

**Exhibit No. \_\_\_\_ (MDF-2)**  
**Docket UE-100749**  
**Witness: Michael D. Foisy**

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

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

**Respondent.**

**DOCKET UE-100749**

**EXHIBIT TO TESTIMONY OF  
MICHAEL D. FOISY  
STAFF  
OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION  
*Revenue Requirements Model***

**October 5, 2010**

**PacifiCorp Results of Operations For Ratemaking Purposes  
For The Twelve Months Ended December 2009 - Washington**

Docket UE-100749

	(1) Unadjusted Results	(2) Ratemaking Adjustments	(3) Total Adjusted at Present Rates	(4) Per Staff 12.08%	(5) Results With Price Change
<b>Operating Revenues:</b>					
1 General Business Revenues	\$ 266,100,835	\$ 6,859,537	\$ 272,960,372	\$ 32,960,116	\$ 305,920,488
2 Interdepartmental	\$ -	\$ -	\$ -	\$ -	\$ -
3 Special Sales	\$ 78,723,890	\$ (39,752,892)	\$ 38,970,998	\$ -	\$ 38,970,998
4 Other operating revenues	\$ 12,554,857	\$ (1,730,482)	\$ 10,824,375	\$ -	\$ 10,824,375
5 <b>Total Operating Revenues</b>	<b>\$ 357,379,582</b>	<b>\$ (34,623,837)</b>	<b>\$ 322,755,745</b>	<b>\$ 32,960,116</b>	<b>\$ 355,715,861</b>
<b>Operating Expenses:</b>					
8 Steam Production	\$ 48,371,133	\$ 2,862,819	\$ 51,233,952	\$ -	\$ 51,233,952
9 Nuclear Production	\$ -	\$ -	\$ -	\$ -	\$ -
10 Hydro Production	\$ 6,349,038	\$ 16,093	\$ 6,365,131	\$ -	\$ 6,365,131
11 Other Power Supply	\$ 125,305,885	\$ (16,742,737)	\$ 108,563,148	\$ -	\$ 108,563,148
12 Transmission	\$ 25,362,553	\$ 3,197,288	\$ 28,559,841	\$ -	\$ 28,559,841
13 Distribution	\$ 13,621,607	\$ 98,475	\$ 13,720,082	\$ -	\$ 13,720,082
14 Customer Accounting	\$ 8,025,975	\$ 62,199	\$ 8,088,174	\$ 184,748	\$ 8,272,922
15 Customer Service & Info	\$ 5,423,426	\$ (4,856,178)	\$ 567,248	\$ -	\$ 567,248
16 Sales	\$ -	\$ -	\$ -	\$ -	\$ -
17 Administrative & General	\$ 12,167,263	\$ (1,218,316)	\$ 10,948,947	\$ -	\$ 10,948,947
18 <b>Total O&amp;M Expense</b>	<b>\$ 244,626,880</b>	<b>\$ (16,580,356)</b>	<b>\$ 228,046,524</b>	<b>\$ 184,748</b>	<b>\$ 228,231,272</b>
19 Depreciation	\$ 36,705,844	\$ (444,461)	\$ 36,261,383	\$ -	\$ 36,261,383
20 Amortization	\$ 4,017,010	\$ (351,858)	\$ 3,665,152	\$ -	\$ 3,665,152
21 Taxes Other than Income	\$ 17,744,812	\$ (470,741)	\$ 17,274,071	\$ 1,342,466	\$ 18,616,536
22 Income Taxes: Federal	\$ (13,966,180)	\$ (10,160,613)	\$ (24,126,793)	\$ 11,001,516	\$ (13,125,277)
23 : State	\$ -	\$ -	\$ -	\$ -	\$ -
24 Deferred Income Taxes	\$ 22,359,798	\$ 3,198,335	\$ 25,558,133	\$ -	\$ 25,558,133
25 Investment Tax Credit Adj.	\$ -	\$ -	\$ -	\$ -	\$ -
26 Misc. Revenue & Expense	\$ (341,244)	\$ (202,997)	\$ (544,241)	\$ -	\$ (544,241)
27 <b>Total Operating Expenses:</b>	<b>\$ 311,146,920</b>	<b>\$ (25,012,690)</b>	<b>\$ 286,134,230</b>	<b>\$ 12,528,729</b>	<b>\$ 298,662,959</b>
28	\$ -	\$ -	\$ -	\$ -	\$ -
29 <b>Operating Revenue for Return:</b>	<b>\$ 46,232,662</b>	<b>\$ (9,611,147)</b>	<b>\$ 36,621,515</b>	<b>\$ 20,431,387</b>	<b>\$ 57,052,902</b>
<b>Rate Base:</b>					
32 Electric Plant in Service	\$ 1,398,743,841	\$ 2,990,135	\$ 1,401,733,976	\$ -	\$ 1,401,733,976
33 Plant Held for Future Use	\$ 37,310	\$ -	\$ 37,310	\$ -	\$ 37,310
34 Misc. Deferred Debits	\$ 6,671,729	\$ 12,477,362	\$ 19,149,091	\$ -	\$ 19,149,091
35 Electric Plant Acq Adj	\$ -	\$ -	\$ -	\$ -	\$ -
36 Nuclear Fuel	\$ -	\$ -	\$ -	\$ -	\$ -
37 Prepayments	\$ 2,850,428	\$ (2,850,428)	\$ 0	\$ -	\$ 0
38 Fuel Stock	\$ 3,524,551	\$ (3,524,551)	\$ -	\$ -	\$ -
39 Material & Supplies	\$ 7,763,143	\$ (7,763,143)	\$ -	\$ -	\$ -
40 Working Capital	\$ 13,606,718	\$ (13,606,718)	\$ 0	\$ -	\$ 0
41 Weatherization Loans	\$ 2,046,741	\$ -	\$ 2,046,741	\$ -	\$ 2,046,741
42 Misc. Rate Base	\$ 268,577	\$ (308,624)	\$ (40,047)	\$ -	\$ (40,047)
43 <b>Total Electric Plant:</b>	<b>\$ 1,435,513,038</b>	<b>\$ (12,585,967)</b>	<b>\$ 1,422,927,071</b>	<b>\$ -</b>	<b>\$ 1,422,927,071</b>

**PacifiCorp Results of Operations For Ratemaking Purposes  
For The Twelve Months Ended December 2009 - Washington**

Docket UE-100749

	(1) Unadjusted Results	(2) Ratemaking Adjustments	(3) Total Adjusted at Present Rates	(4) Per Staff	(5) Results With Price Change
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FIT above = sum of adjustments

**Calculation of Revenue Requirement Deficiency or (Excess):**

a) Net Rate Base - Washington Jurisdiction	\$	762,738,396
b) Proposed Rate of Return		7.4800%
c) Net Operating Income Requirement		57,052,832
d) Proforma Net Operating Income		36,621,515
e) Net Operating Income Deficiency		<b>20,431,317</b>
f) NOI > Revenue Conversion Factor		61.9880%
g) Revenue Requirement Deficiency (line e/line f)	<b>\$</b>	<b><u>32,960,116</u></b>

## PacifiCorp General Rate Case

**Conversion Factor**

		Nominal Tax Rate
PER COMPANY		
1 Operating Revenue	100.0000%	
2 Operating Revenue Deductions:		
3	Uncollectible Accounts	0.5605% (1)
4	Franchise Tax	0.0000%
5	WA Revenue Tax	3.8730%
6	WUTC Fee	0.2000%
7 Sub-Total		95.3665%
8	State Income Tax	0.0000% 0.000%
9 Sub-Total		95.3665%
10	Federal Income Tax @ 35%	33.3783% 35%
11 <b>Net Operating Income Conversion Factor</b>		<b>61.9880%</b>
12	Company uses inverse known as "Net to Gross Bump-up".	161.32150%
13		
14		
15 Revenue Sensitive Tax Rates		
16	customer accounting	0.5605%
17	other taxes	4.0730% 4.6335%
18		95.3665%
19		
20 (1) Uncollectible Accounts:		
21 a. Uncollectible Accounts (FERC Account 904)	1,523,298	Ref 2.14, line 890
22 b. General Business Revenues	271,765,425	Ref 2.2, line 2
23 Uncollectible Accounts %	0.5605%	a/b
24		

**Weighted Average Cost of Capital**

Company Proposed					
	<u>Type of Capital</u>	<u>Cap.Structure</u>		<u>Weighted Cost</u>	<u>Debt Rate</u>
1					
2	Long-term Debt	47.600%	5.890%	2.8036%	
3	Short term Debt	0.000%	0.000%	0.000%	2.80364%
4	Preferred Stock	0.300%	5.410%	0.016%	
5	Common Stock	52.100%	10.600%	5.523%	
6	Weighted Average Cost of Capital	100.00%		<u>8.34%</u>	
7					

STAFF PROPOSED (per UE-xxxxxx order)					
	<u>Type of Capital</u>	<u>Cap.Structure</u>		<u>Weighted Cost</u>	<u>Debt Rate</u>
8					
9					
10	Long-term Debt	50.200%	5.890%	2.957%	
11	Short term Debt	3.000%	3.000%	0.090%	3.0470%
12	Preferred Stock	0.300%	5.410%	0.016%	
13	Common Stock	46.500%	9.500%	4.418%	
14	Weighted Average Cost of Capital	100.00%		<u>7.48%</u>	

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	B	C	D	E	F	G
1 Per Books		\$ 46,232,662	\$ 762,847,315	\$ 17,468,409	\$ 28,051,888	\$ (10,583,479)
2 <b>Adjustments</b>						
3 <b>REVENUE</b>						
4 Temperature Normalization	3.01	(4,357,889)	-	\$ 7,030,214	7,030,214	\$ -
5 Revenue Normalizing	3.02	(69,998)	2,751,332	\$ 444,921	483,092	\$ (38,171)
6 Effective Price Change	3.03	8,061,401	-	\$ (13,004,776)	(13,004,776)	\$ -
7 SO2 Emission Allowances	3.04	139,669	(2,617,533)	\$ (541,170)	(577,485)	\$ 36,315
8 Green Tag Revenue	3.05	-	-	\$ -	4,416,282	\$ (4,416,282)
9 Wheeling Revenue	3.06	60,438	-	\$ (97,500)	(97,500)	\$ -
10 Remove Commercial Sales Temperature Adj	3.07	598,382	-	\$ (965,320)	-	\$ (965,320)
11						
12 <b>O &amp; M</b>						
13 Miscellaneous General Expense	4.01	28,780	-	\$ (46,428)	(46,428)	\$ -
14 General Wage Increase Annualization	4.02	(18,800)	-	\$ 30,329	30,329	\$ -
15 General Wage Increase - Pro Forma	4.03	(243,031)	-	\$ 392,062	392,062	\$ -
16 Pension Curtailment	4.04	474,858	-	\$ (766,048)	(766,048)	\$ -
17 Affiliate Management Fee	4.05	50,708	-	\$ (81,803)	(81,803)	\$ -
18 DSM Removal Adjustment	4.06	3,198,895	472,406	\$ (5,103,502)	(5,096,948)	\$ (6,554)
19 Remove Non-Recurring Entries	4.07	127,808	-	\$ (206,181)	(206,181)	\$ -
20 Remove MEHC Severance	4.08	397,117	(306,376)	\$ (677,606)	(681,856)	\$ 4,250
21						
22 <b>POWER COSTS</b>						
23 Net Power Costs Restating	5.1	7,150,053	-	\$ (11,534,575)	(11,534,575)	\$ -
24 Net Power Costs Pro Forma	5.2	(20,890,049)	-	\$ 33,700,150	39,249,444	\$ (5,549,294)
25 Electric Lake Settlement	5.3	(98,983)	(212,583)	\$ 134,030	131,080	\$ 2,950
26 BPA Residential Exchange	5.4	(5,216,329)	-	\$ 8,415,062	8,415,062	\$ -
27 James River Royalty Offset	5.5	766,070	-	\$ (1,235,836)	(1,235,836)	\$ -
28 Removal of Colstrip #3	5.6	274,987	(8,160,130)	\$ (1,428,284)	(1,541,495)	\$ 113,211
29						
30 <b>DEPRECIATION/AMORTIZATION</b>						
31 Hydro Decommissioning	6.01	-	(264,084)	\$ (31,867)	(35,530)	\$ 3,663
32						
33 <b>TAX ADJUSTMENTS</b>						
34 Interest True Up	7.1	(1,348,099)	-	\$ 2,174,775	1,984,590	\$ 190,185
35 Accum DIT Factor Correction	7.2	-	(5,199,035)	\$ (627,360)	(699,489)	\$ 72,129
36 Renewable Energy Tax Credit	7.3	5,638,736	-	\$ (9,096,497)	(9,096,497)	\$ -
37 Malin Midpoint Adjustment	7.4	291,667	(510,417)	\$ (532,113)	(539,194)	\$ 7,081
38 WA - FAS 109 Flow-Through	7.5	(5,532,834)	-	\$ 8,925,653	8,925,653	\$ -
39 AFUDC - Equity	7.6	75,955	-	\$ (122,531)	(122,531)	\$ -
40 Public Utility Tax Adj.	7.7	257,639	-	\$ (415,628)	(415,628)	\$ -
41 Remove Deferred State Tax Expense	7.8	2,199,228	1,099,614	\$ (3,415,140)	(3,399,884)	\$ (15,256)
42 Current Year DIT Normalization	7.9	-	(262,781)	\$ (31,709)	812,490	\$ (844,199)
43 Medicare Deferred Tax Expense	7.10	(170,464)	-	\$ 274,996	274,996	\$ -
44 Avg Balance for Accum DIT - Property	7.11	-	(9,873,199)	\$ (1,191,384)	(1,328,362)	\$ 136,978
45 WA Low Income Tax Credit	7.12	20,962	-	\$ (33,815)	(33,815)	\$ -

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	B	C	D	E	F	G
46						
47						
48	8.1	-	(11,487,474)	\$ (1,386,176)	(46,057)	\$ (1,340,119)
49	8.2	-	30,678,372	\$ 3,701,914	4,671,027	\$ (969,113)
50	8.3	(37,050)	261,509	\$ 91,325	94,954	\$ (3,629)
51	8.4	-	23,143	\$ 2,793	3,114	\$ (321)
52	8.5	-	(7,864,275)	\$ (948,970)	(1,058,077)	\$ 109,107
53	8.5.1	13,847	1,697,440	\$ 182,490	206,039	\$ (23,549)
54	8.6	17,991	(441,006)	\$ (82,238)	(88,357)	\$ 6,119
55	8.7	109,264	462,825	\$ (120,418)	(113,997)	\$ (6,421)
56	8.8	99,958	748,258	\$ (70,963)	(60,582)	\$ (10,381)
57	8.9	(22,103)	(2,980,496)	\$ (323,995)	(365,345)	\$ 41,350
58	8.10	(1,861,470)	9,488,085	\$ 4,147,865	4,279,500	\$ (131,635)
59	8.11	-	14,463,670	\$ 1,745,310	-	\$ 1,745,310
60	8.12	-	(11,300,254)	\$ (1,363,585)	-	\$ (1,363,585)
61						
62	9.1	50,606	(729,159)	\$ (169,624)	(179,740)	\$ 10,116
63	9.1.1	150,937	(46,771)	\$ (249,138)	(250,748)	\$ 1,610
64	Total	36,621,515	762,738,396	\$ 32,960,118	56,747,052	(23,786,934)
65	Conversion Factor			0.619880	0.619880	
66	Percentage Increase in Revenues		(108,919)	12.08%	20.88%	
67						
68						
69						
70	Capital Structure	Staff	Staff		Company	Company
71	Long-term Debt / Cost	50.20%	5.890%		47.60%	5.890%
72	Short term Debt / Cost	3.00%	3.000%		0.00%	0.000%
73	Preferred Stock / Cost	0.30%	5.410%		0.30%	5.410%
74	Common Stock / Cost	46.50%	9.500%		52.10%	10.600%
75	Weighted Average Cost of Capital	100.00%	7.4800%		100.000%	8.340%



**PacifiCorp**

State of Washington

**Total Adjustments**

	Operating Revenues:	Total	Restating	Pro Forma
1	General Business Revenues	6,859,537	(6,737,566)	13,597,103
2	Interdepartmental	-	-	-
3	Special Sales	(39,752,892)	3,803,644	(43,556,536)
4	Other operating revenues	(1,730,482)	102,649	(1,833,132)
5	<b>Total Operating Revenues</b>	<b>(34,623,837)</b>	<b>(2,831,272)</b>	<b>(31,792,565)</b>
6				
7	Operating Expenses:			
8	Steam Production	2,862,819	(1,302,039)	4,164,859
9	Nuclear Production	-	-	-
10	Hydro Production	16,093	1,965	14,128
11	Other Power Supply	(16,742,737)	2,206,562	(18,949,299)
12	Transmission	3,197,288	(119,206)	3,316,494
13	Distribution	98,475	6,970	91,505
14	Customer Accounting	62,199	4,466	57,734
15	Customer Service & Info	(4,856,178)	(4,858,857)	2,679
16	Sales	-	-	-
17	Administrative & General	(1,218,316)	(60,435)	(1,157,880)
18	<b>Total O&amp;M Expense</b>	<b>(16,580,356)</b>	<b>(4,120,576)</b>	<b>(12,459,780)</b>
19	Depreciation	(444,461)	(415,223)	(29,238)
20	Amortization	(351,858)	(169,569)	(182,289)
21	Taxes Other than Income	(470,741)	(42,124)	(428,617)
22	Income Taxes: Federal	(10,160,613)	1,862,735	(12,023,347)
23	: State	-	-	-
24	Deferred Income Taxes	3,198,335	3,615,349	(417,014)
25	Investment Tax Credit Adj.	-	-	-
26	Misc. Revenue & Expense	(202,997)	(203,946)	949
27	<b>Total Operating Expenses:</b>	<b>(25,012,690)</b>	<b>526,646</b>	<b>(25,539,337)</b>
28				
29	<b>Net Operating Income:</b>	<b>(9,611,147)</b>	<b>(3,357,919)</b>	<b>(6,253,228)</b>
30				
31	Rate Base:	-	-	-
32	Electric Plant in Service	2,990,135	4,111,438	(1,121,303)
33	Plant Held for Future Use	-	-	-
34	Misc. Deferred Debits	12,477,362	(2,711,549)	15,188,911
35	Electric Plant Acq Adj	-	-	-
36	Nuclear Fuel	-	-	-
37	Prepayments	(2,850,428)	(2,850,428)	-
38	Fuel Stock	(3,524,551)	(3,524,551)	-
39	Material & Supplies	(7,763,143)	(7,763,143)	-
40	Working Capital	(13,606,718)	(13,606,718)	-
41	Weatherization Loans	-	-	-
42	Misc. Rate Base	(308,624)	(308,624)	0
43	<b>Total Electric Plant:</b>	<b>(12,585,967)</b>	<b>(26,653,575)</b>	<b>14,067,608</b>
44				
45	Deductions:			

**PacifiCorp**  
State of Washington

**Total Adjustments**

	Operating Revenues:	Total	Restating	Pro Forma
46	Accum. Prov. for Depreciation	16,084,595	16,002,757	81,838
47	Accum. Prov. for Amortization	-	-	-
48	Accum. Deferred Income Tax	2,443,882	(6,475,410)	8,919,292
49	Unamortized ITC	144,386	144,386	-
50	Customer Advances for Const.	23,143	23,143	-
51	Customer Service Deposits	(2,980,496)	(2,980,496)	-
52	Miscellaneous Deductions	(3,238,462)	(3,245,919)	7,457
53				
54	Total Deductions:	<b>12,477,047</b>	<b>3,468,460</b>	<b>9,008,588</b>
55				
56	<b>Total Rate Base:</b>	<b>(108,919)</b>	<b>(23,185,115)</b>	<b>23,076,196</b>
57				
58				
59				
60	TAX CALCULATION		State Income Tax Rate	
61	Per Company		Federal Income Tax Rate	0.35
62				
63	Operating Revenue	(16,573,424)	2,120,165	(18,693,590)
64	Other Deductions	-	-	-
65	Interest (AFUDC)	217,013	217,013	-
66	Interest	(3,851,712)	(4,498,686)	646,973
67	Schedule "M" additions	(517,510)	(2,567,817)	2,050,307
68	Schedule "M" deductions	(536,588)	(1,488,078)	951,490
69		-	-	-
70	Income Before Tax	(12,919,647)	5,322,099	(18,241,746)
71	State Income Tax	-	-	-
72	Taxable Income	<b>(12,919,647)</b>	<b>5,322,099</b>	<b>(18,241,746)</b>
73	Adjustments to FIT	(5,638,736)	-	(5,638,736)
74	Federal Income Tax	<b>(10,160,613)</b>	<b>1,862,735</b>	<b>(12,023,347)</b>
75				
76	cross check FIT calc	(10,160,613)		
77				
78				

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

	Total	3.1 Temperature Normalization	3.2 Revenue Normalizing	3.3 Effective Price Change	3.4 SO2 Emissions Allowances	3.5 Green Tag Revenues	3.6 Wheeling Revenue	3.7 Remove Commercial Sa	4.1 Miscellaneous General Expense Adj.
<b>Operating Revenues:</b>									
1 General Business Revenues	6,859,537	(6,704,445)	(33,121)	12,402,155	-	-	-	1,194,948	-
2 Interdepartmental	-	-	-	-	-	-	-	-	-
3 Special Sales	(39,752,892)	-	-	-	-	-	-	-	-
4 Other operating revenues	(1,730,482)	-	-	-	-	-	85,587	-	-
5 Total Operating Revenues	<u>(34,623,837)</u>	<u>(6,704,445)</u>	<u>(33,121)</u>	<u>12,402,155</u>	<u>-</u>	<u>-</u>	<u>85,587</u>	<u>1,194,948</u>	<u>-</u>
6									
7									
<b>Operating Expenses:</b>									
8 Steam Production	2,862,819	-	-	-	-	-	-	-	-
9 Nuclear Production	-	-	-	-	-	-	-	-	-
10 Hydro Production	16,093	-	-	-	-	-	-	-	-
11 Other Power Supply	(16,742,737)	-	-	-	-	-	-	103,231	(399)
12 Transmission	3,197,288	-	-	-	-	-	(7,395)	-	-
13 Distribution	98,475	-	-	-	-	-	-	-	-
14 Customer Accounting	62,199	-	-	-	-	-	-	-	-
15 Customer Service & Info	(4,856,178)	-	-	-	-	-	-	-	(605)
16 Sales	-	-	-	-	-	-	-	-	-
17 Administrative & General	(1,218,316)	-	-	-	-	-	-	171,129	(43,272)
18 Total O&M Expense	<u>(16,580,356)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,395)</u>	<u>274,360</u>	<u>(44,276)</u>
19 Depreciation	(444,461)	-	-	-	-	-	-	-	-
20 Amortization	(351,858)	-	-	-	-	-	-	-	-
21 Taxes Other than Income	(470,741)	-	-	-	-	-	-	-	-
22 Income Taxes: Federal	(10,160,613)	(2,346,556)	(586,443)	4,340,754	(94,610)	-	32,544	322,206	15,497
23 : State	-	-	-	-	-	-	-	-	-
24 Deferred Income Taxes	3,198,335	-	623,320	-	192,892	-	-	-	-
25 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-
26 Misc. Revenue & Expense	(202,997)	-	-	-	(237,951)	-	-	-	-
27 Total Operating Expenses:	<u>(25,012,690)</u>	<u>(2,346,556)</u>	<u>36,877</u>	<u>4,340,754</u>	<u>(139,669)</u>	<u>-</u>	<u>25,149</u>	<u>596,566</u>	<u>(28,780)</u>
28									
29 Net Operating Income:	<u>(9,611,147)</u>	<u>(4,357,889)</u>	<u>(69,998)</u>	<u>8,061,401</u>	<u>139,669</u>	<u>-</u>	<u>60,438</u>	<u>598,382</u>	<u>28,780</u>
30									
<b>Rate Base:</b>									
31									
32 Electric Plant in Service	2,990,135	-	-	-	-	-	-	-	-
33 Plant Held for Future Use	-	-	-	-	-	-	-	-	-
34 Misc. Deferred Debits	12,477,362	-	-	-	-	-	-	-	-
35 Electric Plant Acq Adj	-	-	-	-	-	-	-	-	-
36 Nuclear Fuel	-	-	-	-	-	-	-	-	-
37 Prepayments	(2,850,428)	-	-	-	-	-	-	-	-
38 Fuel Stock	(3,524,551)	-	-	-	-	-	-	-	-
39 Material & Supplies	(7,763,143)	-	-	-	-	-	-	-	-
40 Working Capital	(13,606,718)	-	-	-	-	-	-	-	-
41 Weatherization Loans	-	-	-	-	-	-	-	-	-
42 Misc. Rate Base	(308,624)	-	-	-	-	-	-	-	-
43 Total Electric Plant:	<u>(12,585,967)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
44	<u>(12,585,967)</u>								
45									
<b>Deductions:</b>									
46 Accum. Prov. for Depreciation	16,084,595	-	-	-	-	-	-	-	-
47 Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-
48 Accum. Deferred Income Tax	2,443,882	-	2,751,332	-	1,600,912	-	-	-	-
49 Unamortized ITC	144,386	-	-	-	-	-	-	-	-
50 Customer Advances for Const.	23,143	-	-	-	-	-	-	-	-
51 Customer Service Deposits	(2,980,496)	-	-	-	-	-	-	-	-
52 Miscellaneous Deductions	(3,238,462)	-	-	-	(4,218,445)	-	-	-	-
53									
54 Total Deductions:	<u>12,477,047</u>	<u>-</u>	<u>2,751,332</u>	<u>-</u>	<u>(2,617,533)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
55	<u>12,477,047</u>								
56 Total Rate Base:	<u>(108,919)</u>	<u>-</u>	<u>2,751,332</u>	<u>-</u>	<u>(2,617,533)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
57	<u>(108,919)</u>								
58									
<b>TAX CALCULATION</b>									
60									
61 Per Company									
62 cross check	4,813,166								
63 Operating Revenue	(16,573,424)	(6,704,445)	(33,121)	-	237,951	-	92,982	920,588	44,276
64 Other Deductions	-	-	-	-	-	-	-	-	-
65 Interest (AFUDC)	217,013	-	-	-	-	-	-	-	-
66 Interest	(8,531,111)	-	-	-	-	-	-	-	-
67 Schedule "M" additions	(51,510)	-	(1,653,038)	-	28,799	-	-	-	-
68 Schedule "M" deductions	(536,588)	-	(10,607)	-	537,064	-	-	-	-
69									
70 Income Before Tax	(12,919,647)	(6,704,445)	(1,675,552)	0	(270,314)	0	92,982	920,588	44,276
71 State Income Tax	-	-	-	-	-	-	-	-	-
72 Taxable Income	<u>(12,919,647)</u>	<u>(6,704,445)</u>	<u>(1,675,552)</u>	<u>-</u>	<u>(270,314)</u>	<u>-</u>	<u>92,982</u>	<u>920,588</u>	<u>44,276</u>
73 Adjustments to FIT	(5,638,736)	-	-	-	-	-	-	-	-
74 Federal Income Tax	<u>(10,160,613)</u>	<u>(2,346,556)</u>	<u>(586,443)</u>	<u>-</u>	<u>(94,610)</u>	<u>-</u>	<u>32,544</u>	<u>322,206</u>	<u>15,497</u>

	Total	4.2 Gen Wage Increase Annual.	4.3 Gen Wage Increase	4.4 Pension Curtailment	4.5 Affiliate Management Fee	4.6 DSM Removal Adjustment	4.7 Remove Non- Recurring Entries	4.8 Remove MEHC Severance	5.1 Net Power Costs- Restating
<b>Operating Revenues:</b>									
General Business Revenues	6,859,537	-	-	-	-	-	-	-	-
Interdepartmental	-	-	-	-	-	-	-	-	-
Special Sales	(39,752,892)	-	-	-	-	-	-	-	3,803,644
Other operating revenues	(1,730,482)	-	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>(34,623,837)</b>	-	-	-	-	-	-	-	<b>3,803,644</b>
<b>Operating Expenses:</b>									
Steam Production	2,862,819	4,568	59,055	-	-	-	(92)	-	(1,306,516)
Nuclear Production	-	-	-	-	-	-	-	-	-
Hydro Production	16,093	1,965	25,399	-	-	-	-	-	-
Other Power Supply	(16,742,737)	2,394	30,949	-	-	-	(82,916)	-	(5,889,920)
Transmission	3,197,288	1,699	21,962	-	-	-	(113,510)	-	-
Distribution	98,475	7,079	91,505	-	-	-	(109)	-	-
Customer Accounting	62,199	4,466	57,734	-	-	-	-	-	-
Customer Service & Info	(4,856,178)	207	2,679	-	-	(4,858,459)	-	-	-
Sales	-	-	-	-	-	-	-	-	-
Administrative & General	(1,218,316)	6,546	84,611	(776,573)	(78,012)	-	-	(637,047)	-
<b>Total O&amp;M Expense</b>	<b>(16,580,356)</b>	<b>28,924</b>	<b>373,894</b>	<b>(776,573)</b>	<b>(78,012)</b>	<b>(4,858,459)</b>	<b>(196,627)</b>	<b>(637,047)</b>	<b>(7,196,437)</b>
Depreciation	(444,461)	-	-	-	-	-	-	-	-
Amortization	(351,858)	-	-	-	-	-	-	-	-
Taxes Other than Income	(470,741)	-	-	-	-	-	-	-	-
Income Taxes: Federal	(10,160,613)	(10,123)	(130,863)	(82,999)	27,304	2,185,509	68,819	21,778	3,850,028
: State	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	3,198,335	-	-	384,714	-	(525,945)	-	218,152	-
Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-
Misc. Revenue & Expense	(202,997)	-	-	-	-	-	-	-	-
<b>Total Operating Expenses:</b>	<b>(25,012,690)</b>	<b>18,800</b>	<b>243,031</b>	<b>(474,858)</b>	<b>(50,708)</b>	<b>(3,198,895)</b>	<b>(127,808)</b>	<b>(397,117)</b>	<b>(3,346,408)</b>
<b>Net Operating Income:</b>	<b>(9,611,147)</b>	<b>(18,800)</b>	<b>(243,031)</b>	<b>474,858</b>	<b>50,708</b>	<b>3,198,895</b>	<b>127,808</b>	<b>397,117</b>	<b>7,150,053</b>
<b>Rate Base:</b>									
Electric Plant in Service	2,990,135	-	-	-	-	-	-	-	-
Plant Held for Future Use	-	-	-	-	-	-	-	-	-
Misc. Deferred Debits	12,477,362	-	-	-	-	-	-	(637,047)	-
Electric Plant Acq Adj	-	-	-	-	-	-	-	-	-
Nuclear Fuel	-	-	-	-	-	-	-	-	-
Prepayments	(2,850,428)	-	-	-	-	-	-	-	-
Fuel Stock	(3,524,551)	-	-	-	-	-	-	-	-
Material & Supplies	(7,763,143)	-	-	-	-	-	-	-	-
Working Capital	(13,606,718)	-	-	-	-	-	-	-	-
Weatherization Loans	-	-	-	-	-	-	-	-	-
Misc. Rate Base	(308,624)	-	-	-	-	-	-	-	-
<b>Total Electric Plant:</b>	<b>(12,585,967)</b>	-	-	-	-	-	-	<b>(637,047)</b>	-
	(12,585,967)								
<b>Deductions:</b>									
Accum. Prov. for Depreciation	16,084,595	-	-	-	-	-	-	-	-
Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-
Accum. Deferred Income Tax	2,443,882	-	-	-	-	472,406	-	330,671	-
Unamortized ITC	144,386	-	-	-	-	-	-	-	-
Customer Advances for Const.	23,143	-	-	-	-	-	-	-	-
Customer Service Deposits	(2,980,496)	-	-	-	-	-	-	-	-
Miscellaneous Deductions	(3,238,462)	-	-	-	-	-	-	-	-
<b>Total Deductions:</b>	<b>12,477,047</b>	-	-	-	-	<b>472,406</b>	-	<b>330,671</b>	-
	12,477,047								
<b>Total Rate Base:</b>	<b>(108,919)</b>	-	-	-	-	<b>472,406</b>	-	<b>(306,376)</b>	-
	(108,919)								
			0.0000%						
<b>TAX CALCULATION</b>									
Per Company	State Income Tax								
	Federal Income Tax								
cross check	4,813,166								
Operating Revenue	(16,573,424)	(28,924)	-	-	78,012	4,858,459	196,627	-	11,000,081
Other Deductions	-	-	-	-	-	-	-	-	-
Interest (AFUDC)	217,013	-	-	-	-	-	-	-	-
Interest	(3,857,112)	-	-	-	-	-	-	-	-
Schedule "M" additions	(512,510)	-	-	-	-	-	-	(637,047)	-
Schedule "M" deductions	(536,588)	-	-	1,013,713	-	(1,385,852)	-	(62,223)	-
Income Before Tax	(12,919,647)	(28,924)	-	-	78,012	6,244,311	196,627	-	11,000,081
State Income Tax	-	-	-	-	-	-	-	-	-
Taxable Income	(12,919,647)	(28,924)	-	-	78,012	6,244,311	196,627	-	11,000,081
Adjustments to FIT	(5,638,736)	-	-	-	-	-	-	-	-
Federal Income Tax	(10,160,613)	(10,123)	-	-	27,304	2,185,509	68,819	-	3,850,028

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	Total	5.2	5.3	5.4	5.5	5.6	6.1	7.1
		Net Power Costs	Electric Lake Settlement	BPA Residential Exchange	James River Royalty Offset	Removal of Colstrip #3	Hydro Decommissioning	Interest True-up
<b>Operating Revenues:</b>								
General Business Revenues	6,859,537	-	-	-	-	-	-	-
Interdepartmental	-	-	-	-	-	-	-	-
Special Sales	(39,752,892)	(43,487,527)	-	-	-	-	-	-
Other operating revenues	(1,730,482)	-	-	-	1,178,569	-	-	-
<b>Total Operating Revenues</b>	<b>(34,623,837)</b>	<b>(43,487,527)</b>	-	-	<b>1,178,569</b>	-	-	-
<b>Operating Expenses:</b>								
Steam Production	2,862,819	4,196,529	-	-	-	-	-	-
Nuclear Production	-	-	-	-	-	-	-	-
Hydro Production	16,093	-	-	-	-	-	-	-
Other Power Supply	(16,742,737)	(18,882,048)	152,282	8,025,121	-	-	-	-
Transmission	3,197,288	3,336,530	-	-	-	-	-	-
Distribution	98,475	-	-	-	-	-	-	-
Customer Accounting	62,199	-	-	-	-	-	-	-
Customer Service & Info	(4,856,178)	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-
Administrative & General	(1,218,316)	-	-	-	-	-	-	-
<b>Total O&amp;M Expense</b>	<b>(16,580,356)</b>	<b>(11,348,989)</b>	<b>152,282</b>	<b>8,025,121</b>	-	-	-	-
Depreciation	(444,461)	-	-	-	-	(397,232)	-	-
Amortization	(351,858)	-	-	-	-	-	-	-
Taxes Other than Income	(470,741)	-	-	-	-	(42,124)	-	-
Income Taxes: Federal	(10,160,613)	(11,248,488)	(53,299)	(2,808,792)	412,499	28,116	-	1,348,099
State	-	-	-	-	-	-	-	-
Deferred Income Taxes	3,198,335	-	-	-	-	136,253	-	-
Investment Tax Credit Adj.	-	-	-	-	-	-	-	-
Misc. Revenue & Expense	(202,997)	-	-	-	-	-	-	-
<b>Total Operating Expenses:</b>	<b>(25,012,690)</b>	<b>(22,597,477)</b>	<b>98,983</b>	<b>5,216,329</b>	<b>412,499</b>	<b>(274,987)</b>	-	<b>1,348,099</b>
<b>Net Operating Income:</b>	<b>(9,611,147)</b>	<b>(20,890,049)</b>	<b>(98,983)</b>	<b>(5,216,329)</b>	<b>766,070</b>	<b>274,987</b>	-	<b>(1,348,099)</b>
<b>Rate Base:</b>								
Electric Plant in Service	2,990,135	-	-	-	-	(26,125,928)	-	-
Plant Held for Future Use	-	-	-	-	-	-	-	-
Misc. Deferred Debits	12,477,362	-	-	-	-	-	-	-
Electric Plant Acq Adj	-	-	-	-	-	-	-	-
Nuclear Fuel	-	-	-	-	-	-	-	-
Prepayments	(2,850,428)	-	-	-	-	-	-	-
Fuel Stock	(3,524,551)	-	-	-	-	-	-	-
Material & Supplies	(7,763,143)	-	-	-	-	-	-	-
Working Capital	(13,606,718)	-	-	-	-	-	-	-
Weatherization Loans	-	-	-	-	-	-	-	-
Misc. Rate Base	(308,624)	-	-	-	-	-	-	-
<b>Total Electric Plant:</b>	<b>(12,585,967)</b>	-	-	-	-	<b>(26,125,928)</b>	-	-
<b>Deductions:</b>	<b>(12,585,967)</b>	-	-	-	-	-	-	-
Accum. Prov. for Depreciation	16,084,595	-	-	-	-	16,010,762	(264,084)	-
Accum. Prov. for Amortization	-	-	-	-	-	-	-	-
Accum. Deferred Income Tax	2,443,882	-	-	-	-	1,810,649	-	-
Unamortized ITC	144,386	-	-	-	-	144,386	-	-
Customer Advances for Const.	23,143	-	-	-	-	-	-	-
Customer Service Deposits	(2,980,496)	-	-	-	-	-	-	-
Miscellaneous Deductions	(3,238,462)	-	(212,583)	-	-	-	-	-
<b>Total Deductions:</b>	<b>12,477,047</b>	-	<b>(212,583)</b>	-	-	<b>17,965,798</b>	<b>(264,084)</b>	-
<b>Total Rate Base:</b>	<b>12,477,047</b>	-	<b>(212,583)</b>	-	-	<b>(8,160,130)</b>	<b>(264,084)</b>	-
	<b>(108,919)</b>	-	<b>(108,919)</b>	-	-	-	-	-
<b>TAX CALCULATION</b>								
State Income Tax 1	-	-	-	-	-	-	-	-
Federal Income Tax	-	-	-	-	-	-	-	-
Per Company	4,813,166	-	-	-	-	-	-	-
cross check	(16,573,424)	-	(152,282)	(8,025,121)	1,178,569	439,356	-	-
Operating Revenue	-	-	-	-	-	-	-	-
Other Deductions	217,013	-	-	-	-	-	-	-
Interest (AFUDC)	(3,851,712)	-	-	-	-	-	-	(3,851,712)
Interest	(517,510)	-	-	-	-	(449,420)	-	-
Schedule "M" additions	(536,588)	-	-	-	-	(90,396)	-	-
Schedule "M" deductions	-	-	-	-	-	-	-	-
Income Before Tax	(12,919,647)	-	(152,282)	(8,025,121)	1,178,569	80,333	0	3,851,712
State Income Tax	-	-	-	-	-	-	-	-
Taxable Income	(12,919,647)	-	(152,282)	(8,025,121)	1,178,569	80,333	-	3,851,712
Adjustments to FIT	(5,638,736)	-	-	-	-	-	-	-
Federal Income Tax	(10,160,613)	-	(53,299)	(2,808,792)	412,499	28,116	-	1,348,099

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	Total	7.2 Accum Def Income Tax Factor Correction	7.3 Renewable Energy credit	7.4 Malin Line Amort.	7.5 WA - FAS 109 Flow-Through	7.6 AFUDC - Equity	7.7 Public Utility Tax Adj	7.8 Remove Deferred State Tax Exp	7.9 Current Yr Def Inc Tax Exp Norm
<b>Operating Revenues:</b>									
General Business Revenues	6,859,537	-	-	-	-	-	-	-	-
Interdepartmental	-	-	-	-	-	-	-	-	-
Special Sales	(39,752,892)	-	-	-	-	-	-	-	-
Other operating revenues	(1,730,482)	-	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>(34,623,837)</b>	-	-	-	-	-	-	-	-
<b>Operating Expenses:</b>									
Steam Production	2,862,819	-	-	-	-	-	-	-	-
Nuclear Production	-	-	-	-	-	-	-	-	-
Hydro Production	16,093	-	-	-	-	-	-	-	-
Other Power Supply	(16,742,737)	-	-	-	-	-	-	-	-
Transmission	3,197,288	-	-	-	-	-	-	-	-
Distribution	98,475	-	-	-	-	-	-	-	-
Customer Accounting	62,199	-	-	-	-	-	-	-	-
Customer Service & Info	(4,856,178)	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-	-
Administrative & General	(1,218,316)	-	-	-	-	-	-	-	-
<b>Total O&amp;M Expense</b>	<b>(16,580,356)</b>	-	-	-	-	-	-	-	-
Depreciation	(444,461)	-	-	-	-	-	-	-	-
Amortization	(351,858)	-	-	-	-	-	-	-	-
Taxes Other than Income	(470,741)	-	-	-	-	-	(396,368)	-	-
Income Taxes: Federal	(10,160,613)	-	(5,638,736)	-	-	(75,955)	138,729	-	-
: State	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	3,198,335	-	-	(291,667)	5,532,834	-	-	(2,199,228)	-
Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-
Misc. Revenue & Expense	(202,997)	-	-	-	-	-	-	-	-
<b>Total Operating Expenses:</b>	<b>(25,012,690)</b>	-	(5,638,736)	(291,667)	5,532,834	(75,955)	(257,639)	(2,199,228)	-
<b>Net Operating Income:</b>	<b>(9,611,147)</b>	-	5,638,736	291,667	(5,532,834)	75,955	257,639	2,199,228	-
<b>Rate Base:</b>									
Electric Plant in Service	2,990,135	-	-	-	-	-	-	-	-
Plant Held for Future Use	-	-	-	-	-	-	-	-	-
Misc. Deferred Debits	12,477,362	-	-	-	-	-	-	-	-
Electric Plant Acq Adj	-	-	-	-	-	-	-	-	-
Nuclear Fuel	-	-	-	-	-	-	-	-	-
Prepayments	(2,850,428)	-	-	-	-	-	-	-	-
Fuel Stock	(3,524,551)	-	-	-	-	-	-	-	-
Material & Supplies	(7,763,143)	-	-	-	-	-	-	-	-
Working Capital	(13,606,718)	-	-	-	-	-	-	-	-
Weatherization Loans	-	-	-	-	-	-	-	-	-
Misc. Rate Base	(308,624)	-	-	-	-	-	-	-	-
<b>Total Electric Plant:</b>	<b>(12,585,967)</b>	-	-	-	-	-	-	-	-
<b>Deductions:</b>	<b>(12,585,967)</b>	-	-	-	-	-	-	-	-
Accum. Prov. for Depreciation	16,084,595	-	-	-	-	-	-	-	-
Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-
Accum. Deferred Income Tax	2,443,882	(5,199,035)	-	(510,417)	-	-	-	1,099,614	(262,781)
Unamortized ITC	144,386	-	-	-	-	-	-	-	-
Customer Advances for Const.	23,143	-	-	-	-	-	-	-	-
Customer Service Deposits	(2,980,496)	-	-	-	-	-	-	-	-
Miscellaneous Deductions	(3,238,462)	-	-	-	-	-	-	-	-
<b>Total Deductions:</b>	<b>12,477,047</b>	<b>(5,199,035)</b>	-	<b>(510,417)</b>	-	-	-	<b>1,099,614</b>	<b>(262,781)</b>
<b>Total Rate Base:</b>	<b>(108,919)</b>	<b>(5,199,035)</b>	-	<b>(510,417)</b>	-	-	-	<b>1,099,614</b>	<b>(262,781)</b>
<b>(108,919)</b>									
<b>TAX CALCULATION</b>									
Per Company	State Income Tax 1	Federal Income Ta							
cross check	4,813,166								
Operating Revenue	(16,573,424)	-	-	-	-	-	396,368	-	-
Other Deductions	-	-	-	-	-	-	-	-	-
Interest (AFUDC)	217,013	-	-	-	-	217,013	-	-	-
Interest	(3,851,712)	-	-	-	-	-	-	-	-
Schedule "M" additions	(517,510)	-	-	-	-	-	-	-	-
Schedule "M" deductions	(536,588)	-	-	-	-	-	-	-	-
<b>Income Before Tax</b>	<b>(12,919,647)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(217,013)</b>	<b>396,368</b>	<b>0</b>	<b>0</b>
State Income Tax	-	-	-	-	-	-	-	-	-
<b>Taxable Income</b>	<b>(12,919,647)</b>	-	-	-	-	<b>(217,013)</b>	<b>396,368</b>	-	-
Adjustments to FIT	(5,638,736)	-	(5,638,736)	-	-	-	-	-	-
<b>Federal Income Tax</b>	<b>(10,160,613)</b>	-	<b>(5,638,736)</b>	-	-	<b>(75,955)</b>	<b>138,729</b>	-	-

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	Total	7.10 Medicare Def Tax Exp	7.11 Avg Balance for Accum Def Inc Tax - Property	7.12 WA Low Income Tax Credit	8.1 Cash Working Capital	8.2 Jim Bridger Rate Base	8.3 Environmental Remediation	8.4 Customer Advances for Construction
<b>Operating Revenues:</b>								
General Business Revenues	6,859,537	-	-	-	-	-	-	-
Interdepartmental	-	-	-	-	-	-	-	-
Special Sales	(39,752,892)	-	-	-	-	-	-	-
Other operating revenues	(1,730,482)	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>(34,623,837)</b>	-	-	-	-	-	-	-
<b>Operating Expenses:</b>								
Steam Production	2,862,819	-	-	-	-	-	-	-
Nuclear Production	-	-	-	-	-	-	-	-
Hydro Production	16,093	-	-	-	-	-	-	-
Other Power Supply	(16,742,737)	-	-	-	-	-	-	-
Transmission	3,197,288	-	-	-	-	-	-	-
Distribution	98,475	-	-	-	-	-	-	-
Customer Accounting	62,199	-	-	-	-	-	-	-
Customer Service & Info Sales	(4,856,178)	-	-	-	-	-	-	-
Administrative & General	(1,218,316)	-	-	-	-	-	54,304	-
<b>Total O&amp;M Expense</b>	<b>(16,580,356)</b>	-	-	-	-	-	54,304	-
Depreciation	(444,461)	-	-	-	-	-	-	-
Amortization	(351,858)	-	-	-	-	-	-	-
Taxes Other than Income	(470,741)	-	-	(32,249)	-	-	-	-
Income Taxes: Federal	(10,160,613)	-	-	11,287	-	-	(39,788)	-
State	-	-	-	-	-	-	-	-
Deferred Income Taxes	3,198,335	170,464	-	-	-	-	22,534	-
Investment Tax Credit Adj.	-	-	-	-	-	-	-	-
Misc. Revenue & Expense	(202,997)	-	-	-	-	-	-	-
<b>Total Operating Expenses:</b>	<b>(25,012,690)</b>	<b>170,464</b>	-	<b>(20,962)</b>	-	-	<b>37,050</b>	-
<b>Net Operating Income:</b>	<b>(9,611,147)</b>	<b>#####</b>	-	<b>20,962</b>	-	-	<b>(37,050)</b>	-
<b>Rate Base:</b>								
Electric Plant in Service	2,990,135	-	-	-	-	30,678,372	-	-
Plant Held for Future Use	-	-	-	-	-	-	-	-
Misc. Deferred Debits	12,477,362	-	-	-	-	-	155,566	-
Electric Plant Acq Adj	-	-	-	-	-	-	-	-
Nuclear Fuel	-	-	-	-	-	-	-	-
Prepayments	(2,850,428)	-	-	-	-	-	-	-
Fuel Stock	(3,524,551)	-	-	-	-	-	-	-
Material & Supplies	(7,763,143)	-	-	-	-	-	-	-
Working Capital	(13,606,718)	-	-	-	#####	-	-	-
Weatherization Loans	-	-	-	-	-	-	-	-
Misc. Rate Base	(308,624)	-	-	-	-	-	-	-
<b>Total Electric Plant:</b>	<b>(12,585,967)</b>	-	-	-	#####	<b>30,678,372</b>	<b>155,566</b>	-
	(12,585,967)	-	-	-	-	-	-	-
<b>Deductions:</b>								
Accum. Prov. for Depreciation	16,084,595	-	-	-	-	-	-	-
Accum. Prov. for Amortization	-	-	-	-	-	-	-	-
Accum. Deferred Income Tax	2,443,882	-	(9,873,199)	-	-	-	105,943	-
Unamortized ITC	144,386	-	-	-	-	-	-	-
Customer Advances for Const.	23,143	-	-	-	-	-	-	23,143
Customer Service Deposits	(2,980,496)	-	-	-	-	-	-	-
Miscellaneous Deductions	(3,238,462)	-	-	-	-	-	-	-
<b>Total Deductions:</b>	<b>12,477,047</b>	-	<b>(9,873,199)</b>	-	-	-	<b>105,943</b>	<b>23,143</b>
	12,477,047	-	-	-	-	-	-	-
<b>Total Rate Base:</b>	<b>(108,919)</b>	-	<b>(9,873,199)</b>	-	#####	<b>30,678,372</b>	<b>261,509</b>	<b>23,143</b>
	(108,919)	-	-	-	-	-	-	-
<b>TAX CALCULATION</b>								
Per Company	State Income Tax 1							
	Federal Income Tax							
cross check	4,813,166							
Operating Revenue	(16,573,424)	-	-	32,249	-	-	(54,304)	-
Other Deductions	-	-	-	-	-	-	-	-
Interest (AFUDC)	217,013	-	-	-	-	-	-	-
Interest	(3,851,712)	-	-	-	-	-	-	-
Schedule "M" additions	(517,510)	-	-	-	-	-	(59,375)	-
Schedule "M" deductions	(536,588)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Income Before Tax	(12,919,647)	0	0	32,249	0	0	(113,679)	0
State Income Tax	-	-	-	-	-	-	-	-
Taxable Income	(12,919,647)	-	-	32,249	-	-	(113,679)	-
Adjustments to FIT	(5,638,736)	-	-	-	-	-	-	-
Federal Income Tax	(10,160,613)	-	-	11,287	-	-	(39,788)	-

