

Docket UE-991832
Exhibit __ (DLT-3)
REVISED 5/9/00

| | | |
|-------------------------------------|--------------------------|--------------------------|
| WUTC | | |
| DOCKET NO. | UE-991832 | |
| EXHIBIT # | 213 | |
| ADMIT | W/D | REJECT |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PACIFICORP

Revised Exhibit Accompanying Testimony of David L. Taylor

Cost of Service Results by Class and Function

May 2000

Class Summary

PacifiCorp
 Cost Of Service By Rate Schedule - All Functions
 State of Washington
 BaseCase - Full Functionalization
 12 Months Ending December 31, 1998

| A | B | C | D | F | G | H | I | J | K |
|-------------|--|------------------------|-------------------------------|-----------------------------------|----------------------------------|----------------------|---------------------------------------|--------------------------|------------------|
| DESCRIPTION | Washington Jurisdiction Normalized | Residential Sch. 16 | General Service Sch. 24 | Lrg General Service Sch. 36 | Lrg Power Service Sch. 48T | Irrigation Sch 40 | Street & Area Sch. 15, 52,54,57 | Other Sch. Sch. