

PACIFICORP
State of Washington - Electric Utility
Actual, Adjusted & Normalized Results of Operations
Twelve Months Ended March 2003

Comparison of Filed MSP Protocol and Revised Protocol

Originally Filed MSP Protocol

1	Normalized FY03 General Business Revenue	\$198,589,099
2		
3	Total FY03 Revenue Requirement (Filed MSP Protocol)	\$224,247,913
4		
9	Requested Price Change \$	\$25,658,815
10		
11	Requested Price Change %	12.92%
12		

Revised Protocol

15	Normalized FY03 General Business Revenue	\$198,589,099
16		
17	Total FY03 Revenue Requirement (Filed MSP Protocol)	\$221,790,087
18		
19	Requested Price Change \$	\$23,200,988
20		
21	Requested Price Change %	11.68%
22		

Impact of Revised Protocol

25	Revenue Requirement Difference \$	(\$2,457,826)
26		
27	Revenue Requirement Difference %	-1.10%
28		

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Twelve Months Ended March 2003
Filed MSP Protocol

	(1) Unadjusted Results	(2) Normalizing Adjustments	(3) Total Normalized Results	(4) Price Change	(5) Results with Price Change
1 Operating Revenues:					
2 General Business Revenues	183,665,820	14,923,279	198,589,099	25,658,815	224,247,913
3 Interdepartmental	-	-	-		
4 Special Sales	91,649,561	4,382,826	96,032,387		
5 Other Operating Revenues	15,886,737	(7,610,916)	8,275,821		
6 Total Operating Revenues	<u>291,202,118</u>	<u>11,695,189</u>	<u>302,897,307</u>		
7					
8 Operating Expenses:					
9 Steam Production	52,595,514	(1,684,585)	50,910,929		
10 Nuclear Production	-	-	-		
11 Hydro Production	3,665,965	1,750,222	5,416,187		
12 Other Power Supply	90,080,690	14,619,187	104,699,877		
13 Transmission	8,650,088	(625,459)	8,024,629		
14 Distribution	6,969,552	(22,260)	6,947,292		
15 Customer Accounting	7,948,906	(1,351,828)	6,597,079	161,112	6,758,191
16 Customer Service & Info	213,426	774	214,200		
17 Sales	50,208	-	50,208		
18 Administrative & General	24,260,614	498,429	24,759,043		
19 Total O&M Expenses	<u>194,434,965</u>	<u>13,184,479</u>	<u>207,619,444</u>		
20 Depreciation	31,484,127	(2,263,168)	29,220,959		
21 Amortization	4,614,592	(172,412)	4,442,180		
22 Taxes Other Than Income	8,663,499	152,063	8,815,562	1,070,255	9,885,817
23 Income Taxes - Federal	16,537,295	(9,096,637)	7,440,658	8,161,455	15,602,113
24 Income Taxes - State	2,958,545	(1,368,312)	1,590,233	1,109,006	2,699,239
25 Income Taxes - Def Net	(4,950,948)	12,924,204	7,973,256		
26 Investment Tax Credit Adj.	-	-	-		
27 Misc Revenue & Expense	(271,678)	(328,445)	(600,123)		
28 Total Operating Expenses:	<u>253,470,398</u>	<u>13,031,772</u>	<u>266,502,169</u>	<u>10,501,827</u>	<u>277,003,997</u>
29					
30 Operating Rev For Return:	<u>37,731,720</u>	<u>(1,336,583)</u>	<u>36,395,137</u>	<u>15,156,987</u>	<u>51,552,125</u>
31					
32 Rate Base:					
33 Electric Plant In Service	1,050,634,133	(5,682,525)	1,044,951,608		
34 Plant Held for Future Use	186,926	(87,309)	99,617		
35 Misc Deferred Debits	19,798,675	(4,898,038)	14,900,636		
36 Elec Plant Acq Adj	8,826,303	-	8,826,303		
37 Nuclear Fuel	-	-	-		
38 Prepayments	1,334,684	-	1,334,684		
39 Fuel Stock	4,068,814	(171)	4,068,642		
40 Material & Supplies	6,613,137	-	6,613,137		
41 Working Capital	6,657,622	(2,274,721)	4,382,901		
42 Weatherization Loans	2,643,691	-	2,643,691		
43 Misc Rate Base	1,499,446	(1,469,297)	30,149		
44 Total Electric Plant:	<u>1,102,263,431</u>	<u>(14,412,062)</u>	<u>1,087,851,370</u>	<u>-</u>	<u>1,087,851,370</u>
45					
46 Rate Base Deductions:					
47 Accum Prov For Deprec	(414,916,297)	11,660,306	(403,255,991)		
48 Accum Prov For Amort	(20,423,834)	-	(20,423,834)		
49 Accum Def Income Tax	(64,317,721)	6,957,021	(57,360,701)		
50 Unamortized ITC	(2,595,292)	(39,284)	(2,634,576)		
51 Customer Adv For Const	(38,641)	-	(38,641)		
52 Customer Service Deposits	-	(1,029,605)	(1,029,605)		
53 Misc Rate Base Deductions	(10,784,008)	(2,680,835)	(13,464,843)		
54					
55 Total Rate Base Deductions	<u>(513,075,794)</u>	<u>14,867,603</u>	<u>(498,208,191)</u>	<u>-</u>	<u>(498,208,191)</u>
56					
57 Total Rate Base:	<u>589,187,637</u>	<u>455,541</u>	<u>589,643,178</u>	<u>-</u>	<u>589,643,178</u>
58					
59 Return on Rate Base	6.404%		6.172%		8.743%
60 Return on Equity	6.282%	-0.492%	5.790%		11.250%