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	Total	8.5 Miscellaneous Rate Base	8.5.1 Misc. Rate Bas Sale (cont.)	8.6 Removal of Colstrip #4 AFUDC	8.7 Powerdale Hydro Remova	8.8 Trojan Unrecovered Plant Adj.	8.9 Customer Service Deposits	8.10 Chehalis Reg Asset - WA	8.11 Repairs
<b>Operating Revenues:</b>									
General Business Revenues	6,859,537	-	-	-	-	-	-	-	-
Interdepartmental	-	-	-	-	-	-	-	-	-
Special Sales	(39,752,892)	-	-	-	-	-	-	-	-
Other operating revenues	(1,730,482)	-	-	-	-	-	-	(3,000,000)	-
<b>Total Operating Revenues</b>	<b>(34,623,837)</b>	-	-	-	-	-	-	<b>(3,000,000)</b>	-
<b>Operating Expenses:</b>									
Steam Production	2,862,819	-	-	-	-	-	-	-	-
Nuclear Production	-	-	-	-	-	-	-	-	-
Hydro Production	16,093	-	-	-	-	-	-	-	-
Other Power Supply	(16,742,737)	-	-	-	-	-	-	-	-
Transmission	3,197,288	-	-	-	-	-	-	-	-
Distribution	98,475	-	-	-	-	-	-	-	-
Customer Accounting	62,199	-	-	-	-	-	-	-	-
Customer Service & Info	(4,856,178)	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-	-
Administrative & General	(1,218,316)	-	-	-	-	-	-	-	-
<b>Total O&amp;M Expense</b>	<b>(16,580,356)</b>	-	-	-	-	-	-	-	-
Depreciation	(444,461)	-	-	(17,991)	-	-	-	-	-
Amortization	(351,858)	-	-	-	(182,289)	(169,569)	-	-	-
Taxes Other than Income	(470,741)	-	-	-	-	-	-	-	-
Income Taxes: Federal	(10,160,613)	-	164,229	-	(45,625)	(62,357)	(11,902)	-	-
State	-	-	-	-	-	-	-	-	-
Deferred Income Taxes	3,198,335	-	(178,075)	-	118,650	131,967	-	(1,138,530)	-
Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-
Misc. Revenue & Expense	(202,997)	-	-	-	-	-	34,005	-	-
<b>Total Operating Expenses:</b>	<b>(25,012,690)</b>	-	<b>(13,847)</b>	<b>(17,991)</b>	<b>(109,264)</b>	<b>(99,958)</b>	<b>22,103</b>	<b>(1,138,530)</b>	-
<b>Net Operating Income:</b>	<b>(9,611,147)</b>	-	<b>13,847</b>	<b>17,991</b>	<b>109,264</b>	<b>99,958</b>	<b>(22,103)</b>	<b>(1,861,470)</b>	-
<b>Rate Base:</b>									
Electric Plant in Service	2,990,135	-	-	(441,006)	-	-	-	-	-
Plant Held for Future Use	-	-	-	-	-	-	-	-	-
Misc. Deferred Debits	12,477,362	(2,867,116)	-	-	75,958	-	-	15,750,000	-
Electric Plant Acq Adj	-	-	-	-	-	-	-	-	-
Nuclear Fuel	-	-	-	-	-	-	-	-	-
Prepayments	(2,850,428)	(2,850,428)	-	-	-	-	-	-	-
Fuel Stock	(3,524,551)	-	-	-	-	-	-	-	-
Material & Supplies	(7,763,143)	12,560	-	-	-	-	-	-	-
Working Capital	(13,606,718)	(2,119,244)	-	-	-	-	-	-	-
Weatherization Loans	-	0	-	-	-	-	-	-	-
Misc. Rate Base	(308,624)	(40,048)	-	-	0	(268,577)	-	-	-
<b>Total Electric Plant:</b>	<b>(12,585,967)</b>	<b>(7,864,275)</b>	-	<b>(441,006)</b>	<b>75,959</b>	<b>(268,577)</b>	-	<b>15,750,000</b>	-
<b>Deductions:</b>									
Accum. Prov. for Depreciation	16,084,595	-	-	-	-	-	-	-	-
Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-
Accum. Deferred Income Tax	2,443,882	-	1,697,440	-	386,866	(168,275)	-	(6,261,915)	14,463,670
Unamortized ITC	144,386	-	-	-	-	-	-	-	-
Customer Advances for Const.	23,143	-	-	-	-	-	-	-	-
Customer Service Deposits	(2,980,496)	-	-	-	-	-	(2,980,496)	-	-
Miscellaneous Deductions	(3,238,462)	-	-	-	0	1,185,109	-	-	-
<b>Total Deductions:</b>	<b>12,477,047</b>	-	<b>1,697,440</b>	-	<b>386,866</b>	<b>1,016,834</b>	<b>(2,980,496)</b>	<b>(6,261,915)</b>	<b>14,463,670</b>
<b>Total Rate Base:</b>	<b>(108,919)</b>	<b>(7,864,275)</b>	<b>1,697,440</b>	<b>(441,006)</b>	<b>462,825</b>	<b>748,258</b>	<b>(2,980,496)</b>	<b>9,488,085</b>	<b>14,463,670</b>
<b>TAX CALCULATION</b>									
Per Company	State Income Tax 1	Federal Income Tax							
cross check	4,813,166								
Operating Revenue	(16,573,424)	-	-	17,991	182,289	169,569	(34,005)	-	-
Other Deductions	-	-	-	-	-	-	-	-	-
Interest (AFUDC)	217,013	-	-	-	-	-	-	-	-
Interest	(3,851,712)	-	-	-	-	-	-	-	-
Schedule "M" additions	(517,510)	-	(69,062)	(17,991)	-	(347,731)	-	3,000,000	-
Schedule "M" deductions	(536,588)	-	(538,287)	-	-	-	-	-	-
<b>Income Before Tax</b>	<b>(12,919,647)</b>	<b>0</b>	<b>469,225</b>	<b>-</b>	<b>182,289</b>	<b>(178,162)</b>	<b>(34,005)</b>	<b>0</b>	<b>0</b>
State Income Tax	-	-	-	-	-	-	-	-	-
<b>Taxable Income</b>	<b>(12,919,647)</b>	<b>-</b>	<b>469,225</b>	<b>-</b>	<b>182,289</b>	<b>(178,162)</b>	<b>(34,005)</b>	<b>-</b>	<b>-</b>
Adjustments to FIT	(5,638,736)	-	-	-	-	-	-	-	-
<b>Federal Income Tax</b>	<b>(10,160,613)</b>	<b>-</b>	<b>164,229</b>	<b>-</b>	<b>63,801</b>	<b>(62,357)</b>	<b>(11,902)</b>	<b>-</b>	<b>-</b>



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	Total	8.12 Remove Current Assets	9.1 Production Factor	9.1.1 Production Factor Adj (cont.)
<b>Operating Revenues:</b>				
General Business Revenues	6,859,537	-	-	-
Interdepartmental	-	-	-	-
Special Sales	(39,752,892)	-	-	(69,009)
Other operating revenues	(1,730,482)	-	-	5,361
<b>Total Operating Revenues</b>	<b>(34,623,837)</b>	-	-	<b>(63,648)</b>
<b>Operating Expenses:</b>				
Steam Production	2,862,819	-	(22,243)	(68,481)
Nuclear Production	-	-	-	-
Hydro Production	16,093	-	(11,271)	-
Other Power Supply	(16,742,737)	-	(15,102)	(186,329)
Transmission	3,197,288	-	-	(41,998)
Distribution	98,475	-	-	-
Customer Accounting	62,199	-	-	-
Customer Service & Info	(4,856,178)	-	-	-
Sales	-	-	-	-
Administrative & General	(1,218,316)	-	-	-
<b>Total O&amp;M Expense</b>	<b>(16,580,356)</b>	-	<b>(48,616)</b>	<b>(296,809)</b>
Depreciation	(444,461)	-	(29,238)	-
Amortization	(351,858)	-	-	-
Taxes Other than Income	(470,741)	-	-	-
Income Taxes: Federal	(10,160,613)	-	27,249	81,274
: State	-	-	-	-
Deferred Income Taxes	3,198,335	-	-	-
Investment Tax Credit Adj.	-	-	-	-
Misc. Revenue & Expense	(202,997)	-	-	949
<b>Total Operating Expenses:</b>	<b>(25,012,690)</b>	-	<b>(50,606)</b>	<b>(214,586)</b>
<b>Net Operating Income:</b>	<b>(9,611,147)</b>	-	<b>50,606</b>	<b>150,937</b>
<b>Rate Base:</b>				
Electric Plant in Service	2,990,135	-	(1,067,076)	(54,227)
Plant Held for Future Use	-	-	-	-
Misc. Deferred Debits	12,477,362	-	-	-
Electric Plant Acq Adj	-	-	-	-
Nuclear Fuel	-	-	-	-
Prepayments	(2,850,428)	-	-	-
Fuel Stock	(3,524,551)	(3,524,551)	-	-
Material & Supplies	(7,763,143)	(7,775,703)	-	-
Working Capital	(13,606,718)	-	-	-
Weatherization Loans	-	-	-	-
Misc. Rate Base	(308,624)	-	-	-
<b>Total Electric Plant:</b>	<b>(12,585,967)</b>	<b>(11,300,254)</b>	<b>(1,067,076)</b>	<b>(54,227)</b>
	(12,585,967)			
<b>Deductions:</b>				
Accum. Prov. for Depreciation	16,084,595	-	337,917	-
Accum. Prov. for Amortization	-	-	-	-
Accum. Deferred Income Tax	2,443,882	-	-	-
Unamortized ITC	144,386	-	-	-
Customer Advances for Const.	23,143	-	-	-
Customer Service Deposits	(2,980,496)	-	-	-
Miscellaneous Deductions	(3,238,462)	-	-	7,457
<b>Total Deductions:</b>	<b>12,477,047</b>	-	<b>337,917</b>	<b>7,457</b>
	12,477,047			
<b>Total Rate Base:</b>	<b>(108,919)</b>	<b>(11,300,254)</b>	<b>(729,159)</b>	<b>(46,771)</b>
	(108,919)			
<b>TAX CALCULATION</b>				
Per Company	State Income Tax 1			
	Federal Income Ta			
cross check	4,813,166			
Operating Revenue	(16,573,424)	-	-	-
Other Deductions	-	-	-	-
Interest (AFUDC)	217,013	-	-	-
Interest	(3,851,712)	-	-	-
Schedule "M" additions	(517,510)	-	(312,646)	-
Schedule "M" deductions	(536,588)	-	-	-
	-			
Income Before Tax	(12,919,647)	0	0	0
State Income Tax	-	-	-	-
Taxable Income	(12,919,647)	-	-	-
Adjustments to FIT	(5,638,736)	-	-	-
Federal Income Tax	(10,160,613)	-	-	-

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RESTATING ---->

		3.1 Temperature Normalization	3.2 Revenue Normalizing	3.3 Effective Price Change	3.4 SO2 Emissions Allowances	3.5 Green Tag Revenues	3.6 Wheeling Revenue	3.7 Remove Comm. Sales	4.1 Miscellaneous General Expense
<b>Operating Revenues:</b>									
1	General Business Revenues	(6,737,566)	(6,704,445)	(33,121)	-	-	-	-	-
2	Interdepartmental	-	-	-	-	-	-	-	-
3	Special Sales	3,803,644	-	-	-	-	-	-	-
4	Other operating revenues	102,649	-	-	-	-	102,649	-	-
5	<b>Total Operating Revenues</b>	<b>(2,831,272)</b>	<b>(6,704,445)</b>	<b>(33,121)</b>	<b>-</b>	<b>-</b>	<b>102,649</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses:</b>									
8	Steam Production	(1,302,039)	-	-	-	-	-	-	-
9	Nuclear Production	-	-	-	-	-	-	-	-
10	Hydro Production	1,965	-	-	-	-	-	-	-
11	Other Power Supply	2,206,562	-	-	-	-	-	-	(399)
12	Transmission	(119,206)	-	-	-	-	(7,395)	-	-
13	Distribution	6,970	-	-	-	-	-	-	-
14	Customer Accounting	4,466	-	-	-	-	-	-	-
15	Customer Service & Info	(4,858,857)	-	-	-	-	-	-	(605)
16	Sales	-	-	-	-	-	-	-	-
17	Administrative & General	(60,435)	-	-	-	-	-	-	(43,272)
18	<b>Total O&amp;M Expense</b>	<b>(4,120,576)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,395)</b>	<b>-</b>	<b>(44,276)</b>
19	Depreciation	(415,223)	-	-	-	-	-	-	-
20	Amortization	(169,569)	-	-	-	-	-	-	-
21	Taxes Other than Income	(42,124)	-	-	-	-	-	-	-
22	Income Taxes: Federal	1,862,735	(2,346,556)	(586,443)	-	(94,610)	38,516	-	15,497
23	: State	-	-	-	-	-	-	-	-
24	Deferred Income Taxes	3,615,349	-	623,320	-	192,892	-	-	-
25	Investment Tax Credit Adj.	-	-	-	-	-	-	-	-
26	Misc. Revenue & Expense	(203,946)	-	-	-	(237,951)	-	-	-
27	<b>Total Operating Expenses:</b>	<b>526,646</b>	<b>(2,346,556)</b>	<b>36,877</b>	<b>-</b>	<b>(139,669)</b>	<b>31,121</b>	<b>-</b>	<b>(28,780)</b>
28	<b>Net Operating Income:</b>	<b>(3,357,919)</b>	<b>(4,357,889)</b>	<b>(69,998)</b>	<b>-</b>	<b>139,669</b>	<b>71,529</b>	<b>-</b>	<b>28,780</b>
<b>Rate Base:</b>									
32	Electric Plant in Service	4,111,438	-	-	-	-	-	-	-
33	Plant Held for Future Use	-	-	-	-	-	-	-	-
34	Misc. Deferred Debits	(2,711,549)	-	-	-	-	-	-	-
35	Electric Plant Acq Adj	-	-	-	-	-	-	-	-
36	Nuclear Fuel	-	-	-	-	-	-	-	-
37	Prepayments	(2,850,428)	-	-	-	-	-	-	-
38	Fuel Stock	(3,524,551)	-	-	-	-	-	-	-
39	Material & Supplies	(7,763,143)	-	-	-	-	-	-	-
40	Working Capital	(13,606,718)	-	-	-	-	-	-	-
41	Weatherization Loans	-	-	-	-	-	-	-	-
42	Misc. Rate Base	(308,624)	-	-	-	-	-	-	-
43	<b>Total Electric Plant:</b>	<b>(26,653,575)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deductions:</b>									
46	Accum. Prov. for Depreciation	16,002,757	-	-	-	-	-	-	-
47	Accum. Prov. for Amortization	-	-	-	-	-	-	-	-
48	Accum. Deferred Income Tax	(6,475,410)	-	2,751,332	-	1,600,912	-	-	-
49	Unamortized ITC	144,386	-	-	-	-	-	-	-
50	Customer Advances for Const.	23,143	-	-	-	-	-	-	-
51	Customer Service Deposits	(2,980,496)	-	-	-	-	-	-	-
52	Miscellaneous Deductions	(3,245,919)	-	-	-	(4,218,445)	-	-	-
54	<b>Total Deductions:</b>	<b>3,468,460</b>	<b>-</b>	<b>2,751,332</b>	<b>-</b>	<b>(2,617,533)</b>	<b>-</b>	<b>-</b>	<b>-</b>
56	<b>Total Rate Base:</b>	<b>(23,185,115)</b>	<b>-</b>	<b>2,751,332</b>	<b>-</b>	<b>(2,617,533)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TAX CALCULATION</b>									
61	Per Company								
62	cross check	2,120,165							
63	Operating Revenue	2,120,165	(6,704,445)	(33,121)	-	237,951	110,044	-	44,276
64	Other Deductions	-	-	-	-	-	-	-	-
65	Interest (AFUDC)	217,013	-	-	-	-	-	-	-
66	Interest	(4,498,686)	-	-	-	-	-	-	-
67	Schedule "M" additions	(2,567,817)	-	(1,653,038)	-	28,799	-	-	-
68	Schedule "M" deductions	(1,488,078)	-	(10,607)	-	537,064	-	-	-
70	Income Before Tax	5,322,099	(6,704,445)	(1,675,552)	0	(270,314)	0	110,044	44,276
71	State Income Tax	-	-	-	-	-	-	-	-
72	Taxable Income	5,322,099	(6,704,445)	(1,675,552)	-	(270,314)	110,044	-	44,276
73	Adjustments to FIT	-	-	-	-	-	-	-	-
74	Federal Income Tax	1,862,735	(2,346,556)	(586,443)	-	(94,610)	38,516	-	15,497
75		1,862,735							

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	RESTATING ---->	4.2 Gen Wage Increase Annual.	4.3 Gen Wage Increase	4.4 Pension Curtailment	4.5 Affiliate Management Fee	4.6 DSM Removal Adjustment	4.7 Remove Non- Recurring Entries	4.8 Remove MEHC Severance	5.1 Net Power Costs Restating
<b>Operating Revenues:</b>									
1 General Business Revenues	(6,737,566)	-	-	-	-	-	-	-	-
2 Interdepartmental	-	-	-	-	-	-	-	-	-
3 Special Sales	3,803,644	-	-	-	-	-	-	-	3,803,644
4 Other operating revenues	102,649	-	-	-	-	-	-	-	-
5 <b>Total Operating Revenues</b>	<b>(2,831,272)</b>	-	-	-	-	-	-	-	<b>3,803,644</b>
<b>Operating Expenses:</b>									
8 Steam Production	(1,302,039)	4,568	-	-	-	-	(92)	-	(1,306,516)
9 Nuclear Production	-	-	-	-	-	-	-	-	-
10 Hydro Production	1,965	1,965	-	-	-	-	-	-	-
11 Other Power Supply	2,206,562	2,394	-	-	-	-	(82,916)	-	(5,889,920)
12 Transmission	(119,206)	1,699	-	-	-	-	(113,510)	-	-
13 Distribution	6,970	7,079	-	-	-	-	(109)	-	-
14 Customer Accounting	4,466	4,466	-	-	-	-	-	-	-
15 Customer Service & Info	(4,858,857)	207	-	-	-	(4,858,459)	-	-	-
16 Sales	-	-	-	-	-	-	-	-	-
17 Administrative & General	(60,435)	6,546	-	-	(78,012)	-	-	-	-
18 <b>Total O&amp;M Expense</b>	<b>(4,120,576)</b>	<b>28,924</b>	-	-	<b>(78,012)</b>	<b>(4,858,459)</b>	<b>(196,627)</b>	-	<b>(7,196,437)</b>
19 Depreciation	(415,223)	-	-	-	-	-	-	-	-
20 Amortization	(169,569)	-	-	-	-	-	-	-	-
21 Taxes Other than Income	(42,124)	-	-	-	-	-	-	-	-
22 Income Taxes: Federal	1,862,735	(10,123)	-	-	27,304	2,185,509	68,819	-	3,850,028
23 : State	-	-	-	-	-	-	-	-	-
24 Deferred Income Taxes	3,615,349	-	-	-	-	(525,945)	-	-	-
25 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-
26 Misc. Revenue & Expense	(203,946)	-	-	-	-	-	-	-	-
27 <b>Total Operating Expenses:</b>	<b>526,646</b>	<b>18,800</b>	-	-	<b>(50,708)</b>	<b>(3,198,895)</b>	<b>(127,808)</b>	-	<b>(3,346,408)</b>
28 <b>Net Operating Income:</b>	<b>(3,357,919)</b>	<b>(18,800)</b>	-	-	<b>50,708</b>	<b>3,198,895</b>	<b>127,808</b>	-	<b>7,150,053</b>
<b>Rate Base:</b>									
32 Electric Plant in Service	4,111,438	-	-	-	-	-	-	-	-
33 Plant Held for Future Use	-	-	-	-	-	-	-	-	-
34 Misc. Deferred Debits	(2,711,549)	-	-	-	-	-	-	-	-
35 Electric Plant Acq Adj.	-	-	-	-	-	-	-	-	-
36 Nuclear Fuel	-	-	-	-	-	-	-	-	-
37 Prepayments	(2,850,428)	-	-	-	-	-	-	-	-
38 Fuel Stock	(3,524,551)	-	-	-	-	-	-	-	-
39 Material & Supplies	(7,763,143)	-	-	-	-	-	-	-	-
40 Working Capital	(13,606,718)	-	-	-	-	-	-	-	-
41 Weatherization Loans	-	-	-	-	-	-	-	-	-
42 Misc. Rate Base	(308,624)	-	-	-	-	-	-	-	-
43 <b>Total Electric Plant:</b>	<b>(26,653,575)</b>	-	-	-	-	-	-	-	-
<b>Deductions:</b>									
46 Accum. Prov. for Depreciation	16,002,757	-	-	-	-	-	-	-	-
47 Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-
48 Accum. Deferred Income Tax	(6,475,410)	-	-	-	-	472,406	-	-	-
49 Unamortized ITC	144,386	-	-	-	-	-	-	-	-
50 Customer Advances for Const.	23,143	-	-	-	-	-	-	-	-
51 Customer Service Deposits	(2,980,496)	-	-	-	-	-	-	-	-
52 Miscellaneous Deductions	(3,245,919)	-	-	-	-	-	-	-	-
53 <b>Total Deductions:</b>	<b>3,468,460</b>	-	-	-	-	<b>472,406</b>	-	-	-
54 <b>Total Rate Base:</b>	<b>(23,185,115)</b>	-	-	-	-	<b>472,406</b>	-	-	-
<b>TAX CALCULATION</b>									
60 State Income Tax R:									
61 Per Company									
62 Federal Income Tax	2,120,165								
63 Operating Revenue	2,120,165	(28,924)	-	-	78,012	4,858,459	196,627	-	11,000,081
64 Other Deductions	-	-	-	-	-	-	-	-	-
65 Interest (AFUDC)	217,013	-	-	-	-	-	-	-	-
66 Interest	(4,498,686)	-	-	-	-	-	-	-	-
67 Schedule "M" additions	(2,567,817)	-	-	-	-	-	-	-	-
68 Schedule "M" deductions	(1,488,078)	-	-	-	-	(1,385,852)	-	-	-
69	-	-	-	-	-	-	-	-	-
70 Income Before Tax	5,322,099	(28,924)	-	-	78,012	6,244,311	196,627	-	11,000,081
71 State Income Tax	-	-	-	-	-	-	-	-	-
72 Taxable Income	5,322,099	(28,924)	-	-	78,012	6,244,311	196,627	-	11,000,081
73 Adjustments to FIT	-	-	-	-	-	-	-	-	-
74 Federal Income Tax	1,862,735	(10,123)	-	-	27,304	2,185,509	68,819	-	3,850,028
75	1,862,735	-	-	-	-	-	-	-	-

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	RESTATING ---->	5.2	5.3	5.4	5.5	5.6	6.1	7.1	7.2
		Net Power Costs	Electric Lake Settlement	BPA Residential Exchange	James River Royalty Offset	Removal of Colstrip #3	Hydro Decommissioning	Interest True-up	Accum Def Income Tax Factor
<b>Operating Revenues:</b>									
1	General Business Revenues	(6,737,566)	-	-	-	-	-	-	-
2	Interdepartmental	-	-	-	-	-	-	-	-
3	Special Sales	3,803,644	-	-	-	-	-	-	-
4	Other operating revenues	102,649	-	-	-	-	-	-	-
5	<b>Total Operating Revenues</b>	<b>(2,831,272)</b>	-	-	-	-	-	-	-
<b>Operating Expenses:</b>									
8	Steam Production	(1,302,039)	-	-	-	-	-	-	-
9	Nuclear Production	-	-	-	-	-	-	-	-
10	Hydro Production	1,965	-	-	-	-	-	-	-
11	Other Power Supply	2,206,562	152,282	8,025,121	-	-	-	-	-
12	Transmission	(119,206)	-	-	-	-	-	-	-
13	Distribution	6,970	-	-	-	-	-	-	-
14	Customer Accounting	4,466	-	-	-	-	-	-	-
15	Customer Service & Info	(4,858,857)	-	-	-	-	-	-	-
16	Sales	-	-	-	-	-	-	-	-
17	Administrative & General	(60,435)	-	-	-	-	-	-	-
18	<b>Total O&amp;M Expense</b>	<b>(4,120,576)</b>	152,282	8,025,121	-	-	-	-	-
19	Depreciation	(415,223)	-	-	-	(397,232)	-	-	-
20	Amortization	(169,569)	-	-	-	-	-	-	-
21	Taxes Other than Income	(42,124)	-	-	-	(42,124)	-	-	-
22	Income Taxes: Federal	1,862,735	(53,299)	(2,808,792)	-	28,116	-	1,574,540	-
23	: State	-	-	-	-	-	-	-	-
24	Deferred Income Taxes	3,615,349	-	-	-	136,253	-	-	-
25	Investment Tax Credit Adj.	-	-	-	-	-	-	-	-
26	Misc. Revenue & Expense	(203,946)	-	-	-	-	-	-	-
27	<b>Total Operating Expenses:</b>	<b>526,646</b>	98,983	5,216,329	-	(274,987)	-	1,574,540	-
28	<b>Net Operating Income:</b>	<b>(3,357,919)</b>	(98,983)	(5,216,329)	-	274,987	-	(1,574,540)	-
<b>Rate Base:</b>									
32	Electric Plant in Service	4,111,438	-	-	-	(26,125,928)	-	-	-
33	Plant Held for Future Use	-	-	-	-	-	-	-	-
34	Misc. Deferred Debits	(2,711,549)	-	-	-	-	-	-	-
35	Electric Plant Acq Adj	-	-	-	-	-	-	-	-
36	Nuclear Fuel	-	-	-	-	-	-	-	-
37	Prepayments	(2,850,428)	-	-	-	-	-	-	-
38	Fuel Stock	(3,524,551)	-	-	-	-	-	-	-
39	Material & Supplies	(7,763,143)	-	-	-	-	-	-	-
40	Working Capital	(13,606,718)	-	-	-	-	-	-	-
41	Weatherization Loans	-	-	-	-	-	-	-	-
42	Misc. Rate Base	(308,624)	-	-	-	-	-	-	-
43	<b>Total Electric Plant:</b>	<b>(26,653,575)</b>	-	-	-	(26,125,928)	-	-	-
<b>Deductions:</b>									
46	Accum. Prov. for Depreciation	16,002,757	-	-	-	16,010,762	(8,005)	-	-
47	Accum. Prov. for Amortization	-	-	-	-	-	-	-	-
48	Accum. Deferred Income Tax	(6,475,410)	-	-	-	1,810,649	-	-	(5,199,035)
49	Unamortized ITC	144,386	-	-	-	144,386	-	-	-
50	Customer Advances for Const.	23,143	-	-	-	-	-	-	-
51	Customer Service Deposits	(2,980,496)	-	-	-	-	-	-	-
52	Miscellaneous Deductions	(3,245,919)	(212,583)	-	-	-	-	-	-
54	<b>Total Deductions:</b>	<b>3,468,460</b>	(212,583)	-	-	17,965,798	(8,005)	-	(5,199,035)
56	<b>Total Rate Base:</b>	<b>(23,185,115)</b>	(212,583)	-	-	(8,160,130)	(8,005)	-	(5,199,035)
60	TAX CALCULATION								
61	Per Company								
62	State Income Tax R <sub>e</sub>	2,120,165	-	-	-	-	-	-	-
62	Federal Income Tax	2,120,165	-	-	-	-	-	-	-
63	Operating Revenue	2,120,165	(152,282)	(8,025,121)	-	439,356	-	-	-
64	Other Deductions	-	-	-	-	-	-	-	-
65	Interest (AFUDC)	217,013	-	-	-	-	-	-	-
66	Interest	(4,498,686)	-	-	-	-	-	(4,498,686)	-
67	Schedule "M" additions	(2,567,817)	-	-	-	(449,420)	-	-	-
68	Schedule "M" deductions	(1,488,078)	-	-	-	(90,396)	-	-	-
70	Income Before Tax	5,322,099	(152,282)	(8,025,121)	-	80,333	0	4,498,686	0
71	State Income Tax	-	-	-	-	-	-	-	-
72	Taxable Income	5,322,099	(152,282)	(8,025,121)	-	80,333	-	4,498,686	-
73	Adjustments to FIT	-	-	-	-	-	-	-	-
74	Federal Income Tax	1,862,735	(53,299)	(2,808,792)	-	28,116	-	1,574,540	-
75		1,862,735							

