

Exh. SLC-10
Docket UE-230172
Witness: Sherona L. Cheung

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY

Respondent.

Docket UE-230172
(Consolidated)

In the Matter of

ALLIANCE OF WESTERN ENERGY
CONSUMERS'

Petition for Order Approving Deferral of
Increased Fly Ash Revenues

Docket UE-210852
(Consolidated)

PACIFICORP

EXHIBIT OF SHERONA L. CHEUNG

Summary of Rebuttal Washington Results of Operations for the Rate Year 2

October 2023

Revenue Requirement Adjustment Summary

The table below presents the Company's pro forma ratemaking adjustments for Rate Year 2 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		
				NOI	Rate Base	Rev. Req.	NOI	Rate Base	Rev. Req.	NOI	Rate Base	Rev. Req.	Reference		
Rate Year 1 Washington Allocated Data (Per Books)				83,851,256	1,101,856,329	-	(SLC-12) Page 1_R								
1	13.1	Wheeling Revenues - Year 2		1,818,118	-	(2,418,289)	(SLC-12), Page 4_R								
2	13.2_R	General Wage Increase (Pro Forma) - Year 2		(519,132)	-	690,500	(SLC-12), Page 4_R								
3	13.3_R	Pryor Mountain REC Revenues - Year 2		(161,809)	-	215,223	(SLC-12), Page 4_R								
4		Tab 13 - Revenue & Expenses RY2 - Subtotal		1,137,177	-	(1,512,566)									
5															
6	14.1_R	Pro Forma Major Plant Additions - Year 2		118,463	65,028,592	6,424,693	(SLC-12), Page 4_R								
7	14.2_R	Pro Forma Depreciation & Amortization Expense - Year 2		(1,372,667)	-	1,825,793	(SLC-12), Page 4_R								
8	14.3_R	Pro Forma Depreciation & Amortization Reserve - Year 2		-	(46,387,798)	(4,695,421)	(SLC-12), Page 5_R								
9	14.4_R	Decommissioning and Other Plant Closure Costs - Year 2		-	(4,288,458)	(434,082)	(SLC-12), Page 5_R								
10	14.5	Jim Bridger Mine Rate Base - Year 2		-	(883,608)	(89,440)	(SLC-12), Page 5_R								
11	14.6	Existing Coal-Fired Generation Assets - Year 2		-	(2,226,609)	(225,380)	(SLC-12), Page 5_R								
12	14.7_R	Pro Forma JB Units 3, 4 and Colstrip 4 Additions - Year 2		(6,400)	351,963	44,138	(SLC-12), Page 5_R								
13	14.8_R	Pro Forma JB Units 1 & 2 Additions - Year 2		(638,500)	3,290,561	1,182,346	(SLC-12), Page 5_R								
14	14.9	Confidential Wind Generation Capital Additions - Year 2		(2,196,411)	55,614,054	8,550,771	(SLC-12), Page 6_R								
15	14.10	Major Transmission Capital Additions - Year 2		(2,212,095)	161,088,064	19,247,821	(SLC-12), Page 6_R								
16		Tab 14 - Capital Additions & Depreciation RY2 - Subtotal		(6,307,610)	231,586,760	31,831,239									
17															
18	15.1_R	Interest True-Up - Year 2		1,105,808	-	(1,470,842)	(SLC-12), Page 6_R								
19	15.2	Property Taxes - Year 2		(1,487,354)	-	1,978,338	(SLC-12), Page 6_R								
20	15.3	Removal of TCJA Balances Adjustment - Year 2		-	2,003,148	202,761	(SLC-12), Page 6_R								
21	15.4_R	PowerTax ADIT Balance Adjustment - Year 2		(899,197)	(24,319,003)	(1,265,568)	(SLC-12), Page 6_R								
22	15.5	Permanent Schedule M Adjustment - Year 2		-	-	-	(SLC-12), Page 6_R								
23	15.6_R	Remove Deferred State Tax Expense & Balance - Year 2		246,948	3,177,229	(6,865)	(SLC-12), Page 7_R								
24		Tab 15 - Interest & Taxes RY2 - Subtotal		(1,033,795)	(19,138,627)	(562,175)									
25															
26	16.1_R	Regulatory Assets & Liabilities Amortization - Year 2		5,836,649	(129,452)	(7,776,463)	(SLC-12), Page 7_R								
27	16.2	Klamath Hydroelectric Assets Amortization - Year 2		-	(57,463)	(5,816)	(SLC-12), Page 7_R								
28		Tab 16 - Other Adjustments RY2 - Subtotal		5,836,649	(186,914)	(7,782,280)									
29															
30		Subtotal Normalizing Adjustments		(367,579)	212,261,219	21,974,219									
31															
32		Total Adjusted Results		83,483,678	1,314,117,548	21,974,219	(SLC-12) Page 1_R								
33															

34 Notes:

35 (1) The revenue requirement column is calculated using the Company's proposed return on rate base of 7.61% and the NOI conversion factor of 75.182%.