PACIFICORP
State of Washington - Electric Utility
Actual, Adjusted & Normalized Results of Operations
Twelve Months Ended March 2003
Revised Protocol

	(1) Unadjusted Results	(2) Normalizing Adjustments	(3) Total Normalized Results	(4) Price Change	(5) Results with Price Change
1 Operating Revenues:					
2 General Business Revenues	183,665,820	14,923,279	198,589,099	23,200,988	221,790,087
3 Interdepartmental	-	-	-		
4 Special Sales	91,649,561	4,382,826	96,032,387		
5 Other Operating Revenues	15,913,935	(7,637,680)	8,276,256		
6 Total Operating Revenues	<u>291,229,316</u>	<u>11,668,425</u>	<u>302,897,741</u>		
7					
8 Operating Expenses:					
9 Steam Production	55,573,058	2,997,692	58,570,749		
10 Nuclear Production	-	-	-		
11 Hydro Production	2,193,820	899,091	3,092,911		
12 Other Power Supply	81,765,097	13,211,822	94,976,919		
13 Transmission	8,650,088	(625,459)	8,024,629		
14 Distribution	6,969,552	(22,260)	6,947,292		
15 Customer Accounting	7,948,906	(1,351,828)	6,597,079	145,679	6,742,758
16 Customer Service & Info	213,426	774	214,200		
17 Sales	50,208	-	50,208		
18 Administrative & General	24,525,118	494,480	25,019,598		
19 Total O&M Expenses	<u>187,889,273</u>	<u>15,604,313</u>	<u>203,493,586</u>		
20 Depreciation	31,764,508	(1,762,202)	30,002,306		
21 Amortization	4,651,073	(172,412)	4,478,661		
22 Taxes Other Than Income	8,775,388	154,021	8,929,410	967,736	9,897,146
23 Income Taxes - Federal	18,658,364	(9,907,892)	8,750,473	7,379,679	16,130,152
24 Income Taxes - State	3,137,843	(1,478,548)	1,659,295	1,002,776	2,662,071
25 Income Taxes - Def Net	(4,942,373)	12,808,136	7,865,763		
26 Investment Tax Credit Adj.	-	-	-		
27 Misc Revenue & Expense	(271,678)	(328,445)	(600,123)		
28 Total Operating Expenses:	<u>249,662,400</u>	<u>14,916,971</u>	<u>264,579,371</u>	<u>9,495,870</u>	<u>274,075,241</u>
29					
30 Operating Rev For Return:	<u>41,566,916</u>	<u>(3,248,546)</u>	<u>38,318,370</u>	<u>13,705,118</u>	<u>52,023,488</u>
31					
32 Rate Base:					
33 Electric Plant In Service	1,064,165,265	(823,912)	1,063,341,353		
34 Plant Held for Future Use	186,926	(87,309)	99,617		
35 Misc Deferred Debits	19,884,973	(4,921,922)	14,963,051		
36 Elec Plant Acq Adj	8,826,303	-	8,826,303		
37 Nuclear Fuel	-	-	-		
38 Prepayments	1,346,326	-	1,346,326		
39 Fuel Stock	5,024,555	(171)	5,024,383		
40 Material & Supplies	7,210,556	-	7,210,556		
41 Working Capital	6,316,816	(2,179,017)	4,137,799		
42 Weatherization Loans	2,643,926	-	2,643,926		
43 Misc Rate Base	1,499,446	(1,469,297)	30,149		
44 Total Electric Plant:	<u>1,117,105,091</u>	<u>(9,481,627)</u>	<u>1,107,623,464</u>	<u>-</u>	<u>1,107,623,464</u>
45					
46 Rate Base Deductions:					
47 Accum Prov For Deprec	(423,806,612)	6,336,586	(417,470,026)		
48 Accum Prov For Amort	(20,606,518)	-	(20,606,518)		
49 Accum Def Income Tax	(64,423,519)	7,170,311	(57,253,208)		
50 Unamortized ITC	(2,595,292)	(39,284)	(2,634,576)		
51 Customer Adv For Const	(38,641)	-	(38,641)		
52 Customer Service Deposits	-	(1,029,605)	(1,029,605)		
53 Misc Rate Base Deductions	(10,875,522)	(2,680,835)	(13,556,357)		
54					
55 Total Rate Base Deductions	<u>(522,346,105)</u>	<u>9,757,174</u>	<u>(512,588,931)</u>	<u>-</u>	<u>(512,588,931)</u>
56					
57 Total Rate Base:	<u>594,758,986</u>	<u>275,546</u>	<u>595,034,533</u>	<u>-</u>	<u>595,034,533</u>
58					
59 Return on Rate Base	6.989%		6.440%		8.743%
60 Return on Equity	7.524%	-1.166%	6.358%		11.250%

