

Exh. SEM-2
Docket UE-19____
Witness: Shelley E. McCoy

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY

Respondent.

Docket UE-19____

PACIFICORP

EXHIBIT OF SHELLEY E. MCCOY

Summary of the Washington Results of Operations for the Test Period

December 2019

Revenue Requirement Adjustment Summary

The table below presents the Company's restating and pro forma ratemaking adjustments and their impact on net operating income (NOI), rate base, and the Washington revenue requirement.

| Line No. | Adj. No. | A | B | C | | | D | E | F |
|----------|----------|---|--|--------------|---------------|----------------------------|---------------------------------|-----------|-----------|
| | | | | Unadjusted | Washington | Allocated Data (Per Books) | NOI | Rate Base | Rev. Req. |
| | | | | 65,862,798 | 778,699,634 | (7,891,177) | (SEM-3) | Page 1.0 | |
| 1 | 3.1 | Temperature Normalization | | (5,106,556) | - | 6,780,264 | (SEM-3), Page 3.0 Total | | |
| 2 | 3.2 | Revenue Normalizing | | 23,163,903 | - | (30,756,029) | (SEM-3), Page 3.0 Total | | |
| 3 | 3.3 | Wheeling Revenue | | 49,006 | - | (65,068) | (SEM-3), Page 3.0 Total | | |
| 4 | 3.4 | Ancillary Revenue | | 360,723 | - | (478,952) | (SEM-3), Page 3.0 Total | | |
| 5 | | | Tab 3 - Revenue - Subtotal | 18,467,076 | - | (24,519,785) | | | |
| 6 | | | | | | | | | |
| 7 | 4.1 | Miscellaneous Expense & Revenue | | 166,706 | - | (221,345) | (SEM-3), Page 4.0 Total | | |
| 8 | 4.2 | General Wage Increase (Annualizing) | | (140,580) | - | 186,657 | (SEM-3), Page 4.0 Total | | |
| 9 | 4.3 | General Wage Increase (Pro Forma) | | (1,004,902) | - | 1,334,266 | (SEM-3), Page 4.0 Total | | |
| 10 | 4.4 | Insurance Expense | | 431,317 | - | (572,684) | (SEM-3), Page 4.0 Total | | |
| 11 | 4.5 | Advertising | | 10,271 | - | (13,637) | (SEM-3), Page 4.0 Total | | |
| 12 | 4.6 | Memberships & Subscriptions | | (12,542) | - | 16,652 | (SEM-3), Page 4.0 Total | | |
| 13 | 4.7 | Revenue-Sensitive/ Uncollectible Expense | | (49,185) | - | 65,305 | (SEM-3), Page 4.0.1 Total | | |
| 14 | 4.8 | Legal Expenses | | (30,761) | - | 40,843 | (SEM-3), Page 4.0.1 Total | | |
| 15 | 4.9 | Payment Fees and Bill Credits | | (1,031,460) | - | 1,369,528 | (SEM-3), Page 4.0.1 Total | | |
| 16 | 4.10 | Remove Non-Recurring Entries | | (199,241) | - | 264,544 | (SEM-3), Page 4.0.1 Total | | |
| 17 | 4.11 | Environmental Remediation | | (346,607) | (20,744) | 458,091 | (SEM-3), Page 4.0.1 Total | | |
| 18 | 4.12 | Credit Facility Fee Adjustment | | (80,284) | - | 106,598 | (SEM-3), Page 4.0.1 Total | | |
| 19 | 4.13 | Amortization of Pension Settlement Adjustment | | (116,542) | - | 154,739 | (SEM-3), Page 4.0.1 Total | | |
| 20 | | | Tab 4 - O&M - Subtotal | (2,403,810) | (20,744) | 3,189,556 | | | |
| 21 | | | | | | | | | |
| 22 | 5.1 | Net Power Costs - Restating | | 4,483,749 | - | (5,953,328) | (SEM-3), Page 5.0 Total | | |
| 23 | 5.2 | Net Power Costs - Pro Forma | | 7,050,728 | - | (9,361,652) | (SEM-3), Page 5.0 Total | | |
| 24 | 5.3 | Colstrip #3 Removal | | 433,101 | (5,100,656) | (1,096,179) | (SEM-3), Page 5.0 Total | | |
| 25 | 5.4 | REC Purchase Adjustment | | (126,400) | - | 167,828 | (SEM-3), Page 5.0 Total | | |
| 26 | 5.5 | Nodal Pricing Model Adjustment | | (35,145) | 286,535 | 75,939 | (SEM-3), Page 5.0 Total | | |
| 27 | | | Tab 5 - NPC - Subtotal | 11,806,033 | (4,814,120) | (16,167,391) | | | |
| 28 | | | | | | | | | |
| 29 | 6.1 | Pro Forma Depreciation & Amortization Expense | | 1,936,994 | - | (2,571,857) | (SEM-3), Page 6.0 Total | | |
| 30 | 6.2 | Pro Forma Depreciation & Amortization Reserves | | - | (55,137,271) | (5,633,294) | (SEM-3), Page 6.0 Total | | |
| 31 | 6.3 | End-of-Period Reserves | | - | (19,123,220) | (1,953,791) | (SEM-3), Page 6.0/6.0.1 Total | | |
| 32 | 6.4 | Accelerated Depreciation on Jim Bridger & Colstrip | | (48,067,136) | (20,663,159) | 61,710,341 | (SEM-3), Page 6.0.1 Total | | |
| 33 | 6.5 | Depreciation Study | | (1,863,187) | (470,360) | 2,425,803 | (SEM-3), Page 6.0.1/6.0.2 Total | | |
| 34 | | | Tab 6 - Depreciation/Amortization - Subtotal | (47,993,330) | (95,394,010) | 53,977,202 | | | |
| 35 | | | | | | | | | |
| 36 | 7.1 | Interest True Up | | 389,400 | - | (517,028) | (SEM-3), Page 7.0 Total | | |
| 37 | 7.2 | Property Tax Expense | | (1,692,140) | - | 2,246,750 | (SEM-3), Page 7.0 Total | | |
| 38 | 7.3 | Production Tax Credit | | 13,886,567 | - | (18,437,983) | (SEM-3), Page 7.0 Total | | |
| 39 | 7.4 | PowerTax ADIT Balance | | - | 7,638,008 | 780,364 | (SEM-3), Page 7.0 Total | | |
| 40 | 7.5 | Permanent Schedule M Adjustment | | 115,265 | - | (153,043) | (SEM-3), Page 7.0 Total | | |
| 41 | 7.6 | Remove Deferred State Tax Expense & Balance | | (1,412,856) | 26,236,760 | 4,556,500 | (SEM-3), Page 7.0 Total | | |
| 42 | 7.7 | WA Public Utility Tax Adjustment | | 197,797 | - | (262,626) | (SEM-3), Page 7.0.1 Total | | |
| 43 | 7.8 | AFUDC Equity | | (970) | - | 1,288 | (SEM-3), Page 7.0.1 Total | | |
| 44 | 7.9 | WA Low Income Tax Credit | | 2,613 | - | (3,470) | (SEM-3), Page 7.0.1 Total | | |
| 45 | 7.10 | Wyoming Wind Generation Tax | | (142,524) | - | 189,238 | (SEM-3), Page 7.0.1 Total | | |
| 46 | 7.11 | Removal of TCJA Deferred Balances | | 4,996,016 | 13,617,936 | (5,242,170) | (SEM-3), Page 7.0.1 Total | | |
| 47 | 7.12 | Depreciation Study Adjustment Tax Impacts | | (2,877,084) | (344,082) | 3,784,914 | (SEM-3), Page 7.0.1 Total | | |
| 48 | | | Tab 7 - Tax- Subtotal | 13,462,083 | 47,148,621 | (13,057,266) | | | |
| 49 | | | | | | | | | |
| 50 | 8.1 | Jim Bridger Mine Rate Base | | - | 11,495,811 | 1,174,510 | (SEM-3), Page 8.0 Total | | |
| 51 | 8.2 | Regulatory Assets and Liabilities Amortization | | 13,462,898 | (12,227,255) | (19,124,694) | (SEM-3), Page 8.0 Total | | |
| 52 | 8.3 | Customer Advances for Construction | | - | (2,502,028) | (255,629) | (SEM-3), Page 8.0 Total | | |
| 53 | 8.4 | Pro Forma Major Plant Additions | | (232,480) | 70,839,343 | 7,546,229 | (SEM-3), Page 8.0/8.0.1 Total | | |
| 54 | 8.5 | Miscellaneous Rate Base | | - | (22,786,731) | (2,328,087) | (SEM-3), Page 8.0 Total | | |
| 55 | 8.6 | Removal of Colstrip #4 AFUDC | | 208,716 | (119,616) | (289,345) | (SEM-3), Page 8.0.1 Total | | |
| 56 | 8.7 | Customer Service Deposits | | (47,731) | (2,829,106) | (225,670) | (SEM-3), Page 8.0.1 Total | | |
| 57 | 8.8 | Investor Supplied Working Capital | | - | 23,459,505 | 2,396,823 | (SEM-3), Page 8.0.1 Total | | |
| 58 | 8.9 | Removal of Bridger SCR | | - | (41,383,476) | (4,228,089) | (SEM-3), Page 8.0.1 Total | | |
| 59 | 8.10 | End-of-Period Plant Balances | | - | 26,891,641 | 2,747,480 | (SEM-3), Page 8.0.2 Total | | |
| 60 | 8.11 | Idaho Asset Exchange | | - | 6,343,966 | 648,154 | (SEM-3), Page 8.0.2 Total | | |
| 61 | 8.12 | Repowering Project Capital Additions | | 207,428 | 86,363,975 | 8,548,266 | (SEM-3), Page 8.0.3 Total | | |
| 62 | 8.13 | New Wind Generation and Associated Transmission Capital Additions | | (2,412,364) | 182,406,899 | 21,839,278 | (SEM-3), Page 8.0.3 Total | | |
| 63 | | | Tab 8 - Rate Base- Subtotal | 11,186,466 | 325,952,929 | 18,449,226 | | | |
| 64 | | | | | | | | | |
| 65 | 9.1 | Production Factor | | 1,847,944 | (4,261,951) | (2,889,058) | (SEM-3), Page 9.0 Total | | |
| 66 | 9.2 | System Non-Emitting Resources Adjustment | | 4,129,654 | (56,434,564) | (11,249,012) | (SEM-3), Page 9.0 Total | | |
| 67 | 9.3 | System Transmission - New Adjustment | | (128,220) | 1,427,866 | 316,129 | (SEM-3), Page 9.0 Total | | |
| 68 | 9.4 | System Transmission - Existing Adjustment | | 182,147 | 31,529,447 | 2,979,471 | (SEM-3), Page 9.0 Total | | |
| 69 | | | Tab 9 - Other Adjustments - Subtotal | 6,031,524 | (27,739,201) | (10,842,471) | | | |
| 70 | | | | | | | | | |
| 71 | | | Subtotal Normalizing Adjustments | 10,556,042 | 245,133,474 | 11,029,071 | | | |
| 72 | | | | | | | | | |
| 73 | | | Total Adjusted Results | 76,418,840 | 1,023,833,109 | 3,137,895 | (SEM-3) Page 1.0 | | |

