

*Redacted***Summary of Public Counsel Adjustments****Public Counsel****Schedule A****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

**Public Counsel Adjustments are Shown as Adjustments to the Company's Unadjusted Books  
(and this is before the Company's Proposed Adjustment are Reflected on the Books)**

| A                                 | B                    | C  | D  | E                 |
|-----------------------------------|----------------------|--|--|-------------------|
| Line No.                          | Ref. To Company Adj. | Issues   | Before Tax Impact<br>Public Counsel Adjustment to Unadjusted Books | Exhibit Reference |
| <b>ADJUSTMENTS TO OPERATIONS:</b> |                      |  |  |                   |
| 1                                 |                      | Nonrecurring DSM Costs                               | \$ (64,947)  | B1                |
| 2                                 | 4.4                  | Automated Meter Reading Savings                      | \$ (518,826)   | B2                |
| 3                                 |                      | System Software                                      | \$ (65,571)  | B3                |
| 4                                 |                      | Directors' & Officers' Liability Insurance           | \$ (22,457)  | B4                |
| 5                                 |                      | 2010 Non-Union Payroll Raise                         | \$ (85,525)  | B5                |
| 6                                 | 4.11                 | Property & Liability Insurance (Self Insurance) (b)  | (a)  | B6                |
| 7                                 | 4.5                  | Costs Paid for Settling Litigation                   | \$ (835,107)   | B7                |
| 9                                 |                      | Impute Income on Intercompany Federal Tax Receivable | \$ (1,268,160)   | B8                |
| 8                                 |                      | Bonuses in MEHC Affiliate Management Fee             | \$ (136,883)   | B9                |
| 9                                 |                      | Charitable Contributions                             | \$ (770)   | B10               |
| 11                                |                      | Employee Meals and Entertainment                     | \$ (39,912)  | B11               |
| 12                                |                      | Legislative and Lobbying                             | \$ (29,688)  | B12               |
| 13                                |                      | Marketing and Advertising                            | \$ (1,210)   | B13               |
| 14                                |                      | Membership Fees and Dues                             | \$ (30,554)  | B14               |
| 15                                |                      | Total Operations Adjustments to Revenue Requirement  | <u>\$ (3,099,610)</u>  |                   |
| <b>ADJUSTMENTS TO RATE BASE:</b>  |                      |  |  |                   |
| 16                                | 4.4                  | Automated Meter Reading Savings                      |  |                   |
| 17                                |                      | System Software (see above adjustment to Operations) | \$ 65,571  | C1                |
| 18                                |                      | Plant Held for Future Use                            | \$ (37,964)  | C2                |
| 19                                |                      | Total Rate Base Adjustments to Revenue Requirement   | <u>\$ 27,607</u>   |                   |

Note: Debit/positive amounts represent increases in expenses and related revenue requirements and credits/negative amounts represent decreases in expenses and related revenue requirements.

(a) - It is not necessary for Public Counsel to propose an adjustment to remove these costs, because the Company's proposed adjustment is not included in the unadjusted book amounts.

(b) - The Company's adjustment includes a unique provision to "increase" income taxes by \$137,326 as a permanent tax timing difference which Public Counsel has adjusted.

**Summary of Public Counsel Adjustments - Before and After Taxes**  
**Public Counsel**  
**Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction**  
**Test Year End - December 31, 2010**

Schedule A-1

*Revised*

**Public Counsel Adjustments are Shown as Adjustments to the Company's Unadjusted Books**  
**(and this is before the Company's Proposed Adjustment are Reflected on the Books)**