PACIFICORP
State of Washington - Electric Utility
Actual, Adjusted & Normalized Results of Operations
Twelve Months Ended March 2003
Annual Embedded Costs

Line No	FERC Generation Accounts West		Twelve Months Ended March 31,			
	Hydro	Description	2004	Mwh	\$/Mwh	Differential
		Operating Expenses				
1	535 - 545	Hydro Operation & Maintenance Expense	28,514,242			
2	403.330 - 403.336	Hydro Depreciation Expense	8,505,606			
3	404IP	Hydro Relicensing Amortization	2,105,906			
4		Total West Hydro Operating Expense	39,125,754			
		West Hydro Rate Base				
5	330 - 336	Hydro Electric Plant in Service	374,018,924			
6	302	Hydro Relicensing	68,018,949			
7	111IP	Hydro Relicensing Accumulated Reserve	(5,417,636)			
8	108	Hydro Accumulated Depreciation Reserve	(166,680,229)			
9	154	Material & Supplies	33,115			
10		West Hydro Net Rate Base	269,973,123			
11		Pre-tax return	12.04%			
12		Rate Base Revenue Requirement	32,505,690			
		Annual Embedded Costs				
13		Hydro - Electric Resources	71,631,444	4,125,210	17.36	(60,451,660)
		Mid C Contracts				
14	555	Annual Mid-C Contracts Costs	17,395,759	1,967,082	8.84	(45,587,281)
		Qualified Facilities				
15	555	California Qualified Facilities Cost	3,946,195	38,300	103.03	2,719,898
		Oregon Qualified Facilities Cost	40,602,021	362,915	111.88	28,982,029
		Washington Qualified Facilities Cost	2,591,689	21,615	119.90	1,899,623
		Utah Qualified Facilities Cost	20,586,472	387,963	53.06	8,164,478
		Idaho Qualified Facilities Cost	4,180,201	82,401	50.73	1,541,847
		Wyoming Qualified Facilities Cost	549,167	11,568	47.47	178,784
		Total Annual Qualified Facilities Cost	72,455,744	904,760	80.08	43,486,659
		Generation Accounts (Excl. West Hydro, Mid C & QF)				
		Operating Expenses				
16	500 - 514	Steam Operation & Maintenance Expense	679,224,113			
17	535 - 545	East Hydro Operation & Maintenance Expense	6,735,263			
18	546 - 554	Other Generation Operation & Maintenance Expense	100,427,305			
19	555	Other Purchased Power Contracts (No Mid-C or QF)	970,624,264			
20	4118	SO2 Emission Allowances	(4,567,668)			
21	403.310 - 403.316	Steam Depreciation Expense	125,299,748			
22	403.330 - 403.336	East Hydro Depreciation Expense	2,549,119			
23	404IP	East Hydro Relicensing Amortization	287,815			
24	403.340 - 403.346	Other Generation Depreciation Expense	8,246,912			
25	403.399	Mining	-			
26	406	Amortization of Plant Acquisition Costs	5,479,353			
27		Total Operating Expenses	1,894,306,226			
