

UE-152253 / Pacific Power & Light Company  
January 13, 2016  
Boise 2<sup>nd</sup> Set Data Request 009

### **Boise Data Request 009**

On December 18, 2015, the President signed into law the Protecting Americans from Tax Hikes (PATH) Act of 2015, which, among other things, extended bonus depreciation and made the research and development tax credit permanent. Please recalculate the revenue requirements—for both the first and second rate periods—proposed in this proceeding in a manner that takes into consideration the provisions of the PATH Act of 2015 and provide all work papers supporting the updated revenue requirements amounts.

### **Response to Boise Data Request 009**

Please refer to Confidential Attachment Boise 009-1, Attachment Boise 009-2, and Attachment Boise 009-3 for recalculation of first rate period revenue requirement taking into account provisions of the Protecting Americans from Tax Hikes (PATH) Act of 2015. Please refer to Confidential Attachment Boise 009-4 and Attachments Boise 009-5 through 009-7 for recalculation of second rate period revenue requirement, taking into account the same PATH Act provisions. Below is a summary index of attachments provided in response to this data request:

<b>Attachment</b>	<b>Description of File</b>
Boise 009-1 - Confidential	REVISED Adj 8.4 – Major Plant Additions with Bonus Depreciation (Year 1)
Boise 009-2	REVISED Tab 7 Adj – 7.1 Interest; 7.4 PowerTax ADIT; 7.7 State Deferred Rem.
Boise 009-3	RAM/JAM with 4 adjustments above revised for Bonus Depreciation
Boise 009-4 – Confidential	REVISED Adj No. 1 through 3 from Exhibit SEM-4 (Pro Forma Major Plant additions) with Bonus Depreciation (Year 2)
Boise 009-5	REVISED State Deferred Removal (Adj No. 5 – SEM-4)
Boise 009-6	REVISED Interest True-Up (Adj No.6 – SEM-4)
Boise 009-7	REVISED Exhibit SEM-4 – Year 2 Rev Req calculation with Bonus Depreciation

Confidential information is provided subject to the terms and conditions of the protective order in this proceeding.

PREPARER: Sherona Cheung

SPONSOR: Shelley McCoy

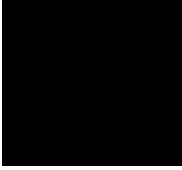
**PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Pro Forma Major Plant Additions - REVISED  
 Data Response - Boise 009**

	<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 Rate Base:</b>							
Steam Production	312	PRO	127,544,646	JBG	22.437%	28,617,198	8.4.1
<b>Adjustment to Reserve:</b>							
Accumulated Reserve	108SP	PRO	(6,174,736)	JBG	22.437%	(1,385,426)	8.4.2
<b>Adjsutment to Expense:</b>							
Depreciation Expense	403SP	PRO	9,125,236	JBG	22.437%	2,047,430	8.4.2
<b>Adjustment to Tax:</b>							
Steam Production - Sch M Adjust	SCHMAT	PRO	9,125,236	JBG	22.437%	2,047,430	8.4.3
Steam Production - Sch M Adjust	SCHMDT	PRO	6,800,471	JBG	22.437%	1,525,822	8.4.3
Steam Production - DIT Expense	41010	PRO	(882,273)	JBG	22.437%	(197,956)	8.4.3
Steam Production - AMA ADIT	282	PRO	(24,621,789)	JBG	22.437%	(5,524,392)	8.4.3

This adjustment adds into rate base major plant addition projects at Jim Bridger Unit 3 (Overhaul and Selective Catalytic Reduction system installation) placed in-service November 2015, on AMA basis for the rate effective period May 1, 2016 through April 30, 2017. Details of the project can be found on Page 8.4.1. The project is also discussed in detail in the Direct Testimony of Mr. Chad A. Teply and Mr. Rick T. Link. This adjustment also incorporates the associated depreciation expense, accumulated reserve impacts, and corresponding tax effects.