| A<br>Line<br>No.                  | B<br>Issues   | C<br>Exhibit<br>Cite | D  | E                       | F  |
|-----------------------------------|---|----------------------|--|-------------------------|--|
|                                   |   |                      | Before Taxes<br>Public<br>Counsel<br>Adjustments | Income<br>Tax<br>Impact | Net of Taxes<br>Public<br>Counsel<br>Adjustments |
| <b>ADJUSTMENTS TO OPERATIONS:</b> |   |                      |  |                         |  |
| 1                                 | Nonrecurring DSM Costs                              | B1                   | \$ (64,947)                                      | \$ 22,731               | \$ (42,216)                                      |
| 2                                 | Automated Meter Reading Savings                     | B2                   | \$ (518,826)                                     | \$ 181,589              | \$ (337,237)                                     |
| 3                                 | System Software                                     | B3                   | \$ (65,571)                                      | \$ 22,950               | \$ (42,621)                                      |
| 4                                 | Directors' & Officers' Liability Insurance          | B4                   | \$ (22,457)                                      | \$ 7,860                | \$ (14,597)                                      |
| 5                                 | 2010 Non-Union Payroll Raise                        | B5                   | \$ (85,525)                                      | \$ 29,934               | \$ (55,591)                                      |
| 7                                 | Property & Liability Insurance (Self Insurance) (a) | B7                   | \$ -   | \$ -                    | \$ -   |
| 8                                 | Costs Paid for Settling Litigation                  | B8                   | \$ (835,107)                                     | \$ 292,287              | \$ (542,820)                                     |
| 9                                 | Impute Income on Intercompany Fed. Tax Receivable   | B9                   | \$ (1,268,160)                                   | \$ 443,856              | \$ (824,304)                                     |
| 10                                | Bonuses in MEHC Affiliate Management Fee            | B10                  | \$ (136,883)                                     | \$ 47,909               | \$ (88,974)                                      |
| 11                                | Charitable Contributions                            | B11                  | \$ (770)   | \$ 270                  | \$ (501)   |
| 12                                | Employee Meals and Entertainment                    | B12                  | \$ (39,912)                                      | \$ 13,969               | \$ (25,943)                                      |
| 13                                | Legislative and Lobbying                            | B13                  | \$ (29,688)                                      | \$ 10,391               | \$ (19,297)                                      |
| 14                                | Marketing and Advertising                           | B14                  | \$ (1,210)                                       | \$ 424                  | \$ (787)   |
| 15                                | Membership Fees and Dues                            | B15                  | \$ (30,554)                                      | \$ 10,694               | \$ (19,860)                                      |
| 16                                | Total Operations Adjustments to Revenue Requirement |                      | <u>\$ (3,099,610)</u>                            | <u>\$ 1,084,864</u>     | <u>\$ (2,014,747)</u>                            |
| <b>ADJUSTMENTS TO RATE BASE:</b>  |   |                      |  |                         |  |
| 17                                | Automated Meter Reading Savings                     |                      |  |                         |  |
| 18                                | System Software - Plant in Service (see above)      | C1                   | \$ 65,571  |                         |  |
| 19                                | Plant Held for Future Use                           | C2                   | \$ (37,964)                                      |                         |  |
| 20                                | Total Rate Base Adjustments to Revenue Requirement  |                      | <u>\$ 27,607</u>                                 |                         |  |

Assumes federal income tax rate of 35%.

**Nonrecurring DSM Costs****Public Counsel****Schedule B-1***Reducted***Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| Line<br>No. | Description  | Wash.<br>Juris.    | Reference |
|-------------|--|--------------------|-----------|
| 1           | Demand Side Man. Expenses  | <u>\$ (64,947)</u> | PC DR 201 |
| 2           | (Cadmus Group, Inc.)   |                    |           |
| 3           | The Company agrees that this amount should be removed from revenue requirements. |                    |           |

*Redacted***Automated Meter Reading Implementation****Public Counsel****Schedule B-2****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| Line No. | Description                    | Wash. Juris.        | Reference |
|----------|--------------------------------|---------------------|-----------|
| 1        | Remove AMR Severance costs     | \$ (86,826)         | PC DR 92  |
| 2        | Remove Non-Payroll AMR Savings | \$ (432,000)        | PC DR 44  |
| 3        | Total                          | <u>\$ (518,826)</u> |           |

- 4 The Company response to PC DR 92 identifies AMR severance costs of \$86,826.
- 5 The Company's "An Investment Appraisal for Automated Meter Reading in the
- 6 State of Washington Executive Report and Authorization" (AI-AMR) includes
- 7 the amounts for non-payroll savings per PC DR 44, Confidential Attachment PC 44.
- 8 The individual components from the the AI-AMR are set forth
- 9 in the Confidential testimony of Bion Ostrander.

**System Software Costs****Public Counsel****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010****Schedule B-3***Reclassified*

| Line<br>No. | Description   | Wash.<br>Juris.    | Reference |
|-------------|---|--------------------|-----------|
| 1           | Reclassify System Software Expense to a Capital Account | \$ (65,571)        | PC DR 345 |
| 2           | Total   | <u>\$ (65,571)</u> |           |

- 3 The amount of \$65,571 of System Software is removed from expense and will be  
4 capitalized as an intangible asset at plant in service.  
5 Software is per vendor Open Link Financial.