Notes:

(1) The revenue requirement column is calculated using the Company's proposed return on rate base of 7.69% and the NOI conversion factor of 75.315%.
The development of these percentages can be found in Exhibit No. SEM-3 on pages 2.1 and 1.3 respectively.

**PacifiCorp
Summary
Washington General Rate Case - 2021
12 Months Ended June 2019**

Exhibit No. SEM-3

| | Washington Allocated Actual Results June 2019 | Tab 3 | Tab 4 | Tab 5 | Tab 6 | Tab 7 | Tab 8 | Tab 9 |
|---------------------------------|--|------------------------|--------------------|-------------------------------|---|--------------------|--------------------------|----------------------|
| | | Revenue Adjustments | O&M Adjustments | Net Power Cost Adjustments | Depreciation & Amortization Adjustments | Tax Adjustments | Rate Base Adjustments | Other Adjustments |
| 1 Operating Revenues: | | | | | | | | |
| 2 General Business Revenues | 326,549,202 | 22,857,402 | (252,204) | - | - | - | 17,418,111 | - |
| 3 Interdepartmental | - | - | - | - | - | - | - | - |
| 4 Special Sales | 17,019,166 | - | - | (14,033,498) | - | - | - | (65,386) |
| 5 Other Operating Revenues | 10,619,467 | 518,643 | (427,912) | - | - | - | 47,809 | 1,023,734 |
| 6 Total Operating Revenues | 354,187,835 | 23,376,045 | (680,116) | (14,033,498) | - | - | 17,465,921 | 958,348 |
| 7 | | | | | | | | |
| 8 Operating Expenses: | | | | | | | | |
| 9 Steam Production | 70,560,214 | - | 252,912 | (4,307,598) | 51,760 | - | - | (529,291) |
| 10 Nuclear Production | - | - | - | - | - | - | - | - |
| 11 Hydro Production | 6,841,672 | - | 162,288 | - | 17,855 | - | - | (3,614,806) |
| 12 Other Power Supply | 63,424,679 | - | 294,554 | (9,067,408) | 15,624 | - | 1,657,311 | (1,043,463) |
| 13 Transmission | 32,375,788 | - | (211,865) | (15,589,078) | 9,962 | - | - | (156,525) |
| 14 Distribution | 11,761,768 | - | 579,267 | - | 33,905 | - | - | - |
| 15 Customer Accounting | 5,981,922 | - | 1,108,767 | - | 12,321 | - | - | - |
| 16 Customer Service & Info | 1,003,435 | - | 31,872 | - | 2,407 | - | - | - |
| 17 Sales | - | - | - | - | - | - | - | - |
| 18 Administrative & General | 9,015,080 | - | 364,523 | (4,015) | 14,076 | - | - | - |
| 19 Total O&M Expenses | 200,964,557 | - | 2,582,317 | (28,968,098) | 157,910 | - | 1,657,311 | (5,344,086) |
| 20 Depreciation | 48,982,077 | - | (485,149) | - | 70,111,834 | - | (378,804) | (864,714) |
| 21 Amortization | 5,113,848 | - | - | 738 | (1,870,637) | - | 573,051 | (382,837) |
| 22 Taxes Other Than Income | 22,603,339 | - | - | (37,469) | - | 2,068,676 | - | - |
| 23 Income Taxes - Federal | 18,041,170 | 4,908,970 | (640,598) | 3,056,885 | 1,417,759 | (21,993,915) | (3,462,307) | 1,977,692 |
| 24 Income Taxes - State | - | - | - | - | - | - | - | - |
| 25 Income Taxes - Def Net | (7,119,821) | - | 1,975 | 108,414 | (21,823,537) | 6,463,157 | 7,829,785 | (459,231) |
| 26 Investment Tax Credit Adj. | - | - | - | - | - | - | - | - |
| 27 Misc Revenue & Expense | (260,134) | - | 265,149 | - | - | - | 60,420 | - |
| 28 Total Operating Expenses: | 288,325,037 | 4,908,970 | 1,723,695 | (25,839,530) | 47,993,330 | (13,462,083) | 6,279,454 | (5,073,176) |
| 29 | | | | | | | | |
| 30 Operating Rev For Return: | 65,862,798 | 18,467,076 | (2,403,810) | 11,806,033 | (47,993,330) | 13,462,083 | 11,186,466 | 6,031,524 |