***This adjustment has been modified in response to Boise data request 0009.***

**PacifiCorp**  
**Washington Expedited Rate Filing - June 2015**  
**Pro Forma Major Plant Additions - REVISED**  
**Data Response - Boise 009**

<b>Project Description</b>	<b>Account</b>	<b>Factor</b>	<b>In-Service Date</b>	<b>Plant Additions</b>
<b>Jim Bridger Unit 3 Overhaul</b>				
Replace Cooling Tower	312	JBG	Nov-15	
APH Baskets/Reinforcement	312	JBG	Nov-15	
Replace Finishing Superheater	312	JBG	Nov-15	
Burners - Major	312	JBG	Nov-15	
SCR System - Pollution Control	312	JBG	Nov-15	
<b><i>Jim Bridger Unit 3 Overhaul Project Total</i></b>				<b><u>127,544,646</u></b>
<b>Total Capital Additions</b>				<b><u>127,544,646</u></b> <b>Ref 8.4</b>

PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Pro Forma Major Plant Additions - REVISED  
 Data Response - Boise 009

Depreciation Expense						Annual Incremental
Description	Plant Account	Depr/Amort Account	Factor	Depreciation Rate	Plant Additions Included in Adj	Depreciation Expense on Plant Adds.
<b>Plant:</b>						
Steam Production	312	403SP	JBG	7.155%	127,544,646	9,125,236
<b>Total Plant</b>					<u>127,544,646</u>	<u>9,125,236</u>
						Ref 8.4

Incremental Accumulated Reserve						
Description	Plant Account	Reserve Account	Factor	Depreciation Rate	Plant Additions Included in Adj	Incremental Reserve on Plant Adds
<b>Plant:</b>						
Steam Production	312	108SP	JBG	7.155%	127,544,646	(6,174,736)
<b>Total Plant</b>					<u>127,544,646</u>	<u>(6,174,736)</u>
						Ref 8.4

**PacifiCorp**  
**Washington Expedited Rate Filing - June 2015**  
**Pro Forma Major Plant Additions - REVISED**  
**Tax Summary**  
**Data Response - Boise 009**

Function	Allocation Factor	Plant Additions	SCHMAT Book Depreciation	SCHMDT Tax Depreciation	41010 Def Inc Tax Exp	282 AMA ADIT
Steam Production	JBG	127,544,646	9,125,236	6,800,471	(882,273)	(24,621,789)
Total		127,544,646	9,125,236	6,800,471	(882,273)	(24,621,789)