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RESTATING ----->

		7.3 Renewable Energy credit	7.4 Malin Line Amort.	7.5 WA - FAS 109 Flow-Through	7.6 AFUDC - Equity	7.7 Public Utility Tax Adj	7.8 Remove Deferred State	7.9 Current Yr Def Inc Tax Exp Norm	7.10 Medicare Def Tax	
<b>Operating Revenues:</b>										
1	General Business Revenues	(6,737,566)	-	-	-	-	-	-	-	
2	Interdepartmental	-	-	-	-	-	-	-	-	
3	Special Sales	3,803,644	-	-	-	-	-	-	-	
4	Other operating revenues	102,649	-	-	-	-	-	-	-	
5	<b>Total Operating Revenues</b>	<b>(2,831,272)</b>	-	-	-	-	-	-	-	
6										
7	<b>Operating Expenses:</b>									
8	Steam Production	(1,302,039)	-	-	-	-	-	-	-	
9	Nuclear Production	-	-	-	-	-	-	-	-	
10	Hydro Production	1,965	-	-	-	-	-	-	-	
11	Other Power Supply	2,206,562	-	-	-	-	-	-	-	
12	Transmission	(119,206)	-	-	-	-	-	-	-	
13	Distribution	6,970	-	-	-	-	-	-	-	
14	Customer Accounting	4,466	-	-	-	-	-	-	-	
15	Customer Service & Info	(4,858,857)	-	-	-	-	-	-	-	
16	Sales	-	-	-	-	-	-	-	-	
17	Administrative & General	(60,435)	-	-	-	-	-	-	-	
18	<b>Total O&amp;M Expense</b>	<b>(4,120,576)</b>	-	-	-	-	-	-	-	
19	Depreciation	(415,223)	-	-	-	-	-	-	-	
20	Amortization	(169,569)	-	-	-	-	-	-	-	
21	Taxes Other than Income	(42,124)	-	-	-	-	-	-	-	
22	Income Taxes: Federal	1,862,735	-	-	(75,955)	-	-	-	-	
23	: State	-	-	-	-	-	-	-	-	
24	Deferred Income Taxes	3,615,349	(291,667)	5,532,834	-	(2,199,228)	-	170,464		
25	Investment Tax Credit Adj.	-	-	-	-	-	-	-		
26	Misc. Revenue & Expense	(203,946)	-	-	-	-	-	-		
27	<b>Total Operating Expenses:</b>	<b>526,646</b>	<b>(291,667)</b>	<b>5,532,834</b>	<b>(75,955)</b>	<b>(2,199,228)</b>	<b>-</b>	<b>170,464</b>		
28										
29	<b>Net Operating Income:</b>	<b>(3,357,919)</b>	<b>291,667</b>	<b>(5,532,834)</b>	<b>75,955</b>	<b>-</b>	<b>2,199,228</b>	<b>(170,464)</b>		
30										
31	<b>Rate Base:</b>									
32	Electric Plant in Service	4,111,438	-	-	-	-	-	-	-	
33	Plant Held for Future Use	-	-	-	-	-	-	-	-	
34	Misc. Deferred Debits	(2,711,549)	-	-	-	-	-	-		
35	Electric Plant Acq Adj	-	-	-	-	-	-	-		
36	Nuclear Fuel	-	-	-	-	-	-	-		
37	Prepayments	(2,850,428)	-	-	-	-	-	-		
38	Fuel Stock	(3,524,551)	-	-	-	-	-	-		
39	Material & Supplies	(7,763,143)	-	-	-	-	-	-		
40	Working Capital	(13,606,718)	-	-	-	-	-	-		
41	Weatherization Loans	-	-	-	-	-	-	-		
42	Misc. Rate Base	(308,624)	-	-	-	-	-	-		
43	<b>Total Electric Plant:</b>	<b>(26,653,575)</b>	-	-	-	-	-	-		
44										
45	<b>Deductions:</b>									
46	Accum. Prov. for Depreciation	16,002,757	-	-	-	-	-	-	-	
47	Accum. Prov. for Amortization	-	-	-	-	-	-	-		
48	Accum. Deferred Income Tax	(6,475,410)	(510,417)	-	-	-	1,099,614	(262,781)		
49	Unamortized ITC	144,386	-	-	-	-	-	-		
50	Customer Advances for Const.	23,143	-	-	-	-	-	-		
51	Customer Service Deposits	(2,980,496)	-	-	-	-	-	-		
52	Miscellaneous Deductions	(3,245,919)	-	-	-	-	-	-		
53	<b>Total Deductions:</b>	<b>3,468,460</b>	<b>(510,417)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,099,614</b>	<b>(262,781)</b>		
54										
55	<b>Total Rate Base:</b>	<b>(23,185,115)</b>	<b>(510,417)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,099,614</b>	<b>(262,781)</b>		
56										
57	<b>TAX CALCULATION</b>									
60	State Income Tax Rate									
61	Per Company									
62	cross check	2,120,165								
63	Operating Revenue	2,120,165	-	-	-	-	-	-		
64	Other Deductions	-	-	-	-	-	-	-		
65	Interest (AFUDC)	217,013	-	-	217,013	-	-	-		
66	Interest	(4,498,686)	-	-	-	-	-	-		
67	Schedule "M" additions	(2,567,817)	-	-	-	-	-	-		
68	Schedule "M" deductions	(1,488,078)	-	-	-	-	-	-		
69										
70	Income Before Tax	5,322,099	0	0	0	(217,013)	0	0		
71	State Income Tax	-	-	-	-	-	-	-		
72	Taxable Income	5,322,099	-	-	-	(217,013)	-	-		
73	Adjustments to FIT	-	-	-	-	-	-	-		
74	Federal Income Tax	1,862,735	-	-	(75,955)	-	-	-		
75		1,862,735	-	-	-	-	-	-		

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	RESTATING ---->	7.11 Avg Balance for Accum Def Inc Tax - Property	7.12 WA Low Income Tax	8.1 Cash Working Capital	8.2 JimBridger Mine Rate Base	8.3 Environmental Remediation	8.4 Customer Advances for Construction	8.5 Miscellaneous Rate Base
<b>Operating Revenues:</b>								
1	General Business Revenues	(6,737,566)	-	-	-	-	-	-
2	Interdepartmental	-	-	-	-	-	-	-
3	Special Sales	3,803,644	-	-	-	-	-	-
4	Other operating revenues	102,649	-	-	-	-	-	-
5	<b>Total Operating Revenues</b>	<b>(2,831,272)</b>	-	-	-	-	-	-
<b>Operating Expenses:</b>								
8	Steam Production	(1,302,039)	-	-	-	-	-	-
9	Nuclear Production	-	-	-	-	-	-	-
10	Hydro Production	1,965	-	-	-	-	-	-
11	Other Power Supply	2,206,562	-	-	-	-	-	-
12	Transmission	(119,206)	-	-	-	-	-	-
13	Distribution	6,970	-	-	-	-	-	-
14	Customer Accounting	4,466	-	-	-	-	-	-
15	Customer Service & Info	(4,858,857)	-	-	-	-	-	-
16	Sales	-	-	-	-	-	-	-
17	Administrative & General	(60,435)	-	-	-	54,304	-	-
18	<b>Total O&amp;M Expense</b>	<b>(4,120,576)</b>	-	-	-	54,304	-	-
19	Depreciation	(415,223)	-	-	-	-	-	-
20	Amortization	(169,569)	-	-	-	-	-	-
21	Taxes Other than Income	(42,124)	-	-	-	-	-	-
22	Income Taxes: Federal	1,862,735	-	-	-	(39,788)	-	-
23	: State	-	-	-	-	-	-	-
24	Deferred Income Taxes	3,615,349	-	-	-	22,534	-	-
25	Investment Tax Credit Adj.	-	-	-	-	-	-	-
26	Misc. Revenue & Expense	(203,946)	-	-	-	-	-	-
27	<b>Total Operating Expenses:</b>	<b>526,646</b>	-	-	-	37,050	-	-
28	<b>Net Operating Income:</b>	<b>(3,357,919)</b>	-	-	-	(37,050)	-	-
<b>Rate Base:</b>								
32	Electric Plant in Service	4,111,438	-	-	30,678,372	-	-	-
33	Plant Held for Future Use	-	-	-	-	-	-	-
34	Misc. Deferred Debits	(2,711,549)	-	-	-	155,566	-	(2,867,116)
35	Electric Plant Acq Adj	-	-	-	-	-	-	-
36	Nuclear Fuel	-	-	-	-	-	-	-
37	Prepayments	(2,850,428)	-	-	-	-	-	(2,850,428)
38	Fuel Stock	(3,524,551)	-	-	-	-	-	-
39	Material & Supplies	(7,763,143)	-	-	-	-	-	12,560
40	Working Capital	(13,606,718)	-	(11,487,474)	-	-	-	(2,119,244)
41	Weatherization Loans	-	-	-	-	-	-	-
42	Misc. Rate Base	(308,624)	-	-	-	-	-	(40,048)
43	<b>Total Electric Plant:</b>	<b>(26,653,575)</b>	-	(11,487,474)	30,678,372	155,566	-	(7,864,275)
<b>Deductions:</b>								
46	Accum. Prov. for Depreciation	16,002,757	-	-	-	-	-	-
47	Accum. Prov. for Amortization	-	-	-	-	-	-	-
48	Accum. Deferred Income Tax	(6,475,410)	(9,873,199)	-	-	105,943	-	-
49	Unamortized ITC	144,386	-	-	-	-	-	-
50	Customer Advances for Const.	23,143	-	-	-	-	23,143	-
51	Customer Service Deposits	(2,980,496)	-	-	-	-	-	-
52	Miscellaneous Deductions	(3,245,919)	-	-	-	-	-	-
53	<b>Total Deductions:</b>	<b>3,468,460</b>	<b>(9,873,199)</b>	-	-	105,943	23,143	-
56	<b>Total Rate Base:</b>	<b>(23,185,115)</b>	<b>(9,873,199)</b>	<b>(11,487,474)</b>	<b>30,678,372</b>	<b>261,509</b>	<b>23,143</b>	<b>(7,864,275)</b>
<b>TAX CALCULATION</b>								
60	Per Company		State Income Tax R					
61	cross check	2,120,165	Federal Income Tax					
62	Operating Revenue	2,120,165	-	-	-	(54,304)	-	-
63	Other Deductions	-	-	-	-	-	-	-
64	Interest (AFUDC)	217,013	-	-	-	-	-	-
65	Interest	(4,498,686)	-	-	-	-	-	-
66	Schedule "M" additions	(2,567,817)	-	-	-	(59,375)	-	-
67	Schedule "M" deductions	(1,488,078)	-	-	-	-	-	-
68		-	-	-	-	-	-	-
69	Income Before Tax	5,322,099	0	0	0	(113,679)	0	0
70	State Income Tax	-	-	-	-	-	-	-
71	Taxable Income	5,322,099	-	-	-	(113,679)	-	-
72	Adjustments to FIT	-	-	-	-	-	-	-
73	Federal Income Tax	1,862,735	-	-	-	(39,788)	-	-
74		1,862,735	-	-	-	-	-	-
75								

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	RESTATING ---->	8.5.1 Misc. Rate Base Sale (cont.)	8.6 Removal of Colstrip #4 AFUDC	8.7 Powerdale Hydro Removal	8.8 Trojan Unrecovered Plant Adj.	8.9 Customer Service Deposits	8.10 Chehalis Reg Asset - WA	8.11 Repairs	8.12 Current Assets
<b>Operating Revenues:</b>									
1	General Business Revenues	(6,737,566)	-	-	-	-	-	-	-
2	Interdepartmental	-	-	-	-	-	-	-	-
3	Special Sales	3,803,644	-	-	-	-	-	-	-
4	Other operating revenues	102,649	-	-	-	-	-	-	-
5	<b>Total Operating Revenues</b>	<b>(2,831,272)</b>	-	-	-	-	-	-	-
<b>Operating Expenses:</b>									
8	Steam Production	(1,302,039)	-	-	-	-	-	-	-
9	Nuclear Production	-	-	-	-	-	-	-	-
10	Hydro Production	1,965	-	-	-	-	-	-	-
11	Other Power Supply	2,206,562	-	-	-	-	-	-	-
12	Transmission	(119,206)	-	-	-	-	-	-	-
13	Distribution	6,970	-	-	-	-	-	-	-
14	Customer Accounting	4,466	-	-	-	-	-	-	-
15	Customer Service & Info	(4,858,857)	-	-	-	-	-	-	-
16	Sales	-	-	-	-	-	-	-	-
17	Administrative & General	(60,435)	-	-	-	-	-	-	-
18	<b>Total O&amp;M Expense</b>	<b>(4,120,576)</b>	-	-	-	-	-	-	-
19	Depreciation	(415,223)	-	(17,991)	-	-	-	-	-
20	Amortization	(169,569)	-	-	(169,569)	-	-	-	-
21	Taxes Other than Income	(42,124)	-	-	-	-	-	-	-
22	Income Taxes: Federal	1,862,735	164,229	-	(62,357)	(11,902)	-	-	-
23	State	-	-	-	-	-	-	-	-
24	Deferred Income Taxes	3,615,349	(178,075)	-	131,967	-	-	-	-
25	Investment Tax Credit Adj.	-	-	-	-	-	-	-	-
26	Misc. Revenue & Expense	(203,946)	-	-	-	34,005	-	-	-
27	<b>Total Operating Expenses:</b>	<b>526,646</b>	<b>(13,847)</b>	<b>(17,991)</b>	<b>(99,958)</b>	<b>22,103</b>	-	-	-
28	<b>Net Operating Income:</b>	<b>(3,357,919)</b>	<b>13,847</b>	<b>17,991</b>	<b>99,958</b>	<b>(22,103)</b>	-	-	-
<b>Rate Base:</b>									
32	Electric Plant in Service	4,111,438	-	(441,006)	-	-	-	-	-
33	Plant Held for Future Use	-	-	-	-	-	-	-	-
34	Misc. Deferred Debits	(2,711,549)	-	-	-	-	-	-	-
35	Electric Plant Acq Adj	-	-	-	-	-	-	-	-
36	Nuclear Fuel	-	-	-	-	-	-	-	-
37	Prepayments	(2,850,428)	-	-	-	-	-	-	-
38	Fuel Stock	(3,524,551)	-	-	-	-	-	-	(3,524,551)
39	Material & Supplies	(7,763,143)	-	-	-	-	-	-	(7,775,703)
40	Working Capital	(13,606,718)	-	-	-	-	-	-	-
41	Weatherization Loans	-	-	-	-	-	-	-	-
42	Misc. Rate Base	(308,624)	-	-	(268,577)	-	-	-	-
43	<b>Total Electric Plant:</b>	<b>(26,653,575)</b>	-	<b>(441,006)</b>	-	<b>(268,577)</b>	-	-	<b>(11,300,254)</b>
<b>Deductions:</b>									
46	Accum. Prov. for Depreciation	16,002,757	-	-	-	-	-	0	0
47	Accum. Prov. for Amortization	-	-	-	-	-	-	-	-
48	Accum. Deferred Income Tax	(6,475,410)	1,697,440	-	(168,275)	-	-	-	-
49	Unamortized ITC	144,386	-	-	-	-	-	-	-
50	Customer Advances for Const.	23,143	-	-	-	-	-	-	-
51	Customer Service Deposits	(2,980,496)	-	-	-	(2,980,496)	-	-	-
52	Miscellaneous Deductions	(3,245,919)	-	-	1,185,109	-	-	-	-
53	<b>Total Deductions:</b>	<b>3,468,460</b>	<b>1,697,440</b>	-	-	<b>1,016,834</b>	<b>(2,980,496)</b>	-	-
54	<b>Total Rate Base:</b>	<b>(23,185,115)</b>	<b>1,697,440</b>	<b>(441,006)</b>	-	<b>748,258</b>	<b>(2,980,496)</b>	-	<b>(11,300,254)</b>
<b>TAX CALCULATION</b>									
60	Per Company		State Income Tax R		Federal Income Tax				
61	cross check	2,120,165							
62		2,120,165		17,991		169,569	(34,005)		
63	Operating Revenue	-	-	-	-	-	-	-	-
64	Other Deductions	-	-	-	-	-	-	-	-
65	Interest (AFUDC)	217,013	-	-	-	-	-	-	-
66	Interest	(4,498,686)	-	-	-	-	-	-	-
67	Schedule "M" additions	(2,567,817)	(69,062)	(17,991)	-	(347,731)	-	-	-
68	Schedule "M" deductions	(1,488,078)	(538,287)	-	-	-	-	-	-
69		-	-	-	-	-	-	-	-
70	Income Before Tax	5,322,099	469,225	-	0	(178,162)	(34,005)	0	0
71	State Income Tax	-	-	-	-	-	-	-	-
72	Taxable Income	5,322,099	469,225	-	-	(178,162)	(34,005)	-	-
73	Adjustments to FIT	-	-	-	-	-	-	-	-
74	Federal Income Tax	1,862,735	164,229	-	-	(62,357)	(11,902)	-	-
75		1,862,735							

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	RESTATING ---->	9.1 Production Factor	9.1.1 Production Factor Adj (cont.)
Operating Revenues:			
1 General Business Revenues	(6,737,566)	-	-
2 Interdepartmental	-	-	-
3 Special Sales	3,803,644	-	-
4 Other operating revenues	102,649	-	-
5 Total Operating Revenues	<u>(2,831,272)</u>	-	-
Operating Expenses:			
8 Steam Production	(1,302,039)	-	-
9 Nuclear Production	-	-	-
10 Hydro Production	1,965	-	-
11 Other Power Supply	2,206,562	-	-
12 Transmission	(119,206)	-	-
13 Distribution	6,970	-	-
14 Customer Accounting	4,466	-	-
15 Customer Service & Info	(4,858,857)	-	-
16 Sales	-	-	-
17 Administrative & General	(60,435)	-	-
18 Total O&M Expense	<u>(4,120,576)</u>	-	-
19 Depreciation	(415,223)	-	-
20 Amortization	(169,569)	-	-
21 Taxes Other than Income	(42,124)	-	-
22 Income Taxes: Federal	1,862,735	-	-
23 State	-	-	-
24 Deferred Income Taxes	3,615,349	-	-
25 Investment Tax Credit Adj.	-	-	-
26 Misc. Revenue & Expense	(203,946)	-	-
27 Total Operating Expenses:	<u>526,646</u>	-	-
28			
29 Net Operating Income:	<u>(3,357,919)</u>	-	-
30			
Rate Base:			
32 Electric Plant in Service	4,111,438	-	-
33 Plant Held for Future Use	-	-	-
34 Misc. Deferred Debits	(2,711,549)	-	-
35 Electric Plant Acq Adj	-	-	-
36 Nuclear Fuel	-	-	-
37 Prepayments	(2,850,428)	-	-
38 Fuel Stock	(3,524,551)	-	-
39 Material & Supplies	(7,763,143)	-	-
40 Working Capital	(13,606,718)	-	-
41 Weatherization Loans	-	-	-
42 Misc. Rate Base	(308,624)	-	-
43 Total Electric Plant:	<u>(26,653,575)</u>	-	-
44			
Deductions:			
46 Accum. Prov. for Depreciation	16,002,757	-	-
47 Accum. Prov. for Amortization	-	-	-
48 Accum. Deferred Income Tax	(6,475,410)	-	-
49 Unamortized ITC	144,386	-	-
50 Customer Advances for Const.	23,143	-	-
51 Customer Service Deposits	(2,980,496)	-	-
52 Miscellaneous Deductions	(3,245,919)	-	-
53			
54 Total Deductions:	<u>3,468,460</u>	-	-
55			
56 Total Rate Base:	<u>(23,185,115)</u>	-	-
57			
60 TAX CALCULATION	State Income Tax Re		
61 Per Company	Federal Income Tax		
62 cross check	2,120,165		
63 Operating Revenue	2,120,165	-	-
64 Other Deductions	-	-	-
65 Interest (AFUDC)	217,013	-	-
66 Interest	(4,498,686)	-	-
67 Schedule "M" additions	(2,567,817)	-	-
68 Schedule "M" deductions	(1,488,078)	-	-
69			
70 Income Before Tax	5,322,099	0	0
71 State Income Tax	-	-	-
72 Taxable Income	<u>5,322,099</u>	-	-
73 Adjustments to FIT	-	-	-
74 Federal Income Tax	<u>1,862,735</u>	-	-
75	1,862,735		



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

	PRO FORMA ----->	3.1 Temperature Normalization	3.2 Revenue Normalizing	3.3 Effective Price Change	3.4 SO2 Allowances	3.5 Green Tag Revenues	3.6 Wheeling Revenue	3.7 Remove Commercial Sales	4.1 Misc. General	4.2 Gen Wage Increase Annualized	4.3 PF Gen Wage Increase
<b>Operating Revenues:</b>											
1	General Business Revenues	13,597,103	-	12,402,155	-	-	-	1,194,948	-	-	-
2	Interdepartmental	-	-	-	-	-	-	-	-	-	-
3	Special Sales	(43,556,536)	-	-	-	-	-	-	-	-	-
4	Other operating revenues	(1,833,132)	-	-	-	(17,063)	-	-	-	-	-
5	<b>Total Operating Revenues</b>	<b>(31,792,565)</b>	-	<b>12,402,155</b>	-	<b>(17,063)</b>	<b>1,194,948</b>	-	-	-	-
6											
7	<b>Operating Expenses:</b>										
8	Steam Production	4,164,859	-	-	-	-	-	-	-	-	59,055
9	Nuclear Production	-	-	-	-	-	-	-	-	-	-
10	Hydro Production	14,128	-	-	-	-	-	-	-	-	25,399
11	Other Power Supply	(18,949,299)	-	-	-	-	-	103,231	-	-	30,949
12	Transmission	3,316,494	-	-	-	-	-	-	-	-	21,962
13	Distribution	91,505	-	-	-	-	-	-	-	-	91,505
14	Customer Accounting	57,734	-	-	-	-	-	-	-	-	57,734
15	Customer Service & Info	2,679	-	-	-	-	-	-	-	-	2,679
16	Sales	-	-	-	-	-	-	-	-	-	-
17	Administrative & General	(1,157,880)	-	-	-	-	-	171,129	-	-	84,611
18	<b>Total O&amp;M Expense</b>	<b>(12,459,780)</b>	-	-	-	-	-	<b>274,360</b>	-	-	<b>373,894</b>
19	Depreciation	(29,238)	-	-	-	-	-	-	-	-	-
20	Amortization	(182,289)	-	-	-	-	-	-	-	-	-
21	Taxes Other than Income	(428,617)	-	-	-	-	-	-	-	-	-
22	Income Taxes: Federal	(12,023,347)	-	4,340,754	-	(5,972)	322,206	-	-	-	(130,863)
23	: State	-	-	-	-	-	-	-	-	-	-
24	Deferred Income Taxes	(417,014)	-	-	-	-	-	-	-	-	-
25	Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-	-
26	Misc. Revenue & Expense	949	-	-	-	-	-	-	-	-	-
27	<b>Total Operating Expenses:</b>	<b>(25,539,337)</b>	-	<b>4,340,754</b>	-	<b>(5,972)</b>	<b>596,566</b>	-	-	-	<b>243,031</b>
28											
29	<b>Net Operating Income:</b>	<b>(6,253,228)</b>	-	<b>8,061,401</b>	-	<b>(11,091)</b>	<b>598,382</b>	-	-	-	<b>(243,031)</b>
30											
31	<b>Rate Base:</b>										
32	Electric Plant in Service	(1,121,303)	-	-	-	-	-	-	-	-	-
33	Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-
34	Misc. Deferred Debits	15,188,911	-	-	-	-	-	-	-	-	-
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	0	-	-	-	-	-	-	-	-	-
43	<b>Total Electric Plant:</b>	<b>14,067,608</b>	-	-	-	-	-	-	-	-	-
44											
45	<b>Deductions:</b>										
46	Accum. Prov. for Depreciation	81,838	-	-	-	-	-	-	-	-	-
47	Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-	-
48	Accum. Deferred Income Tax	8,919,292	-	-	-	-	-	-	-	-	-
49	Unamortized ITC	-	-	-	-	-	-	-	-	-	-
50	Customer Advances for Const.	-	-	-	-	-	-	-	-	-	-
51	Customer Service Deposits	-	-	-	-	-	-	-	-	-	-
52	Miscellaneous Deductions	7,457	-	-	-	-	-	-	-	-	-
53											
54	<b>Total Deductions:</b>	<b>9,008,588</b>	-	-	-	-	-	-	-	-	-
55											
56	<b>Total Rate Base:</b>	<b>23,076,196</b>	-	-	-	-	-	-	-	-	-
57											
58											
59											
60	<b>TAX CALCULATION</b>										
61	Per Company										
62		(18,693,590)									
63	Operating Revenue	(18,693,590)	-	12,402,155	-	(17,063)	920,588	-	-	-	(373,894)
64	Other Deductions	-	-	-	-	-	-	-	-	-	-
65	Interest (AFUDC)	-	-	-	-	-	-	-	-	-	-
66	Interest	646,973	-	-	-	-	-	-	-	-	-
67	Schedule "M" additions	2,050,307	-	-	-	-	-	-	-	-	-
68	Schedule "M" deductions	951,490	-	-	-	-	-	-	-	-	-
69											
70	Income Before Tax	(18,241,746)	0	12,402,155	0	(17,063)	920,588	0	0	-	(373,894)
71	State Income Tax	-	-	-	-	-	-	-	-	-	-
72	Taxable Income	(18,241,746)	-	12,402,155	-	(17,063)	920,588	-	-	-	(373,894)
73	Adjustments to FIT	(5,638,736)	-	-	-	-	-	-	-	-	-
74	Federal Income Tax	(12,023,347)	-	4,340,754	-	(5,972)	322,206	-	-	-	(130,863)
75											