| 31 | | | | | | | | |
| 32 Rate Base: | | | | | | | | |
| 33 Electric Plant In Service | 1,869,127,180 | - | - | (27,315,182) | - | - | 307,126,762 | (54,526,035) |
| 34 Plant Held for Future Use | 34,943 | - | - | - | - | - | - | - |
| 35 Misc Deferred Debits | 4,541,410 | - | - | - | - | - | (3,860,838) | - |
| 36 Elec Plant Acq Adj | - | - | - | - | - | - | - | - |
| 37 Nuclear Fuel | - | - | - | - | - | - | - | - |
| 38 Prepayments | 2,033,329 | - | - | - | - | - | (2,033,329) | - |
| 39 Fuel Stock | 5,721,216 | - | - | - | - | - | (5,721,216) | - |
| 40 Material & Supplies | 8,818,868 | - | - | - | - | - | (8,818,868) | - |
| 41 Working Capital | 2,839,474 | - | - | - | - | - | 20,620,031 | - |
| 42 Weatherization | 5,093 | - | - | - | - | - | - | - |
| 43 Misc Rate Base | - | - | - | - | - | - | - | - |
| 44 Total Electric Plant: | 1,893,121,513 | - | - | (27,315,182) | - | - | 307,312,541 | (54,526,035) |
| 45 | | | | | | | | |
| 46 Rate Base Deductions: | | | | | | | | |
| 47 Accum Prov For Deprec | (743,720,455) | - | - | 20,667,243 | (98,949,388) | - | 41,265,364 | 24,744,509 |
| 48 Accum Prov For Amort | (61,553,794) | - | - | (400) | (5,683,079) | - | - | 5,363,476 |
| 49 Accum Def Income Tax | (272,700,961) | - | (20,744) | 1,834,218 | 9,238,457 | 44,077,928 | (1,841,765) | (3,321,151) |
| 50 Unamortized ITC | (19,597) | - | - | - | - | - | - | - |
| 51 Customer Adv For Const | 22,215 | - | - | - | - | - | (2,502,028) | - |
| 52 Customer Service Deposits | - | - | - | - | - | - | (2,829,106) | - |
| 53 Misc Rate Base Deductions | (36,449,286) | - | - | - | - | 3,070,693 | (15,452,078) | - |
| 54 | | | | | | | | |
| 55 Total Rate Base Deductions | (1,114,421,878) | - | (20,744) | 22,501,062 | (95,394,010) | 47,148,621 | 18,640,387 | 26,786,834 |
| 56 | | | | | | | | |
| 57 Total Rate Base: | 778,699,634 | - | (20,744) | (4,814,120) | (95,394,010) | 47,148,621 | 325,952,929 | (27,739,201) |
| 58 | | | | | | | | |
| 59 Return on Equity | 11.65% | 4.513% | -0.587% | 3.003% | -11.119% | 2.183% | -2.822% | 2.123% |
| 60 Price Change | (7,891,177) | (24,519,785) | 3,189,556 | (16,167,391) | 53,977,202 | (13,057,266) | 18,449,226 | (10,842,471) |
| 61 | | | | | | | | |
| 62 TAX CALCULATION: | | | | | | | | |
| 63 Operating Revenue | 76,784,147 | 23,376,045 | (3,042,434) | 14,971,331 | (68,399,107) | (2,068,676) | 15,553,944 | 7,549,985 |
| 64 Other Deductions | - | - | - | - | - | - | - | - |
| 65 Interest (AFUDC) | (3,011,899) | - | - | - | - | (4,620) | - | - |
| 66 Interest | 22,042,471 | - | - | - | - | 1,854,285 | - | - |
| 67 Schedule "M" Additions | 91,716,240 | - | (133,728) | (51,450) | 75,150,341 | (16,168,842) | 3,377,952 | 1,222,074 |
| 68 Schedule "M" Deductions | 58,295,026 | - | (125,696) | 363,285 | - | 18,519,240 | 35,419,074 | (645,521) |
| 69 Income Before Tax | 91,174,790 | 23,376,045 | (3,050,467) | 14,556,596 | 6,751,233 | (38,606,422) | (16,487,178) | 9,417,579 |
| 70 | | | | | | | | |
| 71 State Income Taxes | - | - | - | - | - | - | - | - |
| 72 Taxable Income | 91,174,790 | 23,376,045 | (3,050,467) | 14,556,596 | 6,751,233 | (38,606,422) | (16,487,178) | 9,417,579 |
| 73 | | | | | | | | |
| 74 Federal Income Taxes + Other | 18,041,170 | 4,908,970 | (640,598) | 3,056,885 | 1,417,759 | (21,993,915) | (3,462,307) | 1,977,692 |