**PACIFICORP  
 WASHINGTON**  
**Normalized Results of Operations - West Control Area**  
**12 Months Ended JUNE 2015**

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	205,927,969	10,495,379	216,423,348
3 Interdepartmental	-		
4 Special Sales	-		
5 Other Operating Revenues	9,320,426		
6 Total Operating Revenues	<u>215,248,395</u>		
7			
8 Operating Expenses:			
9 Steam Production	14,047,910		
10 Nuclear Production	-		
11 Hydro Production	6,649,311		
12 Other Power Supply	9,720,488		
13 Transmission	5,578,176		
14 Distribution	11,115,084		
15 Customer Accounting	6,342,566	54,660	6,397,226
16 Customer Service & Info	761,220		
17 Sales	-		
18 Administrative & General	10,155,481		
19 Total O&M Expenses	<u>64,370,235</u>		
20 Depreciation	56,225,842		
21 Amortization	4,757,954		
22 Taxes Other Than Income	21,662,321	427,519	22,089,840
23 Income Taxes - Federal	13,081,297	3,504,620	16,585,917
24 Income Taxes - State	-	-	-
25 Income Taxes - Def Net	647,236		
26 Investment Tax Credit Adj.	-		
27 Misc Revenue & Expense	7,269		
28 Total Operating Expenses:	<u>160,752,154</u>	<u>3,986,799</u>	<u>164,738,953</u>
29			
30 Operating Rev For Return:	<u>54,496,241</u>	<u>6,508,580</u>	<u>61,004,821</u>
31			
32 Rate Base:			
33 Electric Plant In Service	1,812,053,781		
34 Plant Held for Future Use	424,723		
35 Misc Deferred Debits	397,121		
36 Elec Plant Acq Adj	-		
37 Nuclear Fuel	-		
38 Prepayments	(1)		
39 Fuel Stock	0		
40 Material & Supplies	(0)		
41 Working Capital	23,962,203		
42 Weatherization Loans	1,840,890		
43 Misc Rate Base	-		
44 Total Electric Plant:	<u>1,838,678,717</u>	<u>-</u>	<u>1,838,678,717</u>
45			
46 Rate Base Deductions:			
47 Accum Prov For Deprec	(695,354,089)		
48 Accum Prov For Amort	(52,956,681)		
49 Accum Def Income Tax	(246,981,452)		
50 Unamortized ITC	(106,780)		
51 Customer Adv For Const	(972,510)		
52 Customer Service Deposits	(3,272,583)		
53 Misc Rate Base Deductions	(3,351,815)		
54			
55 Total Rate Base Deductions	<u>(1,002,995,910)</u>	<u>-</u>	<u>(1,002,995,910)</u>
56			
57 Total Rate Base:	<u>835,682,807</u>	<u>-</u>	<u>835,682,807</u>
58			
59 Return on Rate Base	6.52%		7.300%
60 Return on Equity	7.91%		9.50%
61			
62 TAX CALCULATION:			
63 Operating Revenue	68,224,774	10,013,200	78,237,974
64 Other Deductions			
65 Interest (AFUDC)	(2,385,952)	-	(2,385,952)
66 Interest	22,012,704	-	22,012,704
67 Schedule "M" Additions	76,842,780	-	76,842,780
68 Schedule "M" Deductions	73,772,733	-	73,772,733
69 Income Before Tax	51,668,069	10,013,200	61,681,269
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>51,668,069</u>	<u>10,013,200</u>	<u>61,681,269</u>
73			
74 Federal Income Taxes + Other	<u>13,081,297</u>	<u>3,504,620</u>	<u>16,585,917</u>

**PACIFICORP  
 WASHINGTON  
 Normalized Results of Operations - West Control Area  
 12 Months Ended JUNE 2015**

Net Rate Base - Washington Jurisdiction	\$ 835,682,807	Ref. Page 1.1
Return on Rate Base Requested	<u>7.300%</u>	Ref. Page 2.1
Revenues Required to Earn Requested Return	61,004,821	
Less Current Operating Revenues	<u>(54,496,241)</u>	
Increase to Current Revenues	6,508,580	
Net to Gross Bump-up	<u>161.254%</u>	
Price Change Required for Requested Return	<u><u>\$ 10,495,379</u></u>	
Requested Price Change	\$ 10,495,379	
Uncollectible Percent	<u>0.521%</u>	Ref. Page 1.3
Increased Uncollectible Expense	<u>\$ 54,660</u>	
Requested Price Change	\$ 10,495,379	
WUTC Regulatory Fee	0.200%	Ref. Page 1.3
Revenue Tax	3.873%	Ref. Page 1.3
Resource Supplier Tax	0.000%	Ref. Page 1.3
Gross Receipts	0.000%	Ref. Page 1.3
Increase Taxes Other Than Income	<u>\$ 427,519</u>	
Requested Price Change	\$ 10,495,379	
Uncollectible Expense	(54,660)	
Taxes Other Than Income	<u>(427,519)</u>	
Income Before Taxes	<u>\$ 10,013,200</u>	
State Effective Tax Rate	<u>0.000%</u>	Ref. Page 2.1
State Income Taxes	<u>\$ -</u>	
Taxable Income	\$ 10,013,200	
Federal Income Tax Rate	<u>35.00%</u>	Ref. Page 2.1
Federal Income Taxes	<u>\$ 3,504,620</u>	
Operating Income	100.000%	
Net Operating Income	<u>62.014%</u>	Ref. Page 1.3
Net to Gross Bump-Up	<u><u>161.2539%</u></u>	