**Directors' and Officers' Liability Insurance****Public Counsel****Schedule B-4****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010***Redacted*

| Line<br>No. | Description                           | Wash.<br>Juris.    | Reference |
|-------------|---------------------------------------|--------------------|-----------|
| 1           | Directors'/Officers' Liability Insur. | \$ (22,457)        | PC DR 98  |
| 2           | Total                                 | <u>\$ (22,457)</u> |           |

*Redacted*

**2010 Non-Union Payroll Raise**  
**Public Counsel**  
**Schedule B-5**  
**Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction**  
**Test Year End - December 31, 2010**

| Line No. | Description                         | Wash. Juris.       | Reference                               |
|----------|-------------------------------------|--------------------|---|
| 1        | Remove 2010 Non-Union Payroll Raise | \$ (85,525)        | See Company workpapers referenced below |
| 2        | Total                               | <u>\$ (85,525)</u> |   |

3 This adjustments removes the embedded amount of the .88% increase in pay awarded to non-union employees  
 4 in 2010. The Company did not adjust for this amount because it was already embedded in the payroll  
 5 costs on the 2010 books.

| 6  | Supporting Calculations:               | Amount               | Reference               |
|----|--|----------------------|-------------------------|
| 7  | Non-union payroll with .88% increase   | 177,805,000          | Company workpaper 4.3.3 |
| 8  | 2010 pay increase                      | 1,0088               | Company workpaper 4.3.3 |
| 9  | Non-union payroll before .88% increase | <u>176,253,965</u>   |                         |
| 10 | .88% pay increase in 2010              | 1,551,035            |                         |
| 11 | Percent of payroll increase expensed   | 69.62%               | Note 1                  |
| 12 | Amount of payroll expensed             | 1,079,830            |                         |
| 13 | Washington alloc. Factor               | 7.39%                | Note 2                  |
| 14 | Washington jurisdiction pay increase   | <u>79,799</u>        |                         |
| 15 | Medicare rate                          | 1.45%                |                         |
| 16 | Medicare amount                        | <u>1,157</u>         |                         |
| 17 | Soc. Sec. Rate                         | 6.20%                |                         |
| 18 | Amount subject to Social Security      | 4,948                |                         |
| 19 | % of Social Security Wages             | 92.33%               |                         |
| 20 | Social Security Amount                 | 4,568                |                         |
| 21 | <b>Total adjustment</b>                | <u><b>85,525</b></u> |                         |

22 Note 1: 69.62% is the overall expense factor for union and non-union at Workpaper 4.3.2, and PacifiCorp applies same percent to non-union.

23 Workpaper 4.3 - Allocation from Total to Wash. (gross expense + capital) for Administrative and General accounts only

24 Note 2: This assumes that all (or most) non-union payroll goes to A&G accounts only listed at workpaper 4.3 (although some non-union  
 25 payroll could be in other accounts like Customer Op., Trans., Distribution, etc.

| 26 | A&G Accts.       | Total         | Wash.         | Reference         |
|----|------------------|---------------|---------------|-------------------|
| 27 | 920              | 27,221        | 3,985         | Co. workpaper 4.3 |
| 28 | 920              | 1,015,618     | 73,169        | Co. workpaper 4.3 |
| 29 | 935              | 186           | 20            | Co. workpaper 4.3 |
| 30 | 935              | <u>23,613</u> | <u>1,701</u>  | Co. workpaper 4.3 |
| 31 |                  | 1,066,638     | <u>78,875</u> |                   |
| 32 | Percent to Total |               | <u>7.39%</u>  | Note 2 above      |

**Property & Liability Insurance (Self Insurance)****Public Counsel****Schedule B-6***Redacted***Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| Line No. | Description   | Wash. Juris.      | Reference         |
|----------|---|-------------------|-------------------|
| 1        | Increase in self insurance accrual  | \$ 179,940        | Company Adj. 4.11 |
| 2        | Increase in federal taxes for permanent timing differences                                  | \$ 137,326        | Company Adj. 4.11 |
| 3        | Total Company Adjustment Opposed by Public Counsel  | <u>\$ 317,266</u> |                   |
| 4        | Note: The Public Counsel opposes any cost increase for self insurance as set forth above.   |                   |                   |
| 5        | However, it was not necessary for Public Counsel to propose a specific adjustment to remove |                   |                   |
| 6        | these costs because Public Counsel's adjustments are to the Company's unadjusted book       |                   |                   |
| 7        | amounts and this adjustment is not reflected on the Company's unadjusted books.             |                   |                   |