**PacifiCorp
Summary
Washington General Rate Case - 2021
12 Months Ended June 2019**

| | Total Tabs 3-9 | |
|---------------------------------|------------------------------------|--|
| | Normalizing Adjustments | Washington Normalized Results |
| 1 Operating Revenues: | | |
| 2 General Business Revenues | 40,023,309 | 366,572,511 |
| 3 Interdepartmental | - | - |
| 4 Special Sales | (14,098,884) | 2,920,283 |
| 5 Other Operating Revenues | 1,162,275 | 11,781,742 |
| 6 Total Operating Revenues | <u>27,086,700</u> | <u>381,274,536</u> |
| 7 | | |
| 8 Operating Expenses: | | |
| 9 Steam Production | (4,532,216) | 66,027,999 |
| 10 Nuclear Production | - | - |
| 11 Hydro Production | (3,434,664) | 3,407,008 |
| 12 Other Power Supply | (8,143,382) | 55,281,297 |
| 13 Transmission | (15,947,506) | 16,428,281 |
| 14 Distribution | 613,172 | 12,374,940 |
| 15 Customer Accounting | 1,121,088 | 7,103,010 |
| 16 Customer Service & Info | 34,279 | 1,037,714 |
| 17 Sales | - | - |
| 18 Administrative & General | 374,584 | 9,389,664 |
| 19 Total O&M Expenses | <u>(29,914,645)</u> | <u>171,049,912</u> |
| 20 Depreciation | 68,383,167 | 117,365,244 |
| 21 Amortization | (1,679,685) | 3,434,163 |
| 22 Taxes Other Than Income | 2,031,207 | 24,634,546 |
| 23 Income Taxes - Federal | (14,735,515) | 3,305,655 |
| 24 Income Taxes - State | - | - |
| 25 Income Taxes - Def Net | (7,879,438) | (14,999,259) |
| 26 Investment Tax Credit Adj. | - | - |
| 27 Misc Revenue & Expense | 325,569 | 65,435 |
| 28 Total Operating Expenses: | <u>16,530,658</u> | <u>304,855,695</u> |
| 29 | | |
| 30 Operating Rev For Return: | <u>10,556,042</u> | <u>76,418,840</u> |
| 31 | | |
| 32 Rate Base: | | |
| 33 Electric Plant In Service | 225,285,545 | 2,094,412,724 |
| 34 Plant Held for Future Use | - | 34,943 |
| 35 Misc Deferred Debits | (3,860,838) | 680,572 |
| 36 Elec Plant Acq Adj | - | - |
| 37 Nuclear Fuel | - | - |
| 38 Prepayments | (2,033,329) | - |
| 39 Fuel Stock | (5,721,216) | - |
| 40 Material & Supplies | (8,818,868) | 0 |
| 41 Working Capital | 20,620,031 | 23,459,505 |
| 42 Weatherization | - | 5,093 |
| 43 Misc Rate Base | - | - |
| 44 Total Electric Plant: | <u>225,471,324</u> | <u>2,118,592,837</u> |
| 45 | | |
| 46 Rate Base Deductions: | | |
| 47 Accum Prov For Deprec | (12,272,272) | (755,992,726) |
| 48 Accum Prov For Amort | (320,002) | (61,873,797) |
| 49 Accum Def Income Tax | 49,966,944 | (222,734,017) |
| 50 Unamortized ITC | - | (19,597) |
| 51 Customer Adv For Const | (2,502,028) | (2,479,813) |
| 52 Customer Service Deposits | (2,829,106) | (2,829,106) |
| 53 Misc Rate Base Deductions | (12,381,385) | (48,830,671) |
| 54 | | |
| 55 Total Rate Base Deductions | <u>19,662,150</u> | <u>(1,094,759,728)</u> |
| 56 | | |
| 57 Total Rate Base: | <u>245,133,474</u> | <u>1,023,833,109</u> |
| 58 | | |
| 59 Return on Equity | | 9.76% |
| 60 Price Change | 11,029,071 | 3,137,895 |
| 61 | | |
| 62 TAX CALCULATION: | | |
| 63 Operating Revenue | (12,058,911) | 64,725,236 |
| 64 Other Deductions | | |
| 65 Interest (AFUDC) | (4,620) | (3,016,520) |
| 66 Interest | 1,854,285 | 23,896,756 |
| 67 Schedule "M" Additions | 63,396,346 | 155,112,587 |
| 68 Schedule "M" Deductions | 53,530,382 | 111,825,408 |
| 69 Income Before Tax | <u>(4,042,612)</u> | <u>87,132,178</u> |
| 70 | | |
| 71 State Income Taxes | - | - |
| 72 Taxable Income | <u>(4,042,612)</u> | <u>87,132,178</u> |
| 73 | | |
| 74 Federal Income Taxes + Other | <u>(14,735,515)</u> | <u>3,305,655</u> |