**PACIFICORP  
 WASHINGTON**  
**Normalized Results of Operations - West Control Area**  
**12 Months Ended JUNE 2015**

Operating Revenue	100.000%	
Operating Deductions		
Uncollectible Accounts	0.521% (1)	
WUTC Regulatory Fee	0.200%	
Taxes Other - Revenue Tax	3.873%	
Taxes Other - Resource Supplier	0.000%	
Taxes Other - Gross Receipts	<u>0.000%</u>	
Sub-Total	95.406%	
State Income Tax @ 0.000%	<u>0.000%</u>	
Sub-Total	95.406%	
Federal Income Tax @ 35.00%	<u>33.392%</u>	
Net Operating Income	<u><u>62.014%</u></u>	
1 Uncollectible Accounts:		
(a) Uncollectible Accounts (FERC Account 904)	1,631,117	Ref. 4.10.1. Line 2
(b) General Business Revenues	<u>313,192,771</u>	Ref. 4.10.1. Line 3
Uncollectible Accounts %	<u>0.521%</u>	(a) / (b)



**PacifiCorp  
Washington Expedited Rate Filing - June 2015  
Year-Two Revenue Requirement Calculation  
Jim Bridger Unit 4 Overhaul & SCR Installation**

	<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 Rate Base:</b>							
Steam Production	312	PRO	143,656,688	JBG	22.437%	32,232,257	Pg. 2
<b>Adjustment to Reserve:</b>							
Accumulated Reserve	108SP	PRO	(9,529,638)	JBG	22.437%	(2,138,165)	Pg. 3
<b>Adjustment to Expense:</b>							
Depreciation Expense	403SP	PRO	10,277,979	JBG	22.437%	2,306,071	Pg. 3
<b>Adjustment to Tax:</b>							
Steam Production - Sch M Adjust	SCHMAT	PRO	10,277,979	JBG	22.437%	2,306,071	Pg. 4
Steam Production - Sch M Adjust	SCHMDT	PRO	7,784,572	JBG	22.437%	1,746,625	Pg. 4
Steam Production - DIT Expense	41010	PRO	(946,270)	JBG	22.437%	(212,315)	Pg. 4
Steam Production - AMA ADIT	282	PRO	(27,038,578)	JBG	22.437%	(6,066,647)	Pg. 4

This adjustment adds into rate base Jim Bridger Unit 4 Overhaul and Selective Catalytic Reduction (SCR) system installation scheduled to be placed in-service in calendar year 2016, well in advance of the requested effective date of the Company's second-year rate increase. Net plant balances are included on an AMA basis for the rate effective period May 1, 2017 through April 30, 2018. Details of the project can be found on Page 2 of this adjustment. The Jim Bridger project is discussed in detail in the Direct Testimony of Mr. Chad A. Teply and Mr. Rick T. Link. The Company also commits to filing attestations to affirm that each project is used and useful, with costs known and measurable upon the completion of each project. This adjustment also incorporates the associated depreciation expense, accumulated reserve impacts, and corresponding tax effects.

***This adjustment has been modified in response to Boise data request 0009.***

PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Year-Two Revenue Requirement Calculation  
 Jim Bridger Unit 4 Overhaul & SCR Installation

Project Description	Account	Factor	In-Service Date	Total Company 2016 Additions	Factor %	Washington Allocated	Ref.
<b>Jim Bridger U4 Overhaul Project</b>							
Jim Bridger U4 Replace Finishing Superheater 16	312	JBG	Nov-16		22.437%		
Jim Bridger U4 Replace Hot Reheat Pipe 16	312	JBG	Nov-16		22.437%		
Jim Bridger U4 Burners - Major 16	312	JBG	Nov-16		22.437%		
Jim Bridger U4 Steam-Cooled Floor Replacement 16	312	JBG	Nov-16		22.437%		
Jim Bridger U4 Absorber Reline 16	312	JBG	Nov-16		22.437%		
Jim Bridger U4 SCR System	312	JBG	Dec-16		22.437%		
<b>Jim Bridger U4 Overhaul Project Total</b>				<b>143,656,688</b>		<b>32,232,257</b>	<b>Pg. 1</b>

PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Major Plant Additions

Depreciation Expense

Description	Plant Account	Depreciation Account	Factor	Depreciation Rate	Plant Additions Included in Adj	CY 2016 Additions			Ref.
						Increm. Expense on Plant Adds.	Factor %	Washington Allocated	
<b>Plant:</b>									
Steam Production	312	403SP	JBG	7.155%	143,656,688	10,277,979	22.437%	2,306,071	Pg. 1

Incremental Accumulated Reserve

Description	Plant Account	Reserve Account	Factor	Depreciation Rate	Plant Additions Included in Adj	CY 2016 Additions			Ref.
						Increm. Reserve on Plant Adds	Factor %	Washington Allocated	
<b>Plant:</b>									
Steam Production	312	108SP	JBG	7.155%	143,656,688	(9,529,638)	22.437%	(2,138,165)	Pg. 1

**PacifiCorp**  
**Washington Expedited Rate Filing - June 2015**  
**Year-Two Revenue Requirement Calculation**  
**Jim Bridger Unit 4 Overhaul & SCR Installation**  
**Tax Summary**

Function	Allocation Factor	Plant Additions	SCHMAT Book Depreciation	SCHMDT Tax Depreciation	41010 Def Inc Tax Exp	282 AMA ADIT
Steam Production	JBG	143,656,687	10,277,979	7,784,572	(946,270)	(27,038,578)
Total		143,656,687	10,277,979	7,784,572	(946,270)	(27,038,578)
		<i>Ref. Pg. 2</i>	<i>Ref. Pg. 1</i>	<i>Ref. Pg. 1</i>	<i>Ref. Pg. 1</i>	<i>Ref. Pg. 1</i>

**PacifiCorp**  
**Washington Expedited Rate Filing - June 2015**  
**Year-Two Revenue Requirement Calculation**  
**SCADA EMS Replacement & Upgrade**

	<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 Rate Base:</b>							
Intangible Plant	303	PRO	22,119,925	SO	6.655%	1,472,038	
General Plant	397	PRO	11,794,918	SO	6.655%	784,929	
			<u>33,914,843</u>			<u>2,256,967</u>	Pg. 2
<b>Adjustment to Reserve:</b>							
Accumulated Reserve	111IP	PRO	(1,312,401)	SO	6.655%	(87,338)	
Accumulated Reserve	108GP	PRO	(1,113,372)	SO	6.655%	(74,093)	
			<u>(2,425,773)</u>			<u>(161,430)</u>	Pg. 3
<b>Adjustment to Expense:</b>							
Amortization Expense	404IP	PRO	807,632	SO	6.655%	53,746	
Depreciation Expense	403GP	PRO	685,152	SO	6.655%	45,596	
			<u>1,492,784</u>			<u>99,342</u>	Pg. 3
<b>Adjustment to Tax:</b>							
Intangible - Sch M Adjust	SCHMAT	PRO	807,632	SO	6.655%	53,746	Pg. 4
Intangible - Sch M Adjust	SCHMDT	PRO	3,686,285	SO	6.655%	245,315	Pg. 4
Intangible - DIT Expense	41010	PRO	1,092,480	SO	6.655%	72,702	Pg. 4
Intangible - AMA ADIT	282	PRO	(6,030,935)	SO	6.655%	(401,347)	Pg. 4
General - Sch M Adjust	SCHMAT	PRO	685,152	SO	6.655%	45,596	Pg. 4
General - Sch M Adjust	SCHMDT	PRO	1,635,559	SO	6.655%	108,843	Pg. 4
General - DIT Expense	41010	PRO	360,691	SO	6.655%	24,003	Pg. 4
General - AMA ADIT	282	PRO	(2,844,164)	SO	6.655%	(189,274)	Pg. 4

This adjustment adds into rate base major plant additions associated with the SCADA EMS project upgrade, scheduled to be placed in-service by March of 2016. Net plant balances are included on an AMA basis for the rate effective period May 1, 2017 through April 30, 2018. Mr. Stuart J. Kelly discusses the details of the SCADA EMS project. in his direct testimony This adjustment also incorporates the associated depreciation expense, accumulated reserve impacts, and corresponding tax effects.

