37 Nuclear Fuel | - | - | - | - | - |
| 38 Prepayments | 2,587,031 | (2,587,031) | 0 | - | 0 |
| 39 Fuel Stock | 2,516,744 | - | 2,516,744 | - | 2,516,744 |
| 40 Material & Supplies | 6,381,360 | 12,962 | 6,394,322 | 320,111 | 6,714,432 |
| 41 Working Capital | 12,445,164 | (2,534,962) | 9,910,202 | 933,129 | 10,843,331 |
| 42 Weatherization | 2,100,039 | - | 2,100,039 | - | 2,100,039 |
| 43 Misc Rate Base | 474,771 | (508,125) | (33,354) | - | (33,354) |
| 44 Total Electric Plant: | 1,200,689,180 | (2,064,385) | 1,198,624,796 | 160,195,594 | 1,358,820,390 |
| 45 | | | | | |
| 46 Rate Base Deductions: | | | | | |
| 47 Accum Prov For Deprec | (455,513,070) | 14,868,817 | (440,644,253) | (15,497,110) | (456,141,363) |
| 48 Accum Prov For Amort | (32,275,734) | - | (32,275,734) | (262,757) | (32,538,491) |
| 49 Accum Def Income Tax | (88,855,752) | (3,625,210) | (92,480,962) | (27,642,570) | (120,123,532) |
| 50 Unamortized ITC | (1,439,631) | 204,991 | (1,234,639) | 212,988 | (1,021,651) |
| 51 Customer Adv For Const | 206,262 | (901,748) | (695,487) | - | (695,487) |
| 52 Customer Service Deposits | - | (2,724,400) | (2,724,400) | - | (2,724,400) |
| 53 Misc Rate Base Deductions | (4,709,706) | 1,199,304 | (3,510,401) | (4,207,450) | (7,717,851) |
| 54 | | | | | |
| 55 Total Rate Base Deductions | (582,587,631) | 9,021,754 | (573,565,877) | (47,396,898) | (620,962,775) |
| 56 | | | | | |
| 57 Total Rate Base: | 618,101,549 | 6,957,370 | 625,058,918 | 112,798,696 | 737,857,615 |
| 58 | | | | | |
| 59 Return on Rate Base | 3.465% | | 4.629% | | 5.281% |
| 60 Return on Equity | 0.925% | 2.323% | 3.247% | 1.301% | 4.548% |
| 61 | | | | | |
| 62 TAX CALCULATION: | | | | | |
| 63 Operating Revenue | 29,246,926 | (4,409,116) | 24,837,810 | 10,970,237 | 35,808,047 |
| 64 Other Deductions | | | | | |
| 65 Interest (AFUDC) | (3,140,569) | (157,163) | (3,297,732) | - | (3,297,732) |
| 66 Interest | 20,654,565 | (2,025,340) | 18,629,225 | 3,361,847 | 21,991,071 |
| 67 Schedule "M" Additions | 64,341,038 | (14,053,574) | 50,287,464 | 8,282 | 50,295,746 |
| 68 Schedule "M" Deductions | 95,655,281 | (19,575,426) | 76,079,856 | 17,403,126 | 93,482,982 |
| 69 Income Before Tax | (19,581,314) | 3,295,239 | (16,286,074) | (9,786,454) | (26,072,528) |
| 70 | | | | | |
| 71 State Income Taxes | - | - | - | - | - |
| 72 Taxable Income | (19,581,314) | 3,295,239 | (16,286,074) | (9,786,454) | (26,072,528) |
| 73 | | | | | |
| 74 Federal Income Taxes + Other | (6,853,460) | (1,520,835) | (8,374,295) | (6,033,402) | (14,407,697) |