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**Costs Paid for Settling Litigation**

**Public Counsel**

**Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction**

**Test Year End - December 31, 2010**

**Schedule B-7  
CONFIDENTIAL**

| Line No. | Description                                  | Wash. Juris.        | Reference                    |
|----------|--|---------------------|------------------------------|
| 1        | Additional adjustments to settlement costs   | \$ (375,845)        | Table 1 below - Confidential |
| 2        | Corrections to PacifiCorp's settlement costs | \$ (307,834)        | Table 2 below - Confidential |
| 3        | Company adjustments included at workpapers   |                     |                              |
| 4        | but not at the Company's revenue requirement | \$ (151,428)        | Table 3 below - public       |
| 5        | <b>Total</b>                                 | <b>\$ (835,107)</b> |                              |

**CONFIDENTIAL AMOUNTS HIGHLIGHTED BELOW**

(a) - Also see Company workpaper 4.5.

| <b>CONFIDENTIAL - Table 1</b> |                       |                     |          |
|-------------------------------|-----------------------|---------------------|----------|
| Description                   | Reason for Adjustment | Wash. Juris.        | Ref. (a) |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
|                               |                       |                     | PC 204   |
| <b>Total</b>                  |                       | <b>\$ (375,845)</b> |          |

| <b>CONFIDENTIAL - Table 2</b> |                       |                     |                             |
|-------------------------------|-----------------------|---------------------|-----------------------------|
| Description                   | Reason for Adjustment | Wash. Juris.        | Ref. (a)                    |
|                               |                       |                     | Confid. Attach PC 4 and 204 |
|                               |                       |                     | Confid. Attach PC 4 and 204 |
| <b>Total</b>                  |                       | <b>\$ (307,834)</b> |                             |

| <b>Public - Table 3</b>         |                       |                     |                       |
|---------------------------------|-----------------------|---------------------|-----------------------|
| Description                     | Reason for Adjustment | Wash. Juris.        | Ref. (a)              |
| Jim Bridger Turbine Upgrade     | Omitted from Co. Adj. | \$ (246,928)        | Company workpaper 4.5 |
| East Side Electric Lake Charges | Omitted from Co. Adj. | \$ 95,500           | Company workpaper 4.5 |
| <b>Total</b>                    |                       | <b>\$ (151,428)</b> |                       |

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**Impute Income on Intercompany Federal Tax Receivable**

**Public Counsel**

**Schedule B-8**

**Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction**

**Test Year End - December 31, 2010**

| Line No. | Description  | Wash. Juris.            | Reference     |
|----------|--|-------------------------|---------------|
| 1        | Impute Income on Fed. Tax Receivable               | \$ (1,268,160)          | See below     |
| 2        | Total  | <u>\$ (1,268,160)</u>   |               |
| 3        |  |                         |               |
|          | Description  | Amount                  | Reference     |
| 4        | Federal Tax Receivable - 12 mo. end March 31, 2011 | 184,862,934             | PC 379 and    |
| 5        | Washington juris. Factor                           | 7%                      | Table 1 below |
| 6        | Washington Federal Tax Receivable                  | 12,940,405              |               |
| 7        | ROR from prior rate case                           | 9.80%                   |               |
| 8        | <b>Adjustment</b>                                  | <u><b>1,268,160</b></u> |               |

| Table 1 - PC - 379 - Federal Tax Receivable by Month |            |                             |              | Tax Receivable by Month |
|--|------------|-----------------------------|--------------|-------------------------|
| 9  | 04/30/2010 | 0                           | 0            | 0                       |
| 10   | 05/31/2010 | 0                           | 0            | 0                       |
| 11   | 06/30/2010 | 0                           | 0            | 0                       |
| 12   | 07/31/2010 | 0                           | 0            | 0                       |
| 13   | 08/31/2010 | 0                           | 0            | 0                       |
| 14   | 09/30/2010 | 326,007,602                 | (175,348)    | 325,832,254             |
| 15   | 10/31/2010 | 308,697,846                 | (175,348)    | 308,522,498             |
| 16   | 11/30/2010 | 297,189,426                 | (113,914)    | 297,075,512             |
| 17   | 12/31/2010 | 352,792,765                 | (3)          | 352,792,762             |
| 18   | 01/31/2011 | 352,792,765                 | (22,279,646) | 330,513,119             |
| 19   | 02/28/2011 | 352,792,765                 | (39,225,195) | 313,567,570             |
| 20   | 03/31/2011 | 234,039,355                 | 56,012,133   | 290,051,488             |
| 21   |            |                             |              | 2,218,355,203           |
| 22   |            | 12 months                   |              | 12                      |
| 23   |            | Average Balance - 12 months |              | <b>184,862,934</b>      |