		Rate Base				
28	310 - 316	Steam Electric Plant in Service	4,101,422,675			
29	330 - 336	East Hydro EPIS	97,419,645			
30	302	Hydro Relicensing	9,905,685			
31	340 - 346	Other Electric Plant in Service	244,590,200			
32	399	Mining	307,647,355			
33	108	Steam Accumulated Depreciation Reserve	(1,942,212,592)			
34	108	Other Accumulated Depreciation Reserve	(35,481,995)			
35	108	Mining	(163,138,588)			
36	108	East Hydro Accum Depreciation Reserve	(34,908,957)			
37	111IP	East Hydro Relicensing Accumulated Reserve	(1,523,017)			
38	114	Electric Plant Acquisition Adjustment	157,193,780			
39	115	Accumulated Provision Acquisition Adjustment	(56,601,550)			
40	151	Fuel Stock	63,173,007			
41	253.16 - 253.19	Joint Owner WC Deposit	(4,310,538)			
42	25399	SO2 Emission Allowances	(45,959,734)			
43	154	Material & Supplies	46,300,904			
44	154	East Hydro Material & Supplies	-			
45		Total Net Rate Base	2,743,516,278			
46		Pre-tax return	12.04%			
47	(Line 45 x Line 46)	Rate Base Revenue Requirement	330,328,769			
48	(Line 27 + Line 47)	Annual Embedded Costs - All Other	2,224,634,994	69,479,644	32.02	
49	(Line 13 + Line 14 + Line 15 + Line 48)	Total Annual Embedded Costs	2,317,608,392	76,476,697	30.30	

1. Generation Revenue Requirement less West Hydro Electric Resources, Mid Columbia Contracts and Existing QF Contracts

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Twelve Months Ended March 2003

Embedded Cost Differential Allocation

	FACTOR	TOTAL	CA	OR	WA	WYP	UT	IDU	WYU	FERC
Embedded Cost Differentials										
	DGP	(60,451,660)	(2,184,383)	(33,363,966)	(10,175,949)	(14,727,362)	-	-	-	-
	SG	60,451,660	1,138,614	17,391,033	5,304,233	7,676,667	23,771,331	3,847,289	1,101,924	220,568
		0	(1,045,769)	(15,972,932)	(4,871,715)	(7,050,695)	23,771,331	3,847,289	1,101,924	220,568
	MC	(45,587,281)	(258,671)	(31,506,592)	(5,503,165)	(1,743,991)	(5,400,388)	(874,030)	(250,336)	(50,109)
	SG	45,587,281	858,642	13,114,775	3,999,983	5,789,061	17,926,229	2,901,285	830,973	166,333
		0	599,971	(18,391,816)	(1,503,182)	4,045,071	12,525,842	2,027,255	580,637	116,224
	S	43,486,659	2,719,898	28,982,029	1,899,623	178,784	8,164,478	1,541,847	-	-
	SG	(43,486,659)	(819,076)	(12,510,458)	(3,815,667)	(5,522,306)	(17,100,205)	(2,767,596)	(792,683)	(158,669)
		0	1,900,822	16,471,571	(1,916,044)	(5,343,522)	(8,935,726)	(1,225,749)	(792,683)	(158,669)
	Grand Total	0	1,455,023	(17,893,178)	(8,290,941)	(8,349,147)	27,361,446	4,648,795	889,879	178,124