| | <u>ACCOUNT</u> | <u>Type</u> | <u>TOTAL COMPANY</u> | <u>FACTOR</u> | <u>FACTOR %</u> | <u>WASHINGTON ALLOCATED</u> | <u>REF#</u> |
|--|----------------|-------------|--------------------------|---------------|-----------------|---------------------------------|-------------|
| Adjustment to Expense: | | | | | | | |
| Other Interest Expense - Restating | 427 | 1 | (2,025,340) | WA | Situs | (2,025,340) | Below |
| Other Interest Expense - Pro Forma | 427 | 3 | 3,361,847 | WA | Situs | 3,361,847 | Below |
| | | | <u>1,336,507</u> | | | <u>1,336,507</u> | 2.20 |
| Adjustment Detail: | | | | | | | |
| Restating: | | | | | | | |
| Jurisdiction Specific Adjusted Rate Base | | | | | | 625,058,918 | 1.1 |
| Weighted Cost of Debt: | | | | | | 2.980% | 2.1 |
| Trued-up Interest Expense | | | | | | <u>18,629,225</u> | 1.1 |
| Unadjusted Interest Expense | | | | | | 20,654,565 | 2.20 |
| Restating Interest True-up Adjustment | | | | | | <u>(2,025,340)</u> | 1.1 |
| Pro Forma: | | | | | | | |
| Jurisdiction Specific Adjusted Rate Base | | | | | | 737,857,615 | 2.2 |
| Weighted Cost of Debt: | | | | | | 2.980% | 2.1 |
| Trued-up Interest Expense | | | | | | <u>21,991,071</u> | 2.20 |
| Restated Interest Expense | | | | | | <u>18,629,225</u> | 1.1 |
| Total Profroma Interest True-up Adjustment | | | | | | <u>3,361,847</u> | 1.1 |

Description of Adjustment

This restating and pro forma adjustment details the adjustment to interest expense required to synchronize the test period expense with rate base. This is done by multiplying normalized Washington net rate base by the Company's weighted cost of debt in this case. This adjustment is calculated in two parts. First, the interest expense is calculated for all of the restating adjustments included in this filing. Second, the interest expense is calculated for all of the adjustment included in the filing, including those that are pro forma in nature.

| | ACCOUNT | Type | TOTAL COMPANY | FACTOR | FACTOR % | WASHINGTON ALLOCATED | REF# |
|-------------------------------------|---------|------|------------------|-----------|----------|-------------------------|----------|
| Adjustment to Rate Base: | | | | | | | |
| Cash Working Capital - Restating | CWC | 1 | (189,277) | WA | Situs | (189,277) | Below |
| | | | - | WA | Situs | - | |
| Cash Working Capital - Pro Forma | CWC | 3 | 933,129 | WA | Situs | 933,129 | Below |
| | | | <u>743,851</u> | | | <u>743,851</u> | |
| Unadjusted | | | | | | <u>WA Allocated</u> | |
| Total Unadjusted O&M Expenses | | | | | | 358,501,893 | 1.1 |
| Less Fuel (501 and 547) | | | | | | (43,883,633) | 2.6, 2.9 |
| Less Purchased Power Expenses (555) | | | | | | (234,089,254) | 2.10 |
| | | | | | | <u>80,529,005</u> | |
| | | | | | | 1/8 | |
| | | | | | | <u>10,066,126</u> | 2.35 |
| Unadjusted CWC | | | | | | <u>WA Allocated</u> | |
| Total Type 1 O&M Expenses | | | | | | 355,478,706 | 1.1 |
| Less Fuel (501 and 547) | | | | | | (43,179,194) | |
| Less Purchased Power Expenses (555) | | | | | | (233,284,725) | |
| | | | | | | <u>79,014,786</u> | |
| | | | | | | 1/8 | |
| Restated CWC | | | | (189,277) | | <u>9,876,848</u> | |
| Pro Forma CWC: | | | | | | | |
| Total Type 3 O&M Expenses | | | | | | 234,556,164 | 1.1 |
| Less Fuel (501 and 547) | | | | | | (75,601,455) | 2.6, 2.9 |
| Less Purchased Power Expenses (555) | | | | | | (72,474,892) | 2.10 |
| | | | | | | <u>86,479,816</u> | |
| | | | | | | 1/8 | |
| Pro Forma CWC | | | | 933,129 | | <u>10,809,977</u> | 2.35 |

Description of Adjustment

This restating and pro forma adjustment details the adjustment to interest expense required to synchronize the test period expense with rate base. This is done by multiplying normalized Washington net rate base by the Company's weighted cost of debt in this case. This adjustment is calculated in two parts. First, the interest expense is calculated for all of the restating adjustments included in this filing. Second, the interest expense is calculated for all of the adjustment included in the filing, including those that are pro forma in nature.