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	PRO FORMA ----->	4.4 Pension Curtailment	4.5 Affiliate Management Fee	4.6 DSM Removal Adjustment	4.7 Remove Non- Recurring Entries	4.8 Remove MEHC Severance	5.1 Net Power Costs- Restating	5.2 Net Power Costs - Pro Forma	5.3 Electric Lake Settlement	5.4 BPA Residential Exchange	5.5 James River Royalty Offset	
<b>Operating Revenues:</b>												
1	General Business Revenues	13,597,103	-	-	-	-	-	-	-	-	-	
2	Interdepartmental	-	-	-	-	-	-	-	-	-	-	
3	Special Sales	(43,556,536)	-	-	-	-	(43,487,527)	-	-	-	-	
4	Other operating revenues	(1,833,132)	-	-	-	-	-	-	-	-	1,178,569	
5	<b>Total Operating Revenues</b>	<b>(31,792,565)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,487,527)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,178,569</b>	
6												
7	<b>Operating Expenses:</b>											
8	Steam Production	4,164,859	-	-	-	-	-	4,196,529	-	-	-	
9	Nuclear Production	-	-	-	-	-	-	-	-	-	-	
10	Hydro Production	14,128	-	-	-	-	-	-	-	-	-	
11	Other Power Supply	(18,949,299)	-	-	-	-	-	(18,882,048)	-	-	-	
12	Transmission	3,316,494	-	-	-	-	-	3,336,530	-	-	-	
13	Distribution	91,505	-	-	-	-	-	-	-	-	-	
14	Customer Accounting	57,734	-	-	-	-	-	-	-	-	-	
15	Customer Service & Info	2,679	-	-	-	-	-	-	-	-	-	
16	Sales	-	-	-	-	-	-	-	-	-	-	
17	Administrative & General	(1,157,880)	(776,573)	-	-	(637,047)	-	-	-	-	-	
18	<b>Total O&amp;M Expense</b>	<b>(12,459,780)</b>	<b>(776,573)</b>	<b>-</b>	<b>-</b>	<b>(637,047)</b>	<b>-</b>	<b>(11,348,989)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
19	Depreciation	(29,238)	-	-	-	-	-	-	-	-	-	
20	Amortization	(182,289)	-	-	-	-	-	-	-	-	-	
21	Taxes Other than Income	(428,617)	-	-	-	-	-	-	-	-	-	
22	Income Taxes: Federal	(12,023,347)	(82,999)	-	-	21,778	-	(11,248,488)	-	-	412,499	
23	: State	-	-	-	-	-	-	-	-	-	-	
24	Deferred Income Taxes	(417,014)	384,714	-	-	218,152	-	-	-	-	-	
25	Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-	-	
26	Misc. Revenue & Expense	949	-	-	-	-	-	-	-	-	-	
27	<b>Total Operating Expenses:</b>	<b>(25,539,337)</b>	<b>(474,858)</b>	<b>-</b>	<b>-</b>	<b>(397,117)</b>	<b>-</b>	<b>(22,597,477)</b>	<b>-</b>	<b>-</b>	<b>412,499</b>	
28												
29	<b>Net Operating Income:</b>	<b>(6,253,228)</b>	<b>474,858</b>	<b>-</b>	<b>-</b>	<b>397,117</b>	<b>-</b>	<b>(20,890,049)</b>	<b>-</b>	<b>-</b>	<b>766,070</b>	
30												
31	<b>Rate Base:</b>											
32	Electric Plant in Service	(1,121,303)	-	-	-	-	-	-	-	-	-	
33	Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-	
34	Misc. Deferred Debits	15,188,911	-	-	-	(637,047)	-	-	-	-	-	
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	0	-	-	-	-	-	-	-	-	-	
43	<b>Total Electric Plant:</b>	<b>14,067,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(637,047)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
44												
45	<b>Deductions:</b>											
46	Accum. Prov. for Depreciation	81,838	-	-	-	-	-	-	-	-	-	
47	Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-	-	
48	Accum. Deferred Income Tax	8,919,292	-	-	-	330,671	-	-	-	-	-	
49	Unamortized ITC	-	-	-	-	-	-	-	-	-	-	
50	Customer Advances for Const.	-	-	-	-	-	-	-	-	-	-	
51	Customer Service Deposits	-	-	-	-	-	-	-	-	-	-	
52	Miscellaneous Deductions	7,457	-	-	-	-	-	-	-	-	-	
53												
54	<b>Total Deductions:</b>	<b>9,008,588</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>330,671</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
55												
56	<b>Total Rate Base:</b>	<b>23,076,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(306,376)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
57												
58												
59												
60	<b>TAX CALCULATION</b>											
61	Per Company											
62		(18,693,590)										
63	Operating Revenue	(18,693,590)	776,573	-	-	637,047	-	(32,138,537)	-	-	1,178,569	
64	Other Deductions	-	-	-	-	-	-	-	-	-	-	
65	Interest (AFUDC)	-	-	-	-	-	-	-	-	-	-	
66	Interest	646,973	-	-	-	-	-	-	-	-	-	
67	Schedule "M" additions	2,050,307	-	-	-	(637,047)	-	-	-	-	-	
68	Schedule "M" deductions	951,490	1,013,713	-	-	(62,223)	-	-	-	-	-	
69												
70	Income Before Tax	(18,241,746)	(237,140)	0	0	0	62,224	0	(32,138,537)	0	0	1,178,569
71	State Income Tax	-	-	-	-	-	-	-	-	-	-	-
72	Taxable Income	(18,241,746)	(237,140)	-	-	-	62,224	-	(32,138,537)	-	-	1,178,569
73	Adjustments to FIT	(5,638,736)	-	-	-	-	-	-	-	-	-	-
74	Federal Income Tax	(12,023,347)	(82,999)	-	-	-	21,778	-	(11,248,488)	-	-	412,499
75												

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	PRO FORMA ----->	5.6 Removal of Colstrip #3	6.1 Hydro Decommissioning	7.1 Interest True-up	7.2 Accum Def Income Tax Factor	7.3 Renewable Energy credit	7.4 Malin Midpoint Adjustment	7.5 WA - FAS 109 Flow-Through	7.6 AFUDC Equity	7.7 Public Utility Tax Adj	7.8 Remove Def State Tax Exp
<b>Operating Revenues:</b>											
1	General Business Revenues	13,597,103	-	-	-	-	-	-	-	-	-
2	Interdepartmental	-	-	-	-	-	-	-	-	-	-
3	Special Sales	(43,556,536)	-	-	-	-	-	-	-	-	-
4	Other operating revenues	(1,833,132)	-	-	-	-	-	-	-	-	-
5	<b>Total Operating Revenues</b>	<b>(31,792,565)</b>	-	-	-	-	-	-	-	-	-
6											
7	<b>Operating Expenses:</b>										
8	Steam Production	4,164,859	-	-	-	-	-	-	-	-	-
9	Nuclear Production	-	-	-	-	-	-	-	-	-	-
10	Hydro Production	14,128	-	-	-	-	-	-	-	-	-
11	Other Power Supply	(18,949,299)	-	-	-	-	-	-	-	-	-
12	Transmission	3,316,494	-	-	-	-	-	-	-	-	-
13	Distribution	91,505	-	-	-	-	-	-	-	-	-
14	Customer Accounting	57,734	-	-	-	-	-	-	-	-	-
15	Customer Service & Info	2,679	-	-	-	-	-	-	-	-	-
16	Sales	-	-	-	-	-	-	-	-	-	-
17	Administrative & General	(1,157,880)	-	-	-	-	-	-	-	-	-
18	<b>Total O&amp;M Expense</b>	<b>(12,459,780)</b>	-	-	-	-	-	-	-	-	-
19	Depreciation	(29,238)	-	-	-	-	-	-	-	-	-
20	Amortization	(182,289)	-	-	-	-	-	-	-	-	-
21	Taxes Other than Income	(428,617)	-	-	-	-	-	-	-	(396,368)	-
22	Income Taxes: Federal	(12,023,347)	-	(226,441)	-	-	-	-	-	138,729	-
23	: State	-	-	-	-	-	-	-	-	-	-
24	Deferred Income Taxes	(417,014)	-	-	-	-	-	-	-	-	-
25	Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-	-
26	Misc. Revenue & Expense	949	-	-	-	-	-	-	-	-	-
27	<b>Total Operating Expenses:</b>	<b>(25,539,337)</b>	-	(226,441)	-	-	-	-	-	(257,639)	-
28											
29	<b>Net Operating Income:</b>	<b>(6,253,228)</b>	-	226,441	-	-	-	-	-	257,639	-
30											
31	<b>Rate Base:</b>										
32	Electric Plant in Service	(1,121,303)	-	-	-	-	-	-	-	-	-
33	Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-
34	Misc. Deferred Debits	15,188,911	-	-	-	-	-	-	-	-	-
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	0	-	-	-	-	-	-	-	-	-
43	<b>Total Electric Plant:</b>	<b>14,067,608</b>	-	-	-	-	-	-	-	-	-
44											
45	<b>Deductions:</b>										
46	Accum. Prov. for Depreciation	81,838	(256,078)	-	-	-	-	-	-	-	-
47	Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-	-
48	Accum. Deferred Income Tax	8,919,292	-	-	-	-	-	-	-	-	-
49	Unamortized ITC	-	-	-	-	-	-	-	-	-	-
50	Customer Advances for Const.	-	-	-	-	-	-	-	-	-	-
51	Customer Service Deposits	-	-	-	-	-	-	-	-	-	-
52	Miscellaneous Deductions	7,457	-	-	-	-	-	-	-	-	-
53											
54	<b>Total Deductions:</b>	<b>9,008,588</b>	(256,078)	-	-	-	-	-	-	-	-
55											
56	<b>Total Rate Base:</b>	<b>23,076,196</b>	(256,078)	-	-	-	-	-	-	-	-
57											
58											
59											
60	<b>TAX CALCULATION</b>										
61	Per Company										
62		(18,693,590)									
63	Operating Revenue	(18,693,590)	-	-	-	-	-	-	-	396,368	-
64	Other Deductions	-	-	-	-	-	-	-	-	-	-
65	Interest (AFUDC)	-	-	-	-	-	-	-	-	-	-
66	Interest	646,973	-	646,973	-	-	-	-	-	-	-
67	Schedule "M" additions	2,050,307	-	-	-	-	-	-	-	-	-
68	Schedule "M" deductions	951,490	-	-	-	-	-	-	-	-	-
69											
70	<b>Income Before Tax</b>	<b>(18,241,746)</b>	0	(646,973)	0	0	0	0	0	396,368	0
71	State Income Tax	-	-	-	-	-	-	-	-	-	-
72	<b>Taxable Income</b>	<b>(18,241,746)</b>	-	(646,973)	-	-	-	-	-	396,368	-
73	Adjustments to FIT	(5,638,736)	-	-	-	(5,638,736)	-	-	-	-	-
74	<b>Federal Income Tax</b>	<b>(12,023,347)</b>	-	(226,441)	-	(5,638,736)	-	-	-	138,729	-

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	PRO FORMA ----->	7.9	7.10	7.11	7.12	8.1	8.2	8.3	8.4	8.5
		Current Yr. Def	Medicare Def	Avg. Bal. for	WA Low	Cash Working	JimBridger Mine	Environmental	Customer Advances	Miscellaneous
		Inc Tax Norm.	Tax Exp.	Accum. Def Inc	Income Tax	Capital	Rate Base	Remediation	for Construction	Rate Base
<b>Operating Revenues:</b>										
1	General Business Revenues	13,597,103	-	-	-	-	-	-	-	-
2	Interdepartmental	-	-	-	-	-	-	-	-	-
3	Special Sales	(43,556,536)	-	-	-	-	-	-	-	-
4	Other operating revenues	(1,833,132)	-	-	-	-	-	-	-	-
5	<b>Total Operating Revenues</b>	<b>(31,792,565)</b>	-	-	-	-	-	-	-	-
<b>Operating Expenses:</b>										
8	Steam Production	4,164,859	-	-	-	-	-	-	-	-
9	Nuclear Production	-	-	-	-	-	-	-	-	-
10	Hydro Production	14,128	-	-	-	-	-	-	-	-
11	Other Power Supply	(18,949,299)	-	-	-	-	-	-	-	-
12	Transmission	3,316,494	-	-	-	-	-	-	-	-
13	Distribution	91,505	-	-	-	-	-	-	-	-
14	Customer Accounting	57,734	-	-	-	-	-	-	-	-
15	Customer Service & Info	2,679	-	-	-	-	-	-	-	-
16	Sales	-	-	-	-	-	-	-	-	-
17	Administrative & General	(1,157,880)	-	-	-	-	-	-	-	-
18	<b>Total O&amp;M Expense</b>	<b>(12,459,780)</b>	-	-	-	-	-	-	-	-
19	Depreciation	(29,238)	-	-	-	-	-	-	-	-
20	Amortization	(182,289)	-	-	-	-	-	-	-	-
21	Taxes Other than Income	(428,617)	-	-	(32,249)	-	-	-	-	-
22	Income Taxes: Federal	(12,023,347)	-	-	11,287	-	-	-	-	-
23	: State	-	-	-	-	-	-	-	-	-
24	Deferred Income Taxes	(417,014)	-	-	-	-	-	-	-	-
25	Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-
26	Misc. Revenue & Expense	949	-	-	-	-	-	-	-	-
27	<b>Total Operating Expenses:</b>	<b>(25,539,337)</b>	-	-	<b>(20,962)</b>	-	-	-	-	-
29	<b>Net Operating Income:</b>	<b>(6,253,228)</b>	-	-	<b>20,962</b>	-	-	-	-	-
<b>Rate Base:</b>										
32	Electric Plant in Service	(1,121,303)	-	-	-	-	-	-	-	-
33	Plant Held for Future Use	-	-	-	-	-	-	-	-	-
34	Misc. Deferred Debits	15,188,911	-	-	-	-	-	-	-	-
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	0	-	-	-	-	-	-	-	-
43	<b>Total Electric Plant:</b>	<b>14,067,608</b>	-	-	-	-	-	-	-	-
<b>Deductions:</b>										
46	Accum. Prov. for Depreciation	81,838	-	-	-	-	-	-	-	-
47	Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-
48	Accum. Deferred Income Tax	8,919,292	-	-	-	-	-	-	-	-
49	Unamortized ITC	-	-	-	-	-	-	-	-	-
50	Customer Advances for Const.	-	-	-	-	-	-	-	-	-
51	Customer Service Deposits	-	-	-	-	-	-	-	-	-
52	Miscellaneous Deductions	7,457	-	-	-	-	-	-	-	-
54	<b>Total Deductions:</b>	<b>9,008,588</b>	-	-	-	-	-	-	-	-
56	<b>Total Rate Base:</b>	<b>23,076,196</b>	-	-	-	-	-	-	-	-
<b>TAX CALCULATION</b>										
62	Per Company	(18,693,590)	-	-	-	-	-	-	-	-
63	Operating Revenue	(18,693,590)	-	-	32,249	-	-	-	-	-
64	Other Deductions	-	-	-	-	-	-	-	-	-
65	Interest (AFUDC)	-	-	-	-	-	-	-	-	-
66	Interest	646,973	-	-	-	-	-	-	-	-
67	Schedule "M" additions	2,050,307	-	-	-	-	-	-	-	-
68	Schedule "M" deductions	951,490	-	-	-	-	-	-	-	-
70	<b>Income Before Tax</b>	<b>(18,241,746)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,249</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
71	State Income Tax	-	-	-	-	-	-	-	-	-
72	<b>Taxable Income</b>	<b>(18,241,746)</b>	-	-	-	<b>32,249</b>	-	-	-	-
73	Adjustments to FIT	(5,638,736)	-	-	-	-	-	-	-	-
74	<b>Federal Income Tax</b>	<b>(12,023,347)</b>	-	-	-	<b>11,287</b>	-	-	-	-

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PRO FORMA ---->	8.5.1 Miscellaneous Rate Base (cont)	8.6 Removal of Colstrip #4	8.7 Powerdale Hydro Removal	8.8 Trojan Unrecovered Plant Adj	8.9 Customer Service Deposits	8.10 Chehalis Reg Asset - WA	8.11 Repairs	8.12 Remove Current Assets	9.1 Production Factor	9.1.1 Production Factor (cont)
<b>Operating Revenues:</b>										
1 General Business Revenues	13,597,103	-	-	-	-	-	-	-	-	-
2 Interdepartmental	-	-	-	-	-	-	-	-	-	-
3 Special Sales	(43,556,536)	-	-	-	-	-	-	-	-	(69,009)
4 Other operating revenues	(1,833,132)	-	-	-	-	(3,000,000)	-	-	-	5,361
5 Total Operating Revenues	(31,792,565)	-	-	-	-	(3,000,000)	-	-	-	(63,648)
<b>Operating Expenses:</b>										
8 Steam Production	4,164,859	-	-	-	-	-	-	-	(22,243)	(68,481)
9 Nuclear Production	-	-	-	-	-	-	-	-	-	-
10 Hydro Production	14,128	-	-	-	-	-	-	-	(11,271)	-
11 Other Power Supply	(18,949,299)	-	-	-	-	-	-	-	(15,102)	(186,329)
12 Transmission	3,316,494	-	-	-	-	-	-	-	-	(41,998)
13 Distribution	91,505	-	-	-	-	-	-	-	-	-
14 Customer Accounting	57,734	-	-	-	-	-	-	-	-	-
15 Customer Service & Info	2,679	-	-	-	-	-	-	-	-	-
16 Sales	-	-	-	-	-	-	-	-	-	-
17 Administrative & General	(1,157,880)	-	-	-	-	-	-	-	-	-
18 Total O&M Expense	(12,459,780)	-	-	-	-	-	-	-	(48,616)	(296,809)
19 Depreciation	(29,238)	-	-	-	-	-	-	-	(29,238)	-
20 Amortization	(182,289)	-	-	(182,289)	-	-	-	-	-	-
21 Taxes Other than Income	(428,617)	-	-	-	-	-	-	-	-	-
22 Income Taxes: Federal	(12,023,347)	-	-	(45,625)	-	-	-	-	27,249	81,274
23 : State	-	-	-	-	-	-	-	-	-	-
24 Deferred Income Taxes	(417,014)	-	-	118,650	-	(1,138,530)	-	-	-	-
25 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-	-
26 Misc. Revenue & Expense	949	-	-	-	-	-	-	-	-	949
27 Total Operating Expenses:	(25,539,337)	-	-	(109,264)	-	(1,138,530)	-	-	(50,606)	(214,586)
28										
29 Net Operating Income:	(6,253,228)	-	-	109,264	-	(1,861,470)	-	-	50,606	150,937
<b>Rate Base:</b>										
32 Electric Plant in Service	(1,121,303)	-	-	-	-	-	-	-	(1,067,076)	(54,227)
33 Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-
34 Misc. Deferred Debits	15,188,911	-	-	75,958	-	15,750,000	-	-	-	-
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	0	-	-	0	-	-	-	-	-	-
43 Total Electric Plant:	14,067,608	-	-	75,959	-	15,750,000	-	-	(1,067,076)	(54,227)
<b>Deductions:</b>										
46 Accum. Prov. for Depreciation	81,838	-	-	-	-	-	0	0	337,917	-
47 Accum. Prov. for Amortization	-	-	-	-	-	-	-	-	-	-
48 Accum. Deferred Income Tax	8,919,292	-	-	386,866	-	(6,261,915)	14,463,670	-	-	-
49 Unamortized ITC	-	-	-	-	-	-	-	-	-	-
50 Customer Advances for Const.	-	-	-	-	-	-	-	-	-	-
51 Customer Service Deposits	-	-	-	-	-	-	-	-	-	-
52 Miscellaneous Deductions	7,457	-	-	0	-	-	-	-	-	7,457
53										
54 Total Deductions:	9,008,588	-	-	386,866	-	(6,261,915)	14,463,670	-	337,917	7,457
55										
56 Total Rate Base:	23,076,196	-	-	462,825	-	9,488,085	14,463,670	-	(729,159)	(46,771)
<b>TAX CALCULATION</b>										
61 Per Company										
62	(18,693,590)									
63 Operating Revenue	(18,693,590)	-	-	182,289	-	(3,000,000)	-	-	77,855	232,212
64 Other Deductions	-	-	-	-	-	-	-	-	-	-
65 Interest (AFUDC)	-	-	-	-	-	-	-	-	-	-
66 Interest	646,973	-	-	-	-	-	-	-	-	-
67 Schedule "M" additions	2,050,307	-	-	(312,646)	-	3,000,000	-	-	-	-
68 Schedule "M" deductions	951,490	-	-	-	-	-	-	-	-	-
69										
70 Income Before Tax	(18,241,746)	0	0	(130,357)	0	0	0	0	77,855	232,212
71 State Income Tax	-	-	-	-	-	-	-	-	-	-
72 Taxable Income	(18,241,746)	-	-	(130,357)	-	-	-	-	77,855	232,212
73 Adjustments to FIT	(5,638,736)	-	-	-	-	-	-	-	-	-
74 Federal Income Tax	(12,023,347)	-	-	(45,625)	-	-	-	-	27,249	81,274

**PacifiCorp**  
**Results of Operations - December 2009**  
**Temperature Normalization**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>SITUS ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Income:</b>							
Residential	440	1	(5,577,662)	WA	Situs	(5,577,662)	
Commercial	442	1	(1,126,783)	WA	Situs	(1,126,783)	**
Total			<u>(6,704,445)</u>			<u>(6,704,445)</u>	

\*\* The normalized commercial revenue change is reversed in Adjustment 3.7.

**Description of Adjustment:**

This restating adjustment normalizes revenues in the test period by comparing actual sales to temperature normalized sales. Weather normalization reflects weather or temperature patterns which can be measurably different than normal, defined as the average weather over a 20-year rolling time period (currently 1990 to 2009). The time period was updated in early 2010, dropping off 1989 and

**PacifiCorp**  
**Results of Operations - Dec 2009**  
**Revenue Normalization**

	TOTAL				SITUS		
	ACCOUNT	Type	COMPANY	FACTOR	FACTOR %	ALLOCATED	REF#
<b>Adjustment to Income:</b>							
Residential	440	1	3,089,720	WA	Situs	3,089,720	3.1.1
Commercial	442	1	(2,216,016)	WA	Situs	(2,216,016)	3.1.1
Industrial <sup>1</sup>	442	1	(879,184)	WA	Situs	(879,184)	3.1.1
Public Street & Highway	444	1	(27,641)	WA	Situs	(27,641)	3.1.1
Total Type 1			<u>(33,121)</u>			<u>(33,121)</u>	
<b>Adjustment to Tax:</b>							
Schedule M Addition-WA Hydro Def NPC	SCHMAT	1	(1,653,038)	WA	Situs	(1,653,038)	3.2.1
Deferred Tax Expense-WA Hydro Def NPC	41110	1	627,345	WA	Situs	627,345	3.2.1
Accum Def Inc Tax Bal-WA Hydro Def NPC	283	1	2,257,541	WA	Situs	2,257,541	3.2.1
Accum Def Inc Tax Bal-BPA NW Pwr WA	283	1	479,232	WA	Situs	479,232	3.2.1
Schedule M - WA Low Energy Program	SCHMDT	1	(10,607)	WA	Situs	(10,607)	3.2.1
Def Tax Exp-WA Low Energy Program	41010	1	(130,443)	WA	Situs	(130,443)	3.2.1
Def Tax Exp-WA Low Energy Program	41110	1	126,418	WA	Situs	126,418	3.2.1
Accum Def Inc Tax Bal - WA Low Energy Program	283	1	14,559	WA	Situs	14,559	3.2.1
Accum Def Inc Tax Bal - WA Low Energy Program	190	1	52,970	OTHER	0.0000%	-	3.2.1

<sup>1</sup> Includes Irrigation

**Description of Adjustment:**

This restating adjustment removes revenue adjustment items that should not be included in regulatory results. The revenues for the 12 months ended December 2009 are normalized by removing Schedule 191 (System Benefits Charge)/Schedule 96 (Hydro) -\$7,317,257, tolerance and prior price change impacts \$242,558, Out-of-Period of -\$509,668, BPA removal \$8,025,121, SMUD -\$473,165, and Other -\$710. The associated tax impacts of these items are also removed through this adjustment.