*This adjustment has been modified in response to Boise data request 0009.*

<u>Project Description</u>	<u>Account</u>	<u>Factor</u>	<u>In-Service Date</u>	<u>Total Company 2016 Additions</u>	<u>Factor %</u>	<u>Washington Allocated</u>	<u>Ref.</u>
<b>EMS/SCADA Replacement Project</b>							
EMS/SCADA Replacement / Upgrade - software	303	SO	Mar-16	22,119,925	6.655%	1,472,038	
EMS/SCADA Replacement / Upgrade - general	397	SO	Mar-16	5,133,112	6.655%	341,599	
EMS/SCADA Replacement / Upgrade - hardware	397	SO	Mar-16	6,661,806	6.655%	443,330	
<b>EMS/SCADA Replacement Total</b>				<b><u>33,914,843</u></b>		<b><u>2,256,967</u></b>	<b>Pg. 1</b>

PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Year-Two Revenue Requirement Calculation  
 SCADA EMS Replacement & Upgrade

Depreciation Expense

Description	Plant Account	Depreciation Account	Factor	Depreciation Rate	Plant Additions Included in Adj	CY 2016 Additions		Washington Allocated	Ref.
						Increm. Expense on Plant Adds.	Factor %		
<b>Plant:</b>									
Intangible	303	404IP	SO	3.651%	22,119,925	807,632	6.655%	53,746	
General	397	403GP	SO	5.809%	11,794,918	685,152	6.655%	45,596	
<b>Total Plant</b>					<u>33,914,843</u>	<u>1,492,784</u>		<u>99,342</u>	<i>Pg. 1</i>

Incremental Accumulated Reserve

Description	Plant Account	Depreciation Account	Factor	Depreciation Rate	Plant Additions Included in Adj	CY 2016 Additions		Washington Allocated	Ref.
						Increm. Reserve on Plant Adds	Factor %		
<b>Plant:</b>									
Intangible	303	111IP	SO	3.651%	22,119,925	(1,312,401)	6.655%	(87,338)	
General	397	108GP	SO	5.809%	11,794,918	(1,113,372)	6.655%	(74,093)	
<b>Total Plant</b>					<u>33,914,843</u>	<u>(2,425,773)</u>		<u>(161,430)</u>	<i>Pg. 1</i>

PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Year-Two Revenue Requirement Calculation  
 SCADA EMS Replacement & Upgrade  
 Tax Summary

Function	Allocation Factor	Plant Additions	SCHMAT Book Depreciation	SCHMDT Tax Depreciation	41010 Def Inc Tax Exp	282 AMA ADIT
Intangible Plant	SO	22,119,925	807,632	3,686,285	1,092,480	(6,030,935)
General & Hardware Pland	SO	11,794,918	685,152	1,635,559	360,691	(2,844,164)
Total		33,914,843	1,492,784	5,321,844	1,453,171	(8,875,099)

*Ref. Pg. 2**Ref. Pg. 1**Ref. Pg. 1**Ref. Pg. 1**Ref. Pg. 1*



**PacifiCorp  
Washington Expedited Rate Filing - June 2015  
Year-Two Revenue Requirement Calculation  
Union Gap Transmission Project**