36 The development of these percentages can be found in Exhibit No. SLC-11 on pages 2.1_R and 1.3_R respectively.

**PacifiCorp
Summary
Washington 2023 General Rate Case
12 Months Ended June 2022
Rebuttal Filing**

Exhibit No. SLC-12							
	Washington Allocated Year 1 Adjusted Results with Price Change	Tab 13 Revenue & Expense Adjustments - Year 2	Tab 14 Capital Additions / Depr. & Amort. - Year 2	Tab 15 Tax Adjustments - Year 2	Tab 16 Other Adjustments - Year 2	Total Tabs 13-16 Provisional Adjustments	Washington Allocated Year 2 Provisional Results
1	Operating Revenues:						
2	General Business Revenues	423,771,647	-	-	-	-	423,771,647
3	Interdepartmental	-	-	-	-	-	-
4	Special Sales	19,108,816	-	-	-	-	19,108,816
5	Other Operating Revenues	20,658,547	2,096,593	-	-	2,096,593	22,755,140
6	Total Operating Revenues	463,539,010	2,096,593	-	-	2,096,593	465,635,603
7							
8	Operating Expenses:						
9	Steam Production	52,096,365	112,122	759,747	-	871,869	52,968,233
10	Nuclear Production	-	-	-	-	-	-
11	Hydro Production	3,432,439	40,112	-	-	40,112	3,472,551
12	Other Power Supply	169,345,536	66,854	395,580	-	462,434	169,807,970
13	Transmission	19,895,373	64,805	-	-	64,805	19,960,177
14	Distribution	18,511,697	260,911	-	-	260,911	18,772,607
15	Customer Accounting	6,841,727	55,336	-	-	55,336	6,897,064
16	Customer Service & Info	707,164	8,332	-	-	8,332	715,496
17	Sales	-	-	-	-	-	-
18	Administrative & General	20,609,116	48,656	-	-	48,656	20,657,772
19	Total O&M Expenses	291,439,416	657,129	1,155,327	-	1,812,455	293,251,872
20	Depreciation	55,457,622	-	6,605,941	-	6,605,941	62,063,563
21	Amortization	15,859,107	-	356,443	-	(7,388,164)	8,827,387
22	Taxes Other Than Income	29,686,871	-	1,882,727	-	1,882,727	31,569,598
23	Income Taxes - Federal	(10,240,215)	302,288	(1,087,691)	(2,943,963)	1,551,514	(12,418,068)
24	Income Taxes - State	-	-	-	-	-	-
25	Income Taxes - Def Net	(2,416,789)	-	(722,410)	2,095,032	-	(1,044,167)
26	Investment Tax Credit Adj.	-	-	-	-	1,372,622	-
27	Misc Revenue & Expense	(98,259)	-	-	-	-	(98,259)
28	Total Operating Expenses:	379,687,753	959,416	6,307,610	1,033,795	(5,836,649)	382,151,925
29							
30	Operating Rev For Return:	83,851,256	1,137,177	(6,307,610)	(1,033,795)	5,836,649	83,483,678
31							
32	Rate Base:						
33	Electric Plant In Service	2,410,794,921	-	289,030,411	-	289,030,411	2,699,825,333
34	Plant Held for Future Use	467,185	-	-	-	-	467,185
35	Misc Deferred Debits	(187,305)	-	-	-	(205,649)	(392,954)
36	Elec Plant Acq Adj	115,844	-	-	-	-	115,844
37	Nuclear Fuel	-	-	-	-	-	-
38	Prepayments	0	-	-	-	-	0
39	Fuel Stock	0	-	-	-	-	0
40	Material & Supplies	0	-	-	-	-	0
41	Working Capital	29,873,668	-	-	-	-	29,873,668
42	Weatherization	3,312	-	-	-	-	3,312
43	Misc Rate Base	-	-	-	-	-	-
44	Total Electric Plant:	2,441,067,625	-	289,030,411	-	(205,649)	2,729,892,388
45							
46	Rate Base Deductions:						
47	Accum Prov For Deprec	(1,005,780,470)	-	(50,744,403)	-	(50,744,403)	(1,056,524,873)
48	Accum Prov For Amort	(64,995,003)	-	(4,127,826)	-	(4,127,826)	(69,122,829)
49	Accum Def Income Tax	(164,979,675)	-	3,115,178	(21,737,018)	18,734	(183,582,781)
50	Unamortized ITC	(14,943)	-	-	-	-	(14,943)
51	Customer Adv For Const	(7,825,157)	-	-	-	-	(7,825,157)
52	Customer Service Deposits	(408,391)	-	-	-	-	(408,391)
53	Misc Rate Base Deductions	(95,207,658)	-	(5,686,600)	2,598,391	(3,088,209)	(98,295,867)
54							
55	Total Rate Base Deductions	(1,339,211,296)	-	(57,443,652)	(19,138,627)	18,734	(1,415,774,840)
56							
57	Total Rate Base:	1,101,856,329	-	231,586,760	(19,138,627)	(186,914)	1,314,117,548
58							
59	Return on Equity	10.00%	0.21%	-3.49%	0.08%	1.04%	7.55%
60	Price Change	18,747,331	(1,512,566)	31,831,239	(562,175)	(7,782,280)	21,974,219
61							
62	TAX CALCULATION:						
63	Operating Revenue	71,194,252	1,439,465	(8,117,711)	(1,882,727)	7,388,164	(1,172,809)
64	Other Deductions	-	-	-	-	-	-
65	Interest (AFUDC)	(3,636,275)	-	-	-	-	(3,636,275)
66	Interest	27,324,362	-	-	5,265,753	-	32,590,115
67	Schedule "M" Additions	102,032,581	-	(1,752,196)	10,157,136	-	110,437,521
68	Schedule "M" Deductions	114,649,362	-	(4,690,425)	17,027,528	-	126,986,466
69	Income Before Tax	34,889,384	1,439,465	(5,179,482)	(14,018,872)	7,388,164	24,518,658
70							
71	State Income Taxes	-	-	-	-	-	-
72	Taxable Income	34,889,384	1,439,465	(5,179,482)	(14,018,872)	7,388,164	24,518,658
73							
74	Federal Income Taxes + Other	(10,240,215)	302,288	(1,087,691)	(2,943,963)	1,551,514	(12,418,068)