**PacifiCorp**  
**Results of Operations - Dec 2009**  
**Effective Price Change**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>SITUS ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Income:</b>							
Residential	440	3	6,070,732	WA	Situs	6,070,732	3.1.1
Commercial	442	3	4,739,696	WA	Situs	4,739,696	3.1.1
Industrial <sup>1</sup>	442	3	1,530,672	WA	Situs	1,530,672	3.1.1
Public St. & Hwy	444	3	61,056	WA	Situs	61,056	3.1.1
Total Type III Adjustment to Income			<u>12,402,155</u>			<u>12,402,155</u>	

<sup>1</sup>Includes Irrigation

**Description of Adjustment:**

This pro forma adjustment normalizes retail revenues for known and measurable changes that have occurred since the historical period. First, this adjustment adds approximately \$13.5 million of revenues for the rate increase ordered in the rate case Docket No. UE-090205 effective January 1, 2010. Second, this adjustment removes approximately \$1.2 million of TransAlta mine revenues from the results of operations due to a retail service termination notice effective September 12, 2009.



**PacifiCorp****WA General Rate Case - December 2009****SO2 Emission Allowances**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL</u> <u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WA</u> <u>ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Operating Income:</b>							
Remove CY 2009 Allowance Sales	4118	1	3,790,891	SE	7.890%	299,113	3.4.3
Add CY 2010 Amortization	4118	1	(537,064)	WA	Situs	(537,064)	3.4.3
			<u>3,253,827</u>			<u>(237,951)</u>	
<b>Adjustment to Rate Base:</b>							
Accum Deferred Income Taxes	190	1	1,600,912	WA	Situs	1,600,912	3.4.3
Regulatory Deferred Sales	25398	1	(4,218,445)	WA	Situs	(4,218,445)	3.4.3
			<u>(2,617,533)</u>			<u>(2,617,533)</u>	
<b>Adjustment to Tax:</b>							
Schedule M Additions	SCHMAT	1	28,799	WA	Situs	28,799	3.4.3
Schedule M Deduction	SCHMDT	1	537,064	WA	Situs	537,064	3.4.3
DIT Expense	41110	1	(10,930)	WA	Situs	(10,930)	3.4.3
DIT Expense	41010	1	203,821	WA	Situs	203,821	3.4.3

**Description of Adjustment:**

This restating and pro forma adjustment removes the sales occurring in the twelve months ended Dec 2009, and includes amortization of sales over a 15 year period. This treatment was approved in Docket UE – 940947. Washington’s allocation of the revenues is determined by the allowances provided by the Jim Bridger and Colstrip Unit 4 generating resources. These revenues have been adjusted back to the Test Period using the production factor as outlined on adjustment page 9.1.

**PacifiCorp  
Washington General Rate Case December 2009  
Green Tag Revenues**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Revenue:</b>							
Reverse Booked Green Tag Rev -	456	1		SG	8.292%	-	(1)
					8.292%	-	

(1) Refer to Confidential REC Revenue Workpaper

Description of Adjustment

In order to help meet jurisdiction-specific renewable portfolio standards, a market for green tags or Renewable Energy Credits (RECs) is developing where the tag or green attributes of qualifying power production facilities can be detached and sold separately from the power itself. Generally, wind, solar, geothermal and some other resources qualify as renewable resources, although each state may have a different definition. This restating adjustment removes actual green tag revenues booked during the historical period. Pursuant to the Washington Administrative Code (WAC) 480-109-020, the Company is banking all RECs generated during the 12-months ending March 2012, the same period used in determining proforma net power costs in this filing.

**Staff Position:**  
Upon reviewing company workpapers and all data responses from staff and intervenors, staff takes the position that the entire revenues from the sale of Green Tags should be returned to the ratepayer. Company response to ICNU's DR, "Attach ICNU 2.14 Conf" indicate that Estimated RECs generated in Washington far exceed those required by Washington's Renewable Portfolio Standards. Additionally, during an on-site visit company staff indicated that it was "company" policy to cease the sale of RECs upon implementation of a state's RPS. The company also indicated that currently there has been no market for Washington RECs.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Wheeling Revenue Adjustment**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>
<b>Adjustment to Revenues:</b>						
Other Electric Revenues	456	1	1,510,392	WRG	6.796%	102,649
Other Electric Revenues	456	3	(251,061)	WRG	6.796%	(17,063)
Total Wheeling Revenue Adjustment			<u>1,259,331</u>			<u>85,587</u>
Wheeling Imbalance Expense	566	1	(89,186)	SG	8.292%	(7,395)

**Adjustment Detail:**

<b>Actual Wheeling Revenues 12 ME Dec 2009</b>	63,697,983
<b>Total Adjustments</b>	<u>1,259,331</u>
<b>Normalized Wheeling Revenues</b>	<u>64,957,314</u>

This restating and proforma adjustment reflects known and measurable changes to actual wheeling revenue for the twelve months ended December 2009. Imbalance penalty revenue and expense is removed to avoid any impact on regulated results.

**PacifiCorp**  
**Results of Operations - December 2009**  
**Remove Commercial Sales Normalization**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL</u> <u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>SITUS</u> <u>ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Income:</b>							
Commercial Sales	442	1	1,194,948	WA	Situs	1,194,948	
Special Sales						-	
		Sales increase	<u>1,194,948</u>				
Revised Power Cost	555		841,132			841,132	
Revised Allocations	A&G		171,129			171,129	
Revised Production Factor	555		<u>(737,900)</u>			<u>(737,900)</u>	
		Expense increase/( decrease)	<u>274,360</u>				

		Revenue Sensitive Factor	Expense level to above
From PacifiCorp Response to Staff Data Request 151			
General Business Revenues	1,253,006	0.953665	1,194,948
Net Power Cost	881,999	0.953665	841,132
Allocation Factor Impact	179,443	0.953665	171,129
Production Factor Impact	<u>(773,752)</u>	<u>0.953665</u>	<u>(737,900)</u>
	<u>(965,316)</u>		

**Description of Adjustment:**

This proforma adjustment removes the commercial sales temperature normalization in Adjustment 3.1. The residual effects on power cost, allocations, and production factor are entered in this adjustment. The revision to allocation factors is assumed to be an administration and general expense; the impact of the change on the production factor is considered an other power cost.

**PacifiCorp****Washington General Rate Case December 2009****Miscellaneous General Expense Adjustment**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL</u> <u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON</u> <u>ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Non-utility Flights	557	1	(4,810)	SG	8.29%	(399)	
Non-utility Flights	921	1	(1,637)	SO	7.41%	(121)	
Advertising Expense	909	1	(8,535)	CN	7.09%	(605)	
Office Supplies & Exp	921	1	(581,208)	SO	7.41%	(43,058)	
Office Supplies & Exp	921	1	569,225	UT	Situs	-	
Miscellaneous General Expense	930	1	(8,500)	ID	Situs	-	
Miscellaneous General Expense	930	1	(129,400)	OR	Situs	-	
Miscellaneous General Expense	930	1	(157,822)	UT	Situs	-	
Miscellaneous General Expense	930	1	(1,250)	SO	7.41%	(93)	
Total Miscellaneous General Expense Removal			<u>(323,938)</u>			<u>(44,276)</u>	4.1.1

## Description of Adjustment

## Company:

This restating adjustment removes from results of operations certain miscellaneous expenses that should have been charged to non-regulated accounts.

PacifiCorp  
 Washington General Rate Case December 2009  
 General Wage Increase - Annualization

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustment to Expense							
Steam Operations	500	RES	47	CAEE	0.000%	-	
Steam Operations	500	RES	56,452	CAGE	0.000%	-	
Steam Operations	500	RES	(5)	CAGW	22.087%	(1)	
Steam Operations	500	RES	7,415	JBG	21.182%	1,571	
Steam Operations	500	RES	15	SG	8.292%	1	
Fuel Related - Non-NPC	501	RES	1,609	CAEE	0.000%	-	
Fuel Related - Non-NPC	501	RES	(1,337)	JBE	21.357%	(286)	
Fuel Related - Non-NPC	501	RES	68	SE	7.890%	5	
Steam Maintenance	512	RES	26,219	CAGE	0.000%	-	
Steam Maintenance	512	RES	(52)	CAGW	22.087%	(12)	
Steam Maintenance	512	RES	15,529	JBG	21.182%	3,289	
Hydro Operations	535	RES	7,066	CAGE	0.000%	-	
Hydro Operations	535	RES	7,641	CAGW	22.087%	1,688	
Hydro Maintenance	545	RES	524	CAGE	0.000%	-	
Hydro Maintenance	545	RES	1,255	CAGW	22.087%	277	
Other Operations	548	RES	4,488	CAGE	0.000%	-	
Other Operations	548	RES	1,578	CAGW	22.087%	349	
Other Operations	548	RES	883	SG	8.292%	73	
Other Maintenance	553	RES	1,762	CAGE	0.000%	-	
Other Maintenance	553	RES	491	CAGW	22.087%	109	
Other Expenses	557	RES	8,608	CAGE	0.000%	-	
Other Expenses	557	RES	124	CAGW	22.087%	27	
Other Expenses	557	RES	1,654	JBG	21.182%	350	
Other Expenses	557	RES	17,923	SG	8.292%	1,486	
Transmission Operations	560	RES	893	CAGE	0.000%	-	
Transmission Operations	560	RES	319	CAGW	22.087%	70	
Transmission Operations	560	RES	(7)	JBG	21.182%	(2)	
Transmission Operations	560	RES	10,955	SG	8.292%	908	
Transmission Maintenance	571	RES	5,032	CAGE	0.000%	-	
Transmission Maintenance	571	RES	2,442	CAGW	22.087%	539	
Transmission Maintenance	571	RES	68	JBG	21.182%	14	
Transmission Maintenance	571	RES	2,025	SG	8.292%	168	
Distribution Operations	580	RES	18,135	WA	WA Situs =	1,453	
Distribution Operations	580	RES	27,386	SNPD	6.648%	1,820	
Distribution Maintenance	593	RES	42,828	WA	WA Situs =	3,191	
Distribution Maintenance	593	RES	9,245	SNPD	6.648%	615	
Customer Accounts	903	RES	34,084	CN	7.093%	2,418	
Customer Accounts	903	RES	21,319	WA	WA Situs =	2,048	
Customer Services	908	RES	2,922	CN	7.093%	207	
Customer Services	908	RES	25	OTHER	0.000%	-	
Customer Services	908	RES	3,760	WA	WA Situs =	-	
Administrative & General	920	RES	987	WA	WA Situs =	47	
Administrative & General	920	RES	87,720	SO	7.408%	6,499	
			<u>430,094</u>			<u>28,924</u>	4.3.2

## Description of Adjustment:

The Company has several labor groups, each with different effective contract renewal dates. This adjustment annualizes the wage increases that occurred during 2009 for labor charged to operations and maintenance accounts. See page 4.3.1 for more information on how this adjustment was

PacifiCorp  
Washington General Rate Case December 2009  
Proforma General Wage Increase

			TOTAL		WASHINGTON	
	Type		COMPANY		ALLOCATED	REF#
				FACTOR %		
Adjustment to Expense:						
Steam Operations	500	3	604	CAEE	0.000%	-
Steam Operations	500	3	729,749	CAGE	0.000%	-
Steam Operations	500	3	(67)	CAGW	22.087%	(15)
Steam Operations	500	3	95,859	JBG	21.182%	20,304
Steam Operations	500	3	198	SG	8.292%	16
Fuel Related - Non-NPC	501	3	20,798	CAEE	0.000%	-
Fuel Related - Non-NPC	501	3	(17,285)	JBE	21.357%	(3,692)
Fuel Related - Non-NPC	501	3	876	SE	7.890%	69
Steam Maintenance	512	3	338,930	CAGE	0.000%	-
Steam Maintenance	512	3	(677)	CAGW	22.087%	(150)
Steam Maintenance	512	3	200,745	JBG	21.182%	42,521
Hydro Operations	535	3	91,346	CAGE	0.000%	-
Hydro Operations	535	3	98,774	CAGW	22.087%	21,816
Hydro Maintenance	545	3	6,777	CAGE	0.000%	-
Hydro Maintenance	545	3	16,222	CAGW	22.087%	3,583
Other Operations	548	3	58,019	CAGE	0.000%	-
Other Operations	548	3	20,403	CAGW	22.087%	4,507
Other Operations	548	3	11,417	SG	8.292%	947
Other Maintenance	553	3	22,782	CAGE	0.000%	-
Other Maintenance	553	3	6,351	CAGW	22.087%	1,403
Other Expenses	557	3	111,271	CAGE	0.000%	-
Other Expenses	557	3	1,597	CAGW	22.087%	353
Other Expenses	557	3	21,385	JBG	21.182%	4,530
Other Expenses	557	3	231,692	SG	8.292%	19,211
Transmission Operations	560	3	11,541	CAGE	0.000%	-
Transmission Operations	560	3	4,123	CAGW	22.087%	911
Transmission Operations	560	3	(96)	JBG	21.182%	(20)
Transmission Operations	560	3	141,611	SG	8.292%	11,742
Transmission Maintenance	571	3	65,049	CAGE	0.000%	-
Transmission Maintenance	571	3	31,568	CAGW	22.087%	6,972
Transmission Maintenance	571	3	884	JBG	21.182%	187
Transmission Maintenance	571	3	26,171	SG	8.292%	2,170
Distribution Operations	580	3	234,436	WA	WA Situs =	18,783
Distribution Operations	580	3	354,015	SNPD	6.648%	23,533
Distribution Maintenance	593	3	553,636	WA	WA Situs =	41,244
Distribution Maintenance	593	3	119,514	SNPD	6.648%	7,945
Customer Accounts	903	3	440,599	CN	7.093%	31,253
Customer Accounts	903	3	275,589	WA	WA Situs =	26,481
Customer Services	908	3	37,772	CN	7.093%	2,679
Customer Services	908	3	321	OTHER	0.000%	-
Customer Services	908	3	48,607	WA	WA Situs =	-
Administrative & General	920	3	12,756	WA	WA Situs =	603
Administrative & General	920	3	1,133,961	SO	7.408%	84,008
			<u>5,559,820</u>			<u>373,894</u> 4.3.2

## Description of Adjustment

The Company has several labor groups each with different effective contract renewal dates. This adjustment recognizes increases that have occurred, or will occur through December 2010. See page 4.3.1 for more information

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Pension Curtailment**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL</u> <u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON</u> <u>ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Remove amortization in unadjusted results	920	3	237,141	WA	Situs	237,141	4.4.1
<b>Proforma amortization</b>	920	3	(1,013,713)	WA	Situs	(1,013,713)	4.4.2
			(776,573)			(776,573)	
<b>Adjustment to Tax:</b>							
<u>Schedule M Deduction</u>	SCHMDT	3	1,013,713	WA	Situs	1,013,713	4.4.2
Deferred Income Tax Expense	41010	3	384,714	WA	Situs	384,714	4.4.2

Description of Adjustment:

Order No. 09 of Docket UE-090205 permits deferral and amortization of the Pension Curtailment Gain resulting from employee participation in the 401(k) retirement plan option. Amortization began on the Company's books effective January 1, 2009, but the Commission order calls for the amortization to begin on January 1, 2010. This pro forma adjustment removes the actual amortization in the base period and replaces it with the amortization for the twelve-months ending December 2010.



**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Affiliate Management Fee**

	ACCT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WA ALLOC
Adjustment to Expense:						
<b>Operation &amp; Maintenance expense</b>	930	1	(1,053,029)	SO	7.408%	(78,012)

Adjustment Detail:

MEHC Management Fee Limit per Commitment WA 4	7,300,000
MEHC Mangement Fee Booked 12 ME December 2009	(8,353,029)
Adjustment Required	(1,053,029)

**Description of Adjustment**

This restating adjustment complies with the Mid-American Energy Holdings Company ("MEHC") acquisition commitment WA 4 which states: "MEHC and PacifiCorp will hold customers harmless for increases in costs retained by PacifiCorp that were previously assigned to affiliates relating to management fees... This commitment is offsetable to the extent PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case the following: i) Corporate allocations from MEHC to PacifiCorp included in PacifiCorp's rates are less than \$7.3 million..." (Order 07, Docket UE-051090). This adjustment limits the MEHC corporate charge to PacifiCorp to \$7.3 million. This commitment expires in December 2010.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**DSM Removal Adjustment**

			TOTAL			WASHINGTON	
	<u>ACCOUNT</u>	<u>Type</u>	<u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Customer Assistance	908	1	(816,551)	CA	Situs	-	
Customer Assistance	908	1	(5,010,486)	ID	Situs	-	
Customer Assistance	908	1	(8,579,678)	OR	Situs	-	
Customer Assistance	908	1	(36,046,587)	UT	Situs	-	
Customer Assistance	908	1	(4,858,459)	WA	Situs	(4,858,459)	
Customer Assistance	908	1	(1,403,092)	WY-All	Situs	-	
			<u>(56,714,853)</u>			<u>(4,858,459)</u>	4.6.1
<b>Adjustment to Tax:</b>							
Schedule M Deduction	SCHMDT	1	(18,706,576)	SO	7.408%	(1,385,852)	
<b>Def Inc Tax Expense</b>	41010	1	(7,099,332)	SO	7.408%	(525,945)	
Accum Def Inc Tax Balance	283	1	6,376,651	SO	7.408%	472,406	

Description of Adjustment

This restating adjustment removes Demand Side Management ("DSM") expenses from regulated results since they are recovered through a separate tariff rider (Schedule 191). Actual DSM revenues for Washington are included in retail revenues and are removed from the results in the Revenue Normalization adjustment, page 3.2.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Net Power Costs - Restating**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL</u> <u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WA</u> <u>ALLOC</u>	<u>REF#</u>
<b>Sales for Resale (Account 447)</b>							
Existing Firm Sales - Pacific	447NPC	1	-	CAGW	22.087%	-	5.2.1
Post-Merger Firm Sales	447NPC	1	17,221,126	CAGW	22.087%	3,803,644	5.2.1
Total Sales for Resale			<u>17,221,126</u>			<u>3,803,644</u>	
<b>Purchased Power (Account 555)</b>							
Existing Firm Demand - Pacific	555NPC	1	-	CAGW	22.087%	-	5.2.1
Existing Firm Energy	555NPC	1	-	CAEW	22.271%	-	5.2.1
<b>WA Qualifying Facilities</b>	555NPC	1	-	WA	Situs	-	5.2.1
Post-Merger Firm Energy	555NPC	1	(21,587,718)	CAGW	22.087%	(4,768,097)	5.2.1
Other Generation Expenses	555NPC	1	2,412,047	CAGW	22.087%	532,751	5.2.1
Total Purchased Power			<u>(19,175,670)</u>			<u>(4,235,346)</u>	
<b>Wheeling (Account 565)</b>							
Existing Firm - Pacific	565NPC	1	-	CAGW	22.087%	-	5.2.1
Post Merger Firm	565NPC	1	-	CAGW	22.087%	-	5.2.1
<b>Total Wheeling Expense</b>			<u>-</u>			<u>-</u>	
<b>Fuel Expense (Accounts 501 and 547)</b>							
Fuel Consumed - Coal	501NPC	1	(5,866,565)	CAEW	22.271%	(1,306,516)	5.2.1
<b>Fuel Consumed - Natural Gas</b>	547NPC	1	(7,429,428)	CAEW	22.271%	(1,654,574)	5.2.1
Total Fuel and Other Expense			<u>(13,295,993)</u>			<u>(2,961,091)</u>	
Total Net Power Cost Adjustment - Restating			<u>(49,692,790)</u>			<u>(11,000,081)</u>	

**Description of Adjustment**

The net power cost adjustment normalizes power costs by adjusting sales for resale, purchase power, wheeling and fuel in a manner consistent with the contractual terms of sales and purchase agreements, and normal hydro and weather conditions on a West Control Area (WCA) basis. This portion of the adjustment reflects normalized power costs for the twelve months ended December 2009.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Net Power Costs - Proforma**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL</u> <u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON</u> <u>ALLOCATED</u>	<u>REF#</u>
Sales for Resale (Account 447)							
Existing Firm Sales - Pacific	447NPC	3	3,942,544	CAGW	22.087%	870,793	5.2.1
Post-Merger Firm Sales	447NPC	3	(200,833,774)	CAGW	22.087%	(44,358,319)	5.2.1
Total Sales for Resale			<u>(196,891,231)</u>			<u>(43,487,527)</u>	
Purchased Power (Account 555)							
Existing Firm Demand - Pacific	555NPC	3	(30,937,256)	CAGW	22.087%	(6,833,137)	5.2.1
Existing Firm Energy	555NPC	3	(12,341,338)	CAEW	22.271%	(8,040,632)	5.2.1
WA Qualifying Facilities	555NPC	3	550,720	WA	Situs	550,720	5.2.1
Post-Merger Firm Energy	555NPC	3	(1,365,893)	CAGW	22.087%	(301,686)	5.2.1
Other Generation Expenses	555NPC	<u>3</u>	3,154,179	CAGW	22.087%	696,666	5.2.1
Total Purchased Power			<u>(40,939,589)</u>			<u>(13,928,069)</u>	
Wheeling (Account 565)							
Existing Firm - Pacific	565NPC	3	(1,252,972)	CAGW	22.087%	(276,745)	5.2.1
Post Merger Firm	565NPC	3	16,359,225	CAGW	22.087%	3,613,275	5.2.1
Total Wheeling Expense			<u>15,106,253</u>			<u>3,336,530</u>	5.2.1
Fuel Expense (Accounts 501 and 547)							
Fuel Consumed - Coal	501NPC	3	18,843,400	CAEW	22.271%	4,196,529	5.2.1
Fuel Consumed - Natural Gas	547NPC	3	(22,244,531)	CAEW	22.271%	(4,953,979)	5.2.1
Total Fuel and Other Expense			<u>(3,401,131)</u>			<u>(757,451)</u>	
Total Net Power Cost Adjustment - Pro Forma			<u>167,656,764</u>			<u>32,138,537</u>	

\* estimate to be corrected upon receipt of new power cost model run

Description of Adjustment

The proforma net power cost adjustment normalizes power costs by adjusting sales for resale, purchase power, wheeling and fuel in a manner consistent with the contractual terms of sales and purchase agreements, and normal hydro and weather conditions on a West Control Area (WCA) basis. This portion of the adjustment reflects proforma power costs for the twelve months ended March 2012.

These net power costs have been adjusted back to the Test Period using the production factor as outlined on adjustment page 9.1.

PacifiCorp  
 Washington General Rate Case December 2009  
 Electric Lake Settlement

	ACCOUNT	Type	COMPANY	FACTOR	FACTOR %	ALLOCATED	REF#
Settlement of Costs							
Amortization O&M Portion	557	1	1,836,574	SG	8.292%	152,282	5.3.1
Regulatory Liability	254	1	(2,694,225)	SE	7.890%	(212,583)	5.3.2

Tax Adjustments

Fuel Amortization

Sch M	SCHMAT	1	(2,587,363)	CAEE	0.000%	-	
DIT Exp.	41110	1	3,078,734	CAEE	0.000%	-	
DIT Exp.	41010	1	(2,096,804)	CAEE	0.000%	-	
Accum Def Inc Tax Bal	190	1	(786,302)	CAEE	0.000%	-	
Accum Def Inc Tax Bal	283	1	(191,328)	CAEE	0.000%	-	

Coal Supply Adjustment

<b>Sch M</b>	SCHMDT	1	(1,836,574)	CAEE	0.000%	-	
DIT Exp.	41010	1	(2,185,328)	CAEE	0.000%	-	
DIT Exp.	41110	1	1,488,330	CAEE	0.000%	-	
Accum Def Inc Tax Bal	283	1	558,124	CAEE	0.000%	-	
Accum Def Inc Tax Bal	190	1	135,786	CAGE	0.000%	-	

Description of Adjustment

Canyon Fuel Company ("CFC") own the Skyline mine located near Electric Lake, Utah. Electric Lake is owned by the Company and provides water for the Huntington Power Plant. The two companies disputed the claim made by the Company that CFC's mining operations punctured the lake and caused water to flow into the Skyline mine. The two companies negotiated a settlement and release agreement for the claims made by the Company. The entries associated with this settlement relate to east side resources and are not included in the west control area. As a result, this restating adjustment removes these entries from the Test Period.

PacifiCorp  
 Washington General Rate Case December 2009  
 BPA Residential Exchange

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED
Adjustment to Expense:						
Purchased Power Expense	555	1	25,337,357	OR	Situs	-
Purchased Power Expense	555	1	8,025,121	WA	Situs	8,025,121
Purchased Power Expense	555	1	<u>(154,710)</u>	ID	Situs	<u>-</u>
			<u>33,207,768</u>			<u>8,025,121</u>

#### Description of Adjustment

The Company receives a monthly purchase power credit from BPA. This credit is treated as a 100 percent pass-through to eligible customers. Both a revenue credit and a purchase power expense credit are posted to unadjusted results. This restating adjustment reverses the BPA purchase power expense credit recorded in unadjusted results. The revenue credit is removed from Test Period results in the Revenue Normalization adjustment, page 3.2.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**James River Royalty Offset**

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	WASHINGTON FACTOR % ALLOCATED
Adjustment to Revenue:					
Other Electric Revenue	456		3 5,336,012	CAGW	22.087% 1,178,569

## Adjustment Detail:

	12 Months Ended 3/31/2012
James River Offset	
Capital Recovery	4,790,327
Major Maintenance Allowance	545,685
Total Offset	<u>5,336,012</u>

## Description of Adjustment

On January 13, 1993, the Company executed a contract with James River Paper Company with respect to the Camas mill, later acquired by Georgia Pacific. Under the agreement, the Company built a steam turbine and is recovering the capital investment over the twenty-year operational term of the agreement as an offset to royalties paid to James River based on contract provisions. The contract costs of energy for the Camas unit are included in the Company's net power costs as purchased power expense, but GRID does not include an offsetting revenue credit for the capital and maintenance cost recovery. This pro forma adjustment adds the royalty offset to FERC account 456, other electric revenue, for the twelve-month period ending March 2012, the same period used in determining pro forma net power costs in this filing. These revenues have been adjusted back to the Test Period using the production factor as outlined on adjustment page 9.1.

PacifiCorp

Washington General Rate Case December 2009

Removal of Colstrip #3

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR	WASHINGTON ALLOCATED
Adjustment to Expense:						
Pre-merger Depreciation Expense	403SP	1	(1,676,302)	CAGW	22.087%	(370,246)
Post-merger Depreciation Expense	403SP	1	(122,180)	CAGW	22.087%	(26,986)
Taxes Other	408	1	(568,606)	GPS	7.408%	(42,124)
Tax Depreciation Expense - Sch M	SCHMDT	1	(409,271)	CAGW	22.087%	(90,396)
Pre-merger Book Depr Exp - Sch M	SCHMAT	1	(1,676,302)	CAGW	22.087%	(370,246)
Post-merger Book Depr Exp - Sch M	SCHMAT	1	(122,180)	CAGW	22.087%	(26,986)
Deferred Income Tax Expense	41110	1	527,219	CAGW	22.087%	116,447
Adjustment to Rate Base:						
Pre-merger Plant	310	1	(110,283,000)	CAGW	22.087%	(24,358,296)
Post-merger Plant	310	1	(8,003,013)	CAGW	22.087%	(1,767,632)
Pre-merger Depreciation Reserve	108SP	1	71,055,042	CAGW	22.087%	15,693,985
Post-merger Depreciation Reserve	108SP	1	1,434,220	CAGW	22.087%	316,777
Deferred Income Tax Balance	282	1	7,117,928	CAGW	22.087%	1,572,142
Deferred ITC	255	1	1,018,236	ITC84	14.180%	144,386
Remove Base Data:						
Schedule M Addition	SCHMAT	1	(52,188)	WA	Situs	(52,188)
Deferred Income Tax Expense	41110	1	19,806	WA	Situs	19,806
Deferred Income Tax Balance	283	1	238,507	WA	Situs	238,507

## Calculation of Deferred Income Tax Balance :

Beginning Balance	7,381,537
Ending Balance	6,854,318
<u>Average Balance</u>	<u>7,117,928</u>

## Description of Adjustment

As directed by the Commission in Cause U-83-57, this restating adjustment removes the costs and balances of the Colstrip Unit No. 3 resource from the results of operations.



**PacifiCorp****Washington General Rate Case December 2009****Hydro Decommissioning**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL</u> <u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON</u> <u>ALLOCATED</u>	<u>REF#</u>
<b>Allocation Correction to Booked Reserve</b>							
<b>Depreciation Reserve</b>	108HP	1	(36,245)	CAGW	22.087%	(8,005)	6.1.3
Depreciation Reserve	108HP	1	<u>36,245</u>	CAGE	0.000%	<u>-</u>	6.1.3
			<u>-</u>			<u>(8,005)</u>	
<b>Adjustment to Reserve</b>							
<b>Depreciation Reserve</b>	108HP	3	(1,159,404)	CAGW	22.087%	(256,078)	Below
Depreciation Reserve	108HP	3	<u>(1,350,550)</u>	CAGE	0.000%	<u>-</u>	Below
			<u>(2,509,954)</u>			<u>(256,078)</u>	6.1.1

## Adjustment to Reserve for Forecast Spend / Accrual Detail:

Dec 2009 AMA Reserve Balance	(11,512,254)	6.1.1
Dec 2010 AMA Reserve Balance	<u>(14,022,208)</u>	6.1.1
Adjustment to Reserve	2,509,954	6.1.1

## Adjustment to Rate Base Detail:

December 2010 AMA Balance - West Control Area	(16,449,374)	6.1.1
December 2009 AMA Balance - West Control Area	<u>(15,289,971)</u>	6.1.1
Total West Control Area Adjustment to Rate Base	<u>(1,159,404)</u>	Above
December 2010 AMA Balance - East Control Area	2,427,167	6.1.1
December 2009 AMA Balance - East Control Area	<u>3,777,717</u>	6.1.1
Total East Control Area Adjustment to Rate Base	<u>(1,350,550)</u>	Above

## Description of Adjustment

Based on the Company's latest depreciation study approved in Docket UE-071795, an additional \$19.4 million is required for the decommissioning of various hydro facilities. This adjustment has both restating and proforma components. The restating component of this adjustment makes a small correction to the booked accumulated reserve so that the proper balances are reflected for the east and west control areas. The pro forma aspect of the adjustment walks forward the depreciation accrual and decommissioning expenditures through December 2010. The reserve does not include funds for Powerdale, which was reclassified to unrecovered plant. A separate order was received to recover the estimated decommissioning costs of Powerdale as seen in adjustment 8.7.

PacifiCorp  
Washington General Rate Case December 2009  
**Interest True Up**

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WA ALLOC.
Adjustment to Expense:						
<b>Other Interest Expense - Restating</b>	427	1	(4,498,686)	WA	Situs	(4,498,686)
Other Interest Expense - Type 2	427	2		WA	Situs	
<b>Other Interest Expense - Proforma</b>	427	3	646,973	WA	Situs	646,973
						(3,851,712)

## Adjustment Detail:

**Restating:**

<b>Jurisdiction Specific Adjusted Rate Base</b>	Per books	Restating	
Weighted Cost of Debt:	762,847,315	(23,185,115)	739,662,200
Restated Interest Expense			2.8036%
			20,737,465
Unadjusted (per books) Interest Expense			25,236,151
Interest Adjustment for Restated Rate Base			(4,498,686)

## Type 2

not applicable

	Restated RB	Pro Forma RB Adjustments	
Jurisdiction Specific Adjusted Rate Base	739,662,200	23,076,196	762,738,396
Weighted Cost of Debt:			2.804%
Total Trued-up Interest Expense			21,384,439
Less Restated Interest Expense			20,737,465
Total Proforma Interest True-up Adjustment			646,973

## Description of Adjustment

This restating and proforma 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 adjustments within the filing, including those that are proforma in nature.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Accumulated Deferred Income Tax Factor Correction**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense</b>							
Accumulated Deferred Income Tax	190	1	(4,716,314)	SO	7.4084%	(349,402)	7.2.1
Accumulated Deferred Income Tax	190	1	4,716,314	NUTIL	0.0000%	-	
Accumulated Deferred Income Tax	190	1	30,347	SE	7.8903%	2,394	7.2.1
Accumulated Deferred Income Tax	190	1	(30,437)	JBE	21.3575%	(6,501)	7.2.1
Accumulated Deferred Income Tax	190	1	1,038,799	SO	7.4084%	76,958	7.2.1
Accumulated Deferred Income Tax	190	1	(1,038,799)	OTHER	0.0000%	-	
Accumulated Deferred Income Tax	283	1	(9,589,576)	SO	7.4084%	(710,431)	7.2.1
Accumulated Deferred Income Tax	283	1	9,589,576	OTHER	0.0000%	-	
Accumulated Deferred Income Tax	283	1	(19,721,700)	JBE	21.3575%	(4,212,054)	7.2.1
Accumulated Deferred Income Tax	283	1	19,721,700	NUTIL	0.0000%	-	

**Description of Adjustment**

This adjustment corrects allocation factors on certain accumulated deferred income tax balances in the historical period so that deferred tax balances are reflected appropriately in the test period.

**PacifiCorp  
Washington General Rate Case December 2009  
Renewable Energy Tax Credit**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
FED Renewable Energy Tax Credit	40910	3	(25,529,567)	CAGW	22.0871%	(5,638,736)	7.3.1

Description of Adjustment

The Company is entitled to recognize a federal income tax credit as a result of placing renewable generating plants in service. The tax credit is based on the kilowatt-hours generated by a qualified facility during the facility's first ten years of service. The credits are utilized in the year of production to the extent current federal income taxes are due, or, should the credits not be fully utilized in the year they are generated, they are carried back one year and forward 20 years to offset taxes in those years. This pro forma adjustment reflects this credit based on the qualifying production as modeled in GRID for the pro forma net power cost study. These credits have been adjusted back to the Test Period using the production factor as outlined on adjustment page 9.1.

**PacifiCorp  
Washington General Rate Case December 2009  
Malin Midpoint Adjustment**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Deferred Income Tax - Federal	41110	1	(1,320,531)	CAGW	22.0871%	(291,667)	7.4.2
<b>Adjustment to Rate Base:</b>							
Accumulated DIT	282	1	(2,310,931)	CAGW	22.0871%	(510,417)	7.4.2

Description of Adjustment

In 1981, the Company built and placed in service the Malin-Midpoint transmission line. The Company was eligible for investment tax credits and accelerated tax depreciation associated with this investment. The Company entered into a safe harbor lease transaction to transfer these tax benefits to an unrelated third party. As ordered in Docket UE-050684, the Company has treated this transaction as a sale of part of the benefits associated with the property and is amortizing the cash receipts over the life of the assets. The gain is being amortized over 30 years (composite book life of the plant) with a rate base deduction for the unamortized balance. In 1988, the substation was sold to Amoco and therefore the only amortization remaining is on the transmission line which is reflected in this restating adjustment.

**PacifiCorp  
Washington General Rate Case December 2009  
AFUDC - Equity**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
AFUDC - Equity	419	1	3,017,342	SNP	7.1922%	217,013	Below
Base :			(63,955,322)				
			3,017,342				Above
Normalized :			(60,937,980)				

Description of Adjustment

This adjustment reflects the appropriate level of allowances for funds used during construction (AFUDC) – Equity into regulated results to align the tax Schedule M with regulatory income.

**PacifiCorp  
Washington General Rate Case December 2009  
Public Utility Tax Adjustment**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>
<b>Adjustment to Expense:</b>						
Taxes - Other	408	3	(396,368)	WA	Situs	(396,368)

Calculation:

Base period WA Public Utility Tax						10,921,843
Normalized Revenues			271,765,425			
WA Public Utility Tax Rate			3.873%			
Normalized WA Public Utility Tax			10,525,475			10,525,475
Normalized Adjustment to bring WA Public Utility Tax in line with Normalized Revenues						(396,368)

**Description of Adjustment**

This proforma adjustment recalculates the Washington Public Utility Tax expense based on the normalized revenues included in this filing, as discussed in adjustments 3.1, 3.2, and 3.3 above.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Remove Deferred State Tax Expense**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Tax:</b>							
Def Inc Tax Expense	41110	1	(2,199,228)	WA	Situs	(2,199,228)	7.8.1
ADIT	283	1	1,099,614	WA	Situs	1,099,614	7.8.1

**Description of Adjustment**

The Company's base period accumulated deferred income taxes and deferred income tax expense are computed using the Company's federal and state blended statutory income tax rate of 37.951%. Since state income taxes are excluded under the WCA allocation methodology, this adjustment removes state deferred income tax expense from the Washington allocated deferred income tax expense and a corresponding amount from the accumulated deferred income taxes.



**PacifiCorp  
Washington General Rate Case December 2009  
Current Year Def Inc Tax Normalization**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense</b>							
Deferred Income Tax Expense	41010	1	-	WA	Situs	-	7.9.1
Accum Def Income Tax Balance	282	1	(262,781)	WA	Situs	(262,781)	7.9.1

Description of Adjustment

As described in the testimony and exhibits of Company witness Ryan Fuller, the income taxes in this case have been presented on a fully normalized basis. Accordingly, this adjustment removes base period Washington allocated income tax flow-through associated with property related book-tax differences.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Medicare Deferred Tax Expense**

<b>Adjustment to Expense</b>	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Deferred Income Tax Expense	41010	1	2,300,969	SO	7.4084%	170,464	7.10.1

Description of Adjustment

On March 23, 2010, the Patient Protection and Affordable Care Act was signed into law. The Act, including a subsequent amendment to the Act (the amendment is known as the Health Care and Education Reconciliation Act signed into law March 30, 2010), changes the deductibility of certain costs incurred for post-retirement prescription drug coverage.

Designed to encourage employers to continue providing high quality prescription drug coverage, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 contains provisions for a federal subsidy for employers offering post-retirement prescription drug coverage to its retirees that is at least as valuable as the Medicare Part D standard drug benefit. Under the current rules, employers are permitted to deduct the entire cost of providing the coverage, even though a portion is offset by the subsidy.

For taxable years beginning after December 31, 2012, the Act repeals the current rule permitting deduction of the portion of the expense that is offset by the subsidy.

The employer's promise to provide post-retirement prescription drug coverage is recorded as a component of the other post-employment benefit ("OPEB") obligation reflecting this future liability. On a gross basis, the OPEB obligation includes a pre-subsidy liability for the future benefits to retirees, which is offset by a subsidy receivable from the federal government to arrive at the net OPEB obligations. The net amount is actuarially determined.

For ratemaking purposes, the Company does not include the OPEB obligation (liability) in rate base. However, the actuarially determined level of OPEB expense is included in the Company's annual expenses in the results of operations, and the Company has treated the OPEB expense as deductible for income tax purposes, including the portion that is offset by the federal subsidy.

With the change in law, the subsidy receivable will remain not taxable, but a corresponding amount of OPEB related costs will become non-deductible for income tax purposes. This restating adjustment increases deferred income tax expense associated with this change in law.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Avg Balance for Accum Def Inc Tax - Property**

Adjustment to Tax:	ACCOUNT	Type		FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
ADIT Balance	282	1	3,885,432	CAEE	0.0000%	-	7.11.1
ADIT Balance	190	1	(34,770,206)	CAGE	0.0000%	-	7.11.1
ADIT Balance	282	1	1,845,519,345	DITBAL	6.9317%	127,926,774	7.11.1
ADIT Balance	282	1	4,059,471	SG	8.2916%	336,597	7.11.1
							7.11.1
ADIT Balance	282	1	(48,678,619)	CA	Situs	-	7.11.1
ADIT Balance	282	1	1,359,850	FERC	Situs	-	7.11.1
ADIT Balance	282	1	(119,069,703)	ID	Situs	-	7.11.1
ADIT Balance	282	1	(553,267,407)	OR	Situs	-	7.11.1
ADIT Balance	282	1	161,714	OTHER	0.0000%	-	7.11.1
ADIT Balance	282	1	(847,583,899)	UT	Situs	-	7.11.1
ADIT Balance	282	1	(138,136,570)	WA	Situs	(138,136,570)	7.11.1
ADIT Balance	282	1	(252,021,215)	WYP	Situs	-	7.11.1
			<u>(138,541,807)</u>			<u>(9,873,199)</u>	

Description of Adjustment

This adjustment allocates on a jurisdictional basis the base period property-related accumulated deferred income tax liability. The net increase to the accumulated deferred income tax liability is primarily attributable to the use of a beginning-ending average as opposed to a the AMA methodology used in reporting the base period data.

**PacifiCorp  
Washington General Rate Case December 2009  
WA Low Income Tax Credit**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Taxes - Other	408	3	(32,249)	WA	Situs	(32,249)	7.12.1

**Description of Adjustment**

This pro forma adjustment reflects the known and measurable change to the Public Utility Tax Credit for Low Income Home Energy Assistance Program (LIHEAP) for the 2010 authorized credit amount, per a July 23, 2009 letter from the Washington Department of Revenue, shown on page 7.12.2.

PacifiCorp  
Washington General Rate Case December 2009  
Cash Working Capital

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustment to Rate Base:							
Cash Working Capital Adj - Restating	CWC	1	(11,487,474)	WA	Situs	(11,487,474)	Below
Cash Working Capital	CWC	2	-	WA	Situs	-	Below
Cash Working Capital Adj- Proforma	CWC	3	-	WA	Situs	-	Below
			(11,487,474)			(11,487,474)	
Unadjusted						WA Allocated	
Total Unadjusted O&M Expenses						244,626,880	1.1
Less Fuel (501 and 547)						(76,745,306)	2.5, 2.9
Less Purchased Power Expenses (555)						(76,302,158)	2.10
						91,579,416	
						1/8	
Unadjusted CWC						11,447,427	2.35
Restated CWC:						WA Allocated	
Total Restated O&M Expenses						240,506,304	1.1
Less Fuel (501 and 547)						(73,783,935)	
Less Purchased Power Expenses (555)						(80,091,933)	
						86,630,436	
						1/8	
Restated CWC				(618,622)		10,828,804	
Type 2						WA Allocated	
Total Type 2 O&M Expenses							
Less Fuel (501 and 547)							
Less Purchased Power Expenses (555)							
							1/8
Type 2 CWC							
Proforma CWC:						WA Allocated	
Total Proforma O&M Expenses						233,064,313	1.1
Less Fuel (501 and 547)						(72,893,782)	2.5, 2.9
Less Purchased Power Expenses (555)						(71,329,702)	2.10
						88,840,828	
						1/8	
Proforma CWC				11,105,103		11,105,103	2.35

## Description of Adjustment

STAFF: Remove entirely

This is the Washington cash working capital calculation based on the one-eighth (45-day) O&M methodology.

This is the methodology used by the Bonneville Power Administration to calculate investor-owned utilities' average system costs for the regional exchange credit.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Jim Bridger Mine Rate Base Adjustment**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>	<u>REF#</u>
<b>Adjustment to Rate Base:</b>								
Other Tangible Property	399	1	143,642,440	JBE	21.357%	30,678,372	8.2	
			<u>143,642,440</u>			<u>30,678,372</u>		Below
								Below
								Below
								Below

**Description of Adjustment**

**STAFF:** remove materials&supplies and pit inventory as working capital related

PacifiCorp owns a two-thirds interest in the Bridger Coal Company (BCC), which supplies coal to the Jim Bridger generating plant. The Company's investment in BCC is recorded on the books of Pacific Minerals, INC (PMI), a wholly-owned subsidiary. Because of this ownership arrangement, the coal mine investment is not included in Account 101 -Electric Plant in Service. The normalized costs for BCC provide no return on investment. The return on investment for BCC is removed in the fuels credit which the Company has included as an offset to fuel prices leaving no return in results. This adjustment is necessary to properly reflect the BCC plant investment in the 12-month period. The Bridger Mine adjustment was stipulated to and approved in Washington UE-032065, and has been included in all GRC filings since. The Bridger Mine balance has been adjusted by the production factor as outlined on adjustment page 9.1.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Environmental Remediation**

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustment to Expense:							
<b>Remove Environ. Cost Amort. as Booked</b>	925	1	(1,364,157)	SO	7.408%	(101,062)	8.3.1
Add back Third West Amortization	925	1	343,657	SO	7.408%	25,459	8.3.1
Add back Minor Remed. Projects Cost	925	1	1,753,502	SO	7.408%	129,906	8.3.1
Total Adjustment to Expense			<u>733,003</u>			<u>54,304</u>	8.3.1
Adjustment to Rate Base:							
Remove Environ. Reg. Asset as Booked	182M	1	(7,188,267)	SO	7.408%	(532,533)	8.3.1
Remove Environ. Reg. Asset as Booked	182M	1	564,548	WA	Situs	564,548	8.3.1
Add back Third West Regulatory Asset	182M	1	1,667,731	SO	7.408%	123,552	8.3.1
Adjustment to Tax:							
<b>Schedule M Addition</b>	SCHMAT	1	(554,665)	SO	7.408%	(41,092)	8.3.4
Deferred Tax Expense	41110	1	210,501	SO	7.408%	15,595	8.3.4
Accum Def Inc Tax Balance	283	1	4,360,220	SG	8.292%	361,534	8.3.4
Schedule M Addition	SCHMAT	1	(43,743)	WA	Situs	(43,743)	8.3.4
Deferred Tax Expense	41110	1	224,611	WA	Situs	224,611	8.3.4
Deferred Tax Expense	41010	1	(208,010)	WA	Situs	(208,010)	8.3.4
Accum Def Inc Tax Balance	190	1	(43,335)	WA	Situs	(43,335)	8.3.4
Accum Def Inc Tax Balance	283	1	(165,366)	WA	Situs	(165,366)	8.3.4
Schedule M Addition	SCHMAT	1	343,657	SO	7.408%	25,459	
Deferred Tax Expense	41110	1	(130,416)	SO	7.408%	(9,662)	
<b>Accum Def Inc Tax Balance</b>	283	1	(632,938)	SO	7.408%	(46,890)	

Description of Adjustment

On April 27, 2005, the Commission granted a request by the Company for an accounting order relating to the treatment of environmental remediation costs in Docket UE-031658. The Commission authorized the Company to record and defer costs prudently incurred in connection with its environmental remediation program. Costs of projects in excess of \$3 million system-wide, incurred from October 2003 through March 2005, are to be deferred and amortized over a ten-year period. Only one project, the Third West Substation Cleanup, qualifies for this treatment. This restating adjustment removes the balance and amortization from FERC accounts 182.391 and 925, except for the Third West Substation Cleanup, and adds the cost for small remediation projects that cannot be deferred, per the Commission's 2005 order.

**PacifiCorp**

**Washington General Rate Case December 2009**

**Customer Advances for Construction**

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustment to Rate Base:							
Customer Advances	252	1	(45,528)	CA	Situs	-	
Customer Advances	252	1	(78,093)	ID	Situs	-	
Customer Advances	252	1	(610,138)	OR	Situs	-	
Customer Advances	252	1	(560,860)	UT	Situs	-	
Customer Advances	252	1	(224,223)	WA	Situs	(224,223)	
Customer Advances	252	1	279,756	WYE	Situs	-	
Customer Advances	252	1	219,515	WYW	Situs	-	
Customer Advances	252	1	1,083,164	SG	8.292%	89,812	
Customer Advances	252	1	1,069,313	CAGE	0.000%	-	
Customer Advances	252	1	(3,354,074)	NUTIL	0.000%	-	
Customer Advances	252	1	2,221,169	CN	7.093%	157,553	
			0			23,143	8.4.1

Description of Adjustment

Customer advances were recorded in the historical period using a corporate cost center location rather than state-specific locations. This restating adjustment corrects the WCA allocation of customer advances.



**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Miscellaneous Rate Base**

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustment to Rate Base:							
Current Assets:							
Working Funds	OWC135	1	(1,920)	SG	8.292%	(159)	
Notes Receivable	141	1	(540,572)	SO	7.408%	(40,048)	
Other A/R	OWC143	1	(33,985,372)	SO	7.408%	(2,517,762)	
Accounts Payable	OWC232	1	4,215,163	SO	7.408%	312,275	
Accounts Payable	OWC232	1	1,408,497	CAEE	0.000%	-	
Other Msc. Df. Crd.	OWC25330	1	1,105,340	SE	7.890%	87,215	
Other Msc. Df. Crd.	OWC25330	1	4,940,694	CAEE	0.000%	-	
Asset Retir. Oblig.	OWC230	1	(10,292)	SE	7.890%	(812)	
Asset Retir. Oblig.	OWC230	1	2,426,164	CAEE	0.000%	-	
ARO Reg Liability	OWC254105	1	19,803	CAGE	0.000%	-	
ARO Reg Liability	OWC254105	1	696,791	CAEE	0.000%	-	
			<u>(19,725,704)</u>			<u>(2,159,291)</u>	8.5.2
Prepayments:							
Prepaid Insurance	165	1	(17,873,635)	SO	7.408%	(1,324,145)	
Prepaid Taxes	165	1	(3,547,497)	GPS	7.408%	(262,812)	
Prepaid Taxes	165	1	(2,686)	SO	7.408%	(199)	
Prepayments - Hardware and Software	165	1	(6,319,669)	SO	7.408%	(468,184)	
Prepayments - Other	165	1	(2,988,978)	SO	7.408%	(221,435)	
Prepayments - Other	165	1	(2,980,632)	SG	8.292%	(247,143)	
Prepayments - Other	165	1	(158,234)	GPS	7.408%	(11,723)	
Prepayments - Other	165	1	(4,152,761)	WA	Situs	-	
Prepayments - Other	165	1	(413,334)	CAGE	0.000%	-	
Prepayments - Other	165	1	(750,569)	CAEE	0.000%	-	
Prepayments - Other	165	1	(4,055)	CAEW	22.271%	(903)	
Prepayments - Other	165	1	(1,421,122)	CAGW	22.087%	(313,884)	
			<u>(40,613,171)</u>			<u>(2,850,428)</u>	8.5.2
Miscellaneous Deferred Debits							
Miscellaneous Deferred Debits	186M	1	(24,456,513)	SG	8.292%	(2,027,847)	
Miscellaneous Deferred Debits	186M	1	(30,335)	SO	7.408%	(2,247)	
Miscellaneous Deferred Debits	186M	1	(9,111,937)	CAEE	0.000%	-	
Miscellaneous Deferred Debits	186M	1	(8,843,885)	CAGE	0.000%	-	
Miscellaneous Deferred Debits	186M	1	(20,424,813)	OTHER	0.000%	-	
			<u>(62,867,484)</u>			<u>(2,030,095)</u>	8.5.2
Miscellaneous Rate Base							
Miscellaneous Rate Base	182M	1	(55,379,786)	WA	Situs	-	
Miscellaneous Rate Base	182M	1	(10,608,209)	SE	7.890%	(837,021)	
Miscellaneous Rate Base	182M	1	(9,072,936)	CAGE	0.000%	-	
Miscellaneous Rate Base	182M	1	10,608,209	CAEE	0.000%	-	
Miscellaneous Rate Base	18222	1	107,593	OR	Situs	-	
			<u>(64,345,129)</u>			<u>(837,021)</u>	8.5.2
Provo Working Capital	25318	1	273,000	SNPPS	4.601%	12,560	

## Description of Adjustment

STAFF: remove working capital items

This restating adjustment removes prepayments and other miscellaneous rate base balances from the Test Period. The associated tax impacts related to these balances are also removed in this adjustment.

PacifiCorp  
 Washington General Rate Case December 2009  
 (Cont) Miscellaneous Rate Base

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustments to Tax:							
Schedule M Add - Joseph Settlement	SCHMAT	1	(137,381)	CAGW	22.087%	(30,343)	8.5.3
Def Tax Exp	41110	1	52,137	CAGW	22.087%	11,516	8.5.3
AMA ADIT Balance	283	1	471,409	CAGW	22.087%	104,120	8.5.3
Schedule M Add - Hermiston	SCHMAT	1	(171,693)	CAGW	22.087%	(37,922)	8.5.3
Def Tax Exp	41110	1	65,159	CAGW	22.087%	14,392	8.5.3
AMA ADIT Balance	283	1	1,794,595	CAGW	22.087%	396,374	8.5.3
Schedule M Deduct - Prepaid Property taxes	SCHMDT	1	(4,680,901)	GPS	7.408%	(346,778)	8.5.3
Def Tax Exp	41010	1	(1,776,449)	GPS	7.408%	(131,606)	8.5.3
AMA ADIT Balance	283	1	15,492,973	GPS	7.408%	1,147,777	8.5.3
Schedule M Deduct - Other Prepays	SCHMDT	1	(1,877,954)	SO	7.408%	(139,126)	8.5.3
Def Tax Exp	41010	1	(712,702)	SO	7.408%	(52,800)	8.5.3
AMA ADIT Balance	283	1	916,943	SO	7.408%	67,931	8.5.3
Schedule M Deduct - Self Insured Benefits	SCHMDT	1	(707,070)	SO	7.408%	(52,382)	8.5.3
Def Tax Exp	41010	1	(268,340)	SO	7.408%	(19,880)	8.5.3
AMA ADIT Balance	190	1	(257,159)	SO	7.408%	(19,051)	8.5.3
Schedule M Add - Lakeview	SCHMAT	1	(3,606)	CAGW	22.087%	(796)	8.5.3
Def Tax Exp	41110	1	1,369	CAGW	22.087%	302	8.5.3
AMA ADIT Balance	283	1	1,312	CAGW	22.087%	290	8.5.3

Description of Adjustment

This restating adjustment removes prepayments and other miscellaneous rate base balances from the Test Period. The associated tax impacts related to these balances are also removed in this adjustment.

**PacifiCorp  
Washington General Rate Case December 2009  
Removal of Colstrip #4 AFUDC**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense: Depreciation</b>	403GP	1	(17,991)	WA	Situs	(17,991)	8.6.2
Adjustment to Tax: Schedule M Adjustment	SCHMAT	1	(17,991)	WA	Situs	(17,991)	8.6.2
Adjustment to Rate Base: <b>Remove Unamortized AMA Balance</b>	310	1	(441,006)	WA	Situs	(441,006)	8.6.2

**Description of Adjustment**

This restating adjustment removes cash, prepayments, and other miscellaneous rate base balances from the test period.

PacifiCorp  
Washington General Rate Case December 2009  
Powerdale Hydro Removal

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Adjustment to Expense:							
Remove Booked Amortization	407	3	(3,479,961)	CAGW	22.087%	(768,622)	8.7.1
Unrecovered Plant Amortization	407	3	2,654,642	CAGW	22.087%	586,333	8.7.2
Unrecovered Plant Regulatory Asset:							
Adjust Reg Asset to AMA Dec 2010	182M	3	(2,654,642)	CAGW	22.087%	(586,333)	8.7.3
Decommissioning Reg Asset:							
Powerdale Decommissioning Reg Asset	182M	3	4,819,040	CAGW	22.087%	1,064,385	8.7.4
Regulatory Offset	182M	3	(1,820,494)	CAGW	22.087%	(402,094)	8.7.4
Schedule M Addition							
Deferred Tax Expense	41110	3	1,544,666	CAGW	22.087%	341,172	8.7.6
AMA ADIT Def Inc Tax Balance	283	3	2,255,291	CAGW	22.087%	498,128	8.7.6
Schedule M Addition							
Deferred Tax Expense	41110	3	(1,007,473)	CAGW	22.087%	(222,521)	8.7.4
AMA ADIT Def Inc Tax Balance	283	3	(503,742)	CAGW	22.087%	(111,262)	8.7.4

**Description of Adjustment**

Powerdale is a hydroelectric generating facility located on the Hood River in Oregon. This facility was scheduled to be decommissioned in 2010; however, in 2006 a flash flood washed out a major section of the flow line. The Company determined that the cost to repair this facility was not economical and determined it was in the customers' best interest to cease operation of the facility. This restating and pro forma adjustment reflects the treatment approved by the Commission in Docket UE-070624. During 2007, the net book value (including an offset for insurance proceeds) of the assets to be retired was transferred to the unrecovered plant regulatory asset. In addition, future decommissioning costs are deferred in a regulatory asset, offset by a credit reflecting the pro forma amounts not yet incurred through

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Trojan Unrecovered Plant Adjustment**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Trojan Amort of Unrecovered Plant	407	1	(2,013,725)	TROJP	22.115%	(445,334)	8.8.1
Trojan Amort of Unrecovered Plant	407	1	275,765	WA	Situs	275,765	
<b>Total Adjustment to Expense</b>			<u>(1,737,960)</u>			<u>(169,569)</u>	
<b>Adjustment to Rate Base:</b>							
Trojan Unrecovered Plant	18222	1	436,629	WA	Situs	436,629	8.8.1
<b>Trojan Unrecovered Plant</b>	18222	1	(1,894,550)	TROJD	22.120%	(419,072)	8.8.1
Trojan Unrecovered Plant	18222	1	(1,293,849)	TROJP	22.115%	(286,134)	8.8.1
Accum Prov for Decommissioning	22842	1	-	TROJD	22.120%	-	8.8.1
Asset Retirement Obligations	230	1	2,014,213	TROJP	22.115%	445,442	8.8.1
FAS 143 ARO Regulatory Liability	254105	1	3,344,645	TROJP	22.115%	739,667	8.8.1
<b>Total Adjustment to Rate Base</b>			<u>2,607,089</u>			<u>916,532</u>	
<b>Adjustment to Tax:</b>							
Schedule M Addition	SCHMAT	1	(1,572,028)	TROJD	22.120%	(347,731)	
Deferred Tax Expense	41010	1	(735,881)	TROJD	22.120%	(162,776)	
Deferred Tax Expense	41110	1	1,332,481	TROJD	22.120%	294,743	
Accum Def Income Tax Balance	190	1	(607,431)	TROJD	22.120%	(134,363)	
Accum Def Income Tax Balance	283	1	(153,308)	TROJD	22.120%	(33,912)	

Description of Adjustment

This restating adjustment removes the Trojan amortization expense, balances, and tax impacts from the Test Period as ordered by the Commission in the Third Supplemental Order, Docket UE-991832.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Customer Service Deposits**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense</b>							
WA Customer Service Deposit Interest	4311	1	34,005	WA	Situs	34,005	8.9.1
<b>Adjustment to Rate Base</b>							
<b>WA Customer Service Deposits</b>	235	1	(2,980,496)	WA	Situs	(2,980,496)	8.9.1

Description of Adjustment

This adjustment includes customer service deposits as a reduction to rate base. It also reflects the interest paid on the customer service deposits. This adjustment was included in the Company's rebuttal case and accepted by the Washington Commission in its final order in Docket No. UE-061546 and also is consistent with the last two cases, Docket Nos. UE-080220 and UE-090205.

**PacifiCorp  
Washington General Rate Case December 2009  
Chehalis Reg Asset - WA**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Revenue:</b>							
<b>CY 2010 Amortization</b>	456	3	(3,000,000)	WA	Situs	(3,000,000)	8.10.1
<b>Adjustment to Rate Base:</b>							
<b>Remove Unadjusted Reg Asset Balance</b>	182M	3	(750,000)	WA	Situs	(750,000)	8.10.1
<b>Add CY 2010 AMA Balance</b>	182M	3	16,500,000	WA	Situs	16,500,000	8.10.1
<b>Adjustment to Tax:</b>							
Schedule Schedule M Deduction	SCHMAT	3	3,000,000	WA	Situs	3,000,000	8.10.1
<b>Deferred Tax Expense</b>	41110	3	(1,138,530)	WA	Situs	(1,138,530)	8.10.1
<b>Add CY 2010 AMA Balance</b>	283	3	(6,261,915)	WA	Situs	(6,261,915)	8.10.1

**Description of Adjustment**

The Chehalis regulatory asset was created on the Company's books in December 2009 in accordance with Docket UE-090205. This pro forma adjustment replaces the regulatory asset amount in unadjusted results with the calendar year 2010 AMA balance and amortization.

**PacifiCorp****UE-100749****State of Washington****Pro Forma Adjustment No. 8.11 Repairs Deduction****Cummulative Effect to Accumulated Deferred Income Tax**

<b>Date</b> <b>(a)</b>	<b>(b)</b>	<b>Reparis Deduction</b> <b>Accum. Deferred Income Tax</b> <b>(c)</b>	<b>Monthly</b> <b>AMA</b> <b>(d)</b>
December 31, 2008		-	
January 31, 2009		-	
February 28, 2009		-	
March 31, 2009		-	
April 30, 2009		-	
May 31, 2009		-	
June 30, 2009		-	
July 31, 2009		-	
August 31, 2009		-	
September 30, 2009			
October 31, 2009		28,927,340	14,463,670
November 30, 2009		28,927,340	28,927,340
December 31, 2009		28,927,340	28,927,340

Exhibit No. ____ (RF-5)	\$	28,927,340	\$	14,463,670
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Average of the Monthly Averages(2)	\$	28,927,340		28,927,340
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Pro Forma Adjustment				<u>14,463,670</u>
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This adjustment reflects the repairs deduction as if it was in service for the entire year.

- (1) This is supported by Company Exhibit No. \_\_\_\_ (RF-5).
- (2) This assumes the balance for the entire year.

PacifiCorp has reflected the repairs deduction as if it was included in the test year for half of the year as explained in the testimony of Ms. Kathryn Breda, Exhibit No. \_\_\_\_ (KHB-1T). The Company reflected this adjustment to its 2008 federal income tax return in September of 2009, but it represents the cumulative effect of 1999 through 2008 on the Company's Accumulated Deferred Income tax balance. Staff's Adjustment 8.11 portrays the repair adjustment for the entire year. This adjustment reduces the net rate base by an additional \$14,463,670, or a reduction in revenue requirement of \$1,745,310.



**PacifiCorp**  
**UE-100749**  
**State of Washington**  
**Pro Forma Adjustment No. 8.12 Remove Current Assets**

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON % ALLOCATED	REF#
Adjustment to Rate Base:							
Current Assets:							
Fuel Stock	151	1	(1,414,480)	CAEW	22.271%	(315,012)	
		1	(15,027,719)	JBE	21.357%	<u>(3,209,539)</u>	
						(3,524,551)	
Materials & Supplies	154	1	(90,121,485)	S	0.000%	(5,522,800)	
		1	(916,641)	SG	8.292%	(76,005)	
		1	620,993	SO	7.408%	46,005	
		1	3,906,630	SNPD	6.648%	259,694	
		1	(3,911,112)	CAGW	22.087%	(863,851)	
		1	(7,642,261)	JBG	21.182%	<u>(1,618,746)</u>	
						(7,775,703)	

**Description of Adjustment**

This Staff adjustment removes the current asset accounts fuel stock and materials and supplies from rate base per the investor-supplied working capital analysis.

**PacifiCorp**  
**Washington General Rate Case December 2009**  
**Production Factor Adjustment**

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON %ALLOCATED	REF#
Electric Plant In Service							
Steam Production	312	3	(1,710,265)	JBG	21.182%	(362,260)	9.1.2
Steam Production	312	3	(4,896)	SG	8.292%	(406)	9.1.2
Steam Production	312	3	(224,248)	CAGW	22.087%	(49,530)	9.1.2
Steam Production	312	3	780	WA	Situs	780	9.1.2
Hydro Production	332	3	(814,222)	CAGW	22.087%	(179,838)	9.1.2
Other Production	343	3	<u>(2,154,301)</u>	CAGW	22.087%	<u>(475,822)</u>	9.1.2
			<u>(4,907,152)</u>			<u>(1,067,076)</u>	
Depreciation Reserve							
Steam Production	108SP	3	110,698	CAGW	22.087%	24,450	9.1.2
Steam Production	108SP	3	869,739	JBG	21.182%	184,224	9.1.2
Hydro Production	108HP	3	361,755	CAGW	22.087%	79,901	9.1.2
Other Production	108OP	3	<u>223,396</u>	CAGW	22.087%	<u>49,342</u>	9.1.2
			<u>1,565,589</u>			<u>337,917</u>	
Depreciation Expense							
Steam Production	403SP	3	(5,756)	CAGW	22.087%	(1,271)	9.1.2
Steam Production	403SP	3	(33,866)	JBG	21.182%	(7,173)	9.1.2
Hydro Production	403HP	3	(19,306)	CAGW	22.087%	(4,264)	9.1.2
Other Production	403OP	3	<u>(74,839)</u>	CAGW	22.087%	<u>(16,530)</u>	9.1.2
			<u>(133,766)</u>			<u>(29,238)</u>	
Operating Expenses (excluding Net Power Costs)							
Steam Production - Fuel	501	3	<b>(54)</b>	SE	7.890%	(4)	9.1.2
Steam Production - Fuel	501	3	(1,363)	CAGW	22.087%	(301)	9.1.2
Steam Production - Fuel	501	3	(1,281)	JBE	21.357%	(274)	9.1.2
Steam Production - Other	512	3	(81)	SG	8.292%	(7)	9.1.2
Steam Production - Other	512	3	<b>(10,933)</b>	CAGW	22.087%	(2,415)	9.1.2
Steam Production - Other	512	3	(90,847)	JBG	21.182%	(19,243)	9.1.2
Hydro Production	539	3	(51,031)	CAGW	22.087%	(11,271)	9.1.2
Other Production - Other	549	3	(2,454)	SG	8.292%	(204)	9.1.2
Other Production - Other	549	3	<b>(42,887)</b>	CAGW	22.087%	(9,472)	9.1.2
System Control & Load Dispatch	556	3	(2,677)	SG	8.292%	(222)	9.1.2
Other Power Supply	557	3	171	WA	Situs	171	9.1.2
Other Power Supply	557	3	(53,260)	SG	8.292%	(4,416)	9.1.2
Other Power Supply	557	3	(296)	CAGW	22.087%	(65)	9.1.2
Other Power Supply	557	3	<u>(4,221)</u>	JBG	21.182%	<u>(894)</u>	9.1.2
			<u>(261,213)</u>			<u>(48,616)</u>	

**Description of Adjustment:**

The production factor is a means of adjusting the production component of the revenue requirement to test year expense and balance levels. The production factor has been calculated by dividing Washington's normalized historical retail load by the Washington pro forma load for the rate effective period. This calculation is detailed on page 9.1.3. This factor is then applied to all of the generation related components of the revenue requirement.

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 (Cont) Production Factor Adjustment

	ACCOUNT Type		TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
Net Power Costs							
Sales for Resale	447NPC	3	(312,443)	CAGW	22.087%	(69,009)	9.1.2
Purchased Power	555NPC	3	(533,260)	CAGW	22.087%	(117,781)	9.1.2
Purchased Power	555NPC	3	(14,051)	CAEW	22.271%	(3,129)	9.1.2
Purchased Power	555NPC	3	(5,399)	WA	Situs	(5,399)	9.1.2
Wheeling Expenses	565NPC	3	(190,149)	CAGW	22.087%	(41,998)	9.1.2
Fuel Expenses	501NPC	3	(307,498)	CAEW	22.271%	(68,481)	9.1.2
Fuel Expenses	547NPC	3	(269,500)	CAEW	22.271%	(60,019)	9.1.2
			<u>(1,007,414)</u>			<u>(227,799)</u>	
James River Royalty Offset							
Other Electric Revenue	456	3	(9,432)	CAGW	22.087%	(2,083)	9.1.2
Jim Bridger Mine Rate Base							
Other Tangible Property	399	3	(253,904)	JBE	21.357%	(54,227)	9.1.2
SO2 Emission Allowance Sales							
Gain fr Emission Allow. Sales	4118	3	949	WA	Situs	949	9.1.2
Regulatory Deferred Sales	25398	3	7,457	WA	Situs	7,457	9.1.2
Renewable Energy Credit Sales							
Other Electric Revenue	456	3	89,786	SG	8.292%	7,445	9.1.2

## Description of Adjustment:

STAFF: Revised to reflect removal of current assets from Jim Bridger Mine

The production factor is a means of adjusting the production component of the revenue requirement to test year expense and balance levels. The production factor has been calculated by dividing Washington's normalized historical retail load by the Washington pro forma load for the rate effective period. This calculation is detailed on page 9.1.3. This factor is then applied to all of the generation related components of the revenue requirement.

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AVERAGE OF MONTHLY AVERAGE FACTORS DESCRIPTION	West Control Area FACTOR	California	Oregon	Washington	Utah	Idaho
Situs	S					
System Generation	SG	1.7383%	27.4926%	8.2916%	41.6920%	5.0781%
System Capacity	SC	1.7672%	28.0277%	8.4254%	41.8441%	4.8780%
System Energy	SE	1.6517%	25.8873%	7.8903%	41.2359%	5.6782%
Control Area Energy - West	CAEW	4.6620%	73.0674%	22.2705%	0.0000%	0.0000%
Control Area Energy - East	CAEE	0.0000%	0.0000%	0.0000%	63.8617%	8.7938%
System Overhead	SO	2.2708%	26.6828%	7.4084%	43.3647%	5.3744%
Gross Plant-System	GPS	2.2708%	26.6828%	7.4084%	43.3647%	5.3744%
System Net Plant	SNP	2.1249%	25.8231%	7.1922%	44.7317%	5.2923%
Division Net Plant Distribution	SNPD	3.5660%	28.5663%	6.6475%	47.0464%	4.6376%
Control Area Generation - West	CAGW	4.5593%	73.3537%	22.0871%	0.0000%	0.0000%
Control Area Generation - East	CAGE	0.0000%	0.0000%	0.0000%	66.2359%	8.2165%
Jim Bridger Generation	JBG	4.3723%	70.3462%	21.1815%	2.7157%	0.3369%
Jim Bridger Energy	JBE	4.4709%	70.0716%	21.3575%	2.6183%	0.3605%
Wheeling Revenue - Generation	WRG	1.4029%	22.5710%	6.7962%	45.8551%	5.6883%
Wheeling Revenue - Energy	WRE	1.4345%	22.4829%	6.8527%	44.2114%	6.0879%
Customer - System	CN	2.5605%	31.0403%	7.0933%	47.7997%	3.8777%
CIAC	CIAC	3.5660%	28.5663%	6.6475%	47.0464%	4.6376%
Bad Debt Expense	BADDEBT	3.0441%	34.6639%	12.5265%	38.8044%	3.8787%
Accumulated Investment Tax Credit 1984	ITC84	3.2870%	70.9760%	14.1800%	0.0000%	0.0000%
Accumulated Investment Tax Credit 1985	ITC85	5.4200%	67.6900%	13.3600%	0.0000%	0.0000%
Accumulated Investment Tax Credit 1986	ITC86	4.7890%	64.6080%	13.1260%	0.0000%	0.0000%
Accumulated Investment Tax Credit 1988	ITC88	4.2700%	61.2000%	14.9600%	0.0000%	0.0000%
Accumulated Investment Tax Credit 1989	ITC89	4.8806%	56.3558%	15.2688%	0.0000%	0.0000%
Accumulated Investment Tax Credit 1990	ITC90	1.5047%	15.9356%	3.9132%	46.9355%	13.9815%
Other Electric	OTHER	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Non-Utility	NUTIL	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
System Net Transmission Plant	SNPT	1.4032%	22.5707%	6.7963%	45.8581%	5.6877%
Trojan Plant Allocator	TROJP	4.5749%	73.3102%	22.1150%	0.0000%	0.0000%
Trojan Decommissioning Allocator	TROJD	4.5776%	73.3025%	22.1199%	0.0000%	0.0000%
DIT Expense	DITEXP	2.2926%	28.0935%	6.1837%	41.0160%	5.6677%
DIT Balance	DITBAL	2.4596%	28.2424%	6.9317%	42.9711%	6.0202%
Tax Depreciation	TAXDEPR	2.0131%	27.1899%	6.3121%	42.7494%	5.0686%
SCHMAT Depreciation Expense	SCHMDEXP	2.8050%	27.7688%	7.9103%	41.6101%	5.1767%

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AVERAGE OF MONTHLY AVERAGE FACTORS DESCRIPTION	West Control Area FACTOR	Wyoming	FERC-UPL	OTHER	NON-UTILITY	Ref #
Situs	S					Situs
System Generation	SG	15.3396%	0.3677%	0.0000%	0.0000%	10.4
System Capacity	SC	14.6810%	0.3765%	0.0000%	0.0000%	10.3
System Energy	SE	17.3153%	0.3412%	0.0000%	0.0000%	10.4
Control Area Energy - West	CAEW	0.0000%	0.0000%	0.0000%	0.0000%	10.4
Control Area Energy - East	CAEE	26.8161%	0.5284%	0.0000%	0.0000%	10.4
System Overhead	SO	14.6272%	0.2717%	0.0000%	0.0000%	10.13
Gross Plant-System	GPS	14.6272%	0.2717%	0.0000%	0.0000%	10.13
System Net Plant	SNP	14.5592%	0.2765%	0.0000%	0.0000%	10.13
Division Net Plant Distribution	SNPD	9.5362%	0.0000%	0.0000%	0.0000%	10.13
Control Area Generation - West	CAGW	0.0000%	0.0000%	0.0000%	0.0000%	10.5
Control Area Generation - East	CAGE	24.9461%	0.6015%	0.0000%	0.0000%	10.5
Jim Bridger Generation	JBG	1.0228%	0.0247%	0.0000%	0.0000%	10.18
Jim Bridger Energy	JBE	1.0995%	0.0217%	0.0000%	0.0000%	10.18
Wheeling Revenue - Generation	WRG	17.2701%	0.4164%	0.0000%	0.0000%	10.18
Wheeling Revenue - Energy	WRE	18.5648%	0.3658%	0.0000%	0.0000%	10.18
Customer - System	CN	7.6285%	0.0000%	0.0000%	0.0000%	10.16
CIAC	CIAC	9.5362%	0.0000%	0.0000%	0.0000%	10.16
Bad Debt Expense	BADDEBT	7.0824%	0.0000%	0.0000%	0.0000%	10.16
Accumulated Investment Tax Credit 1984	ITC84	10.9460%	0.0000%	0.0000%	0.6110%	Fixed
Accumulated Investment Tax Credit 1985	ITC85	11.6100%	0.0000%	0.0000%	1.9200%	Fixed
Accumulated Investment Tax Credit 1986	ITC86	15.5000%	0.0000%	0.0000%	1.9770%	Fixed
Accumulated Investment Tax Credit 1988	ITC88	16.7100%	0.0000%	0.0000%	2.8600%	Fixed
Accumulated Investment Tax Credit 1989	ITC89	20.6776%	0.0000%	0.0000%	2.8172%	Fixed
Accumulated Investment Tax Credit 1990	ITC90	17.3435%	0.0000%	0.0000%	0.3860%	Fixed
Other Electric	OTHER	0.0000%	0.0000%	100.0000%	0.0000%	Situs
Non-Utility	NUTIL	0.0000%	0.0000%	0.0000%	100.0000%	Situs
System Net Transmission Plant	SNPT	17.2677%	0.4164%	0.0000%	0.0000%	10.12
Trojan Plant Allocator	TROJP	0.0000%	0.0000%	0.0000%	0.0000%	10.17
Trojan Decommissioning Allocator	TROJD	0.0000%	0.0000%	0.0000%	0.0000%	10.17
DIT Expense	DITEXP	14.4469%	0.3078%	0.0000%	1.9919%	10.14
DIT Balance	DITBAL	13.1012%	0.2635%	0.0000%	0.0102%	10.15
Tax Depreciation	TAXDEPR	14.2077%	0.2927%	0.0000%	2.1665%	10.18
SCHMAT Depreciation Expense	SCHMDEXP	14.4726%	0.2566%	0.0000%	0.0000%	10.17

PacifiCorp General Rate Case  
Appendix to Exhibit No. \_\_\_\_ (ccc-x)

Mechanics of the Exhibit

The preceding is Staff's rendition of Exhibit No. \_\_\_\_ (RBD-3), PacifiCorp's revenue requirement exhibit. Staff's goal is to replicate the Company's presentation in a straightforward and easy to understand manner. This exhibit displays each of the staff's adjustments and links the results of each to either the Adjustments – Restating or Adjustments – Pro Forma worksheets. These both contribute to the numbers on the Total Adjustments worksheet. This worksheet in turn feeds the RevReqSummary worksheet. This worksheet compiles all the adjustments and shows the Rate Base as well as the rate (cell F8) increase necessary to reach the Revenue Requirement. The RevReqCalc pulls the Net Rate Base - Washington Jurisdiction from the RevReqSummary, the Proposed Rate of Return from the Cost of Capital worksheet, the Pro forma Net Operating Income from the RevReqSummary and finally the Conversion Factor from the Conversion Factor worksheet to arrive at the Revenue deficiency.