	<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 Rate Base:</b>							
Transmission Plant	355	PRO	20,882,973	CAGW	22.565%	4,712,254	Pg. 2
<b>Adjustment to Reserve:</b>							
Accumulated Reserve	108TP	PRO	(560,665)	CAGW	22.565%	(126,514)	Pg. 3
<b>Adjustment to Expense:</b>							
Depreciation Expense	403TP	PRO	375,686	CAGW	22.565%	84,774	Pg. 3
<b>Adjustment to Tax:</b>							
Transmission - Sch M Adjust	SCHMAT	PRO	375,686	CAGW	22.565%	84,774	Pg. 4
Transmission - Sch M Adjust	SCHMDT	PRO	958,877	CAGW	22.565%	216,371	Pg. 4
Transmission - DIT Expense	41010	PRO	221,329	CAGW	22.565%	49,943	Pg. 4
Transmission - AMA ADIT	282	PRO	(4,197,350)	CAGW	22.565%	(947,134)	Pg. 4

This adjustment adds into rate base major plant additions associated with the Union Gap Transmission project, scheduled to be placed in-service by May of 2016. Net plant balances are included on an AMA basis for the rate effective period May 1, 2017 through April 30, 2018. Mr. Rick A. Vail discusses the details of the Union Gap Transmission project in his direct testimony. This adjustment also incorporates the associated depreciation expense, accumulated reserve impacts, and corresponding tax effects.

*This adjustment has been modified in response to Boise data request 0009.*

PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Year-Two Revenue Requirement Calculation  
 Union Gap Transmission Project

<u>Project Description</u>	<u>Account</u>	<u>Factor</u>	<u>In-Service Date</u>	<u>Total Company 2016 Additions</u>	<u>Factor %</u>	<u>Washington Allocated</u>	<u>Ref.</u>
<b>Union Gap - Transmission</b>							
Union Gap - Add 230 - 115kV Capacity - Trans	355	CAGW	May-16	20,882,973	22.565%	4,712,254	<b>Pg. 1</b>
<b>Union Gap - Transmission Total</b>				<u>20,882,973</u>		<u>4,712,254</u>	

PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Year-Two Revenue Requirement Calculation  
 Union Gap Transmission Project

Depreciation Expense						CY 2016 Additions			
Description	Plant Account	Depreciation Account	Factor	Depreciation Rate	Plant Additions Included in Adj	Increm. Expense on Plant Adds.	Factor %	Washington Allocated	Ref.
<b>Plant:</b>									
Transmission	355	403TP	CAGW	1.799%	20,882,973	375,686	22.565%	84,774	Pg. 1

Incremental Accumulated Reserve						CY 2016 Additions			
Description	Plant Account	Reserve Account	Factor	Depreciation Rate	Plant Additions Included in Adj	Increm. Reserve on Plant Adds	Factor %	Washington Allocated	Ref.
<b>Plant:</b>									
Transmission	355	108TP	CAGW	1.799%	20,882,973	(560,665)	22.565%	(126,514)	Pg. 1

**PacifiCorp**  
**Washington Expedited Rate Filing - June 2015**  
**Year-Two Revenue Requirement Calculation**  
**Union Gap Transmission Project**  
**Tax Summary**

Function	Allocation Factor	Plant Additions	SCHMAT Book Depreciation	SCHMDT Tax Depreciation	41010 Def Inc Tax Exp	282 AMA ADIT
Transmission	CAGW	20,882,973	375,686	958,877	221,329	(4,197,350)
Total		20,882,973	375,686	958,877	221,329	(4,197,350)
		<i>Ref. Pg. 2</i>	<i>Ref. Pg. 1</i>	<i>Ref. Pg. 1</i>	<i>Ref. Pg. 1</i>	<i>Ref. Pg. 1</i>

**PacifiCorp**  
**Washington Expedited Rate Filing - June 2015**  
**Year-Two Revenue Requirement Calculation - Summary of Adjustments**  
**Year-Two Incremental Revenue Requirement Adjustment Summary**

The table below presents the Company's pro forma ratemaking adjustments and their impact on net operating income (NOI), rate base, and the Washington revenue requirement for the second step rate increase request in the Company's proposed Two-Year Rate Plan.