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**Bonuses in MEHC Affiliate Management Fee**

**Public Counsel**

**Schedule B-9**

**Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction**

**Test Year End - December 31, 2010**

| <u>Line<br/>No.</u> | <u>Description</u>                       | <u>Wash.<br/>Juris.</u> | <u>Reference</u> |
|---------------------|--|-------------------------|------------------|
| 1                   | Bonuses in MEHC Affiliate Management Fee | \$ (136,883)            | See testimony    |
| 2                   | Total                                    | <u>\$ (136,883)</u>     |                  |

*Redacted***Charitable Contributions****Public Counsel****Schedule B-10****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| <u>Line<br/>No.</u> | <u>Description</u>       | <u>Wash.<br/>Juris.</u> | <u>Reference</u>          |
|---------------------|--------------------------|-------------------------|---------------------------|
| 1                   | Charitable Contributions | \$ (770)                | See testimony and         |
| 2                   | Total                    | <u>\$ (770)</u>         | Public Counsel workpapers |

*Redacted***Employee Meals and Entertainment****Public Counsel****Schedule B-11****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| <u>Line<br/>No.</u> | <u>Description</u>            | <u>Wash.<br/>Juris.</u> | <u>Reference</u>          |
|---------------------|-------------------------------|-------------------------|---------------------------|
| 1                   | Employee Meals and Entertain. | \$ (39,912)             | See testimony and         |
| 2                   | Total                         | <u>\$ (39,912)</u>      | Public Counsel workpapers |

**Legislative and Lobbying****Public Counsel****Schedule B-12****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| <u>Line<br/>No.</u> | <u>Description</u>       | <u>Wash.<br/>Juris.</u> | <u>Reference</u>          |
|---------------------|--------------------------|-------------------------|---------------------------|
| 1                   | Legislative and Lobbying | \$ (29,688)             | See testimony and         |
| 2                   | Total                    | <u>\$ (29,688)</u>      | Public Counsel workpapers |

*Redacted***Marketing and Advertising****Public Counsel****Schedule B-13****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| <u>Line<br/>No.</u> | <u>Description</u>        | <u>Wash.<br/>Juris.</u> | <u>Reference</u>          |
|---------------------|---------------------------|-------------------------|---------------------------|
| 1                   | Marketing and Advertising | \$ (1,210)              | See testimony and         |
| 2                   | Total                     | <u>\$ (1,210)</u>       | Public Counsel workpapers |

*Redacted***Membership Fees and Dues****Public Counsel****Schedule B-14****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| <u>Line<br/>No.</u> | <u>Description</u>       | <u>Wash.<br/>Juris.</u> | <u>Reference</u>          |
|---------------------|--------------------------|-------------------------|---------------------------|
| 1                   | Membership Fees and Dues | \$ (30,554)             | See testimony and         |
| 2                   | Total                    | <u>\$ (30,554)</u>      | Public Counsel workpapers |



**System Software Costs****Public Counsel****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| <u>Line<br/>No.</u> | <u>Description</u>                                      | <u>Wash.<br/>Juris.</u> | <u>Reference</u> |
|---------------------|---|-------------------------|------------------|
| 1                   | Reclassify System Software Expense to a Capital Account | \$ (65,571)             | PC DR 345        |
| 2                   | Total   | <u>\$ (65,571)</u>      |                  |

- 3 The amount of \$65,571 of System Software is removed from expense and will be  
4 capitalized as an intangible asset at plant in service.  
5 Software is per vendor Open Link Financial.

*Redacted***Plant Held for Future Use****Public Counsel****Schedule C-2****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

| <u>Line<br/>No.</u> | <u>Description</u>               | <u>Wash.<br/>Juris.</u> | <u>Reference</u> |
|---------------------|----------------------------------|-------------------------|------------------|
| 1                   | Remove Plant Held for Future Use | \$ (37,964)             | See testimony    |
| 2                   | Total                            | <u>\$ (37,964)</u>      |                  |