A	B	C	D	E	F	
Line No.	Adj. No.	Adj. Description	NOI	Rate Base	Rev. Req.	Reference
1		Jim Bridger Unit 4 Overhaul & SCR Installation - REVISED	(1,482,437)	24,027,445	5,218,907	Attachment Boise 009-4 CONF
2		SCADA EMS Replacement & Upgrade - REVISED	(72,092)	1,504,916	293,404	Attachment Boise 009-4 CONF
3		Union Gap Transmission Project - REVISED	(58,987)	3,638,605	523,440	Attachment Boise 009-4 CONF
4		Production Tax Credit	(2,625,951)	-	4,234,464	Exhibit No.__(SEM-4), Tab 2, Adj. 4
5		Remove Deferred State Tax Expense & Balance - REVISED	(5,106)	(2,553)	7,933	Attachment Boise 009-5
6		Interest True Up - REVISED	268,914	-	(433,635)	Attachment Boise 009-6
7						
8		<b>Subtotal Normalizing Adjustments</b>	<b>(3,975,659)</b>	<b>29,168,413</b>	<b>9,844,513</b>	
9						
10		<b>Total Incremental Revenue Requirement</b>	<b>(3,975,659)</b>	<b>29,168,413</b>	<b>9,844,513</b>	
11						
12						

Notes:

(1) The revenue requirement column is calculated using the Company's approved return on rate base of 7.30% and NOI conversion factor of 62.014%. The development of these percentages can be found in Exhibit No.\_\_(SEM-3) on pages 2.1 and 1.3 respectively.

PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Year-Two Revenue Requirement Calculation - Summary of Adjustments

Attachment Boise 009-7  
 Tab 1  
 Page 2 of 2

PacifiCorp  
 Washington Expedited Rate Filing - June 2015  
 Year-Two Revenue Requirement Calculation  
 Variables

1	Capital Structure and Cost	Embedded Cost	Weighted Cost
2	(Page 2.1 of Exhibit No.__(SEM-3))		
3	Capital Structure		
4	DEBT%	5.177%	2.63%
5	PREFERRED %	6.750%	0.00%
6	COMMON %	9.500%	4.66%
7			7.30%

8	Net to Gross Bump-up Factor	Operating Revenue
9	(Page 1.3 of Exhibit No.__(SEM-3))	
10	Operating Revenue	100.000%
11		
12		
13	Operating Deductions	
14	Uncollectable Accounts	0.521%
15	WUTC Regulatory Fee	0.200%
16	WUTC Public Utility Tax	3.873%
17	Taxes Other - Resource Supplier	0.000%
18	Taxes Other - Gross Receipts	0.000%
19		
20	Sub-Total	95.406%
21		
22	State Taxes	0.000%
23		
24	Sub-Total	95.406%
25		
26	Federal Income Tax @ 35.00%	33.392%
27		
28	Net Operating Income	62.014%
29		
30		

31	West Control Area Allocation Factors from UE-15	Operating Revenue for Return
32	(Page 10.2 of Exhibit No.__(SEM-3))	
33	Washington CAGW Factor	22.5651%
34	Washington CAEW Factor	22.8607%
35	Washington JBG Factor	22.4370%
36	Washington SO Factor	6.6548%
37		

38	Normalized Results from UE-15	Rate Base
39	(Page 1.1 of Exhibit No.__(SEM-3))	
40	Operating Revenue for Return	61,183,039
41	Rate Base	838,124,164
42	BOE	9.50%

	1	2	3	4	5	6
	Jim Bridger Unit 4 Overhaul & SCR Installation - REVISED	SCADA EMS Replacement & Upgrade - REVISED	Union Gap Transmission Project - REVISED	Production Tax Credit	Remove Deferred State Tax Expense & Balance - REVISED	Interest True Up - REVISED
1 Total Incremental Revenue Requirement (Year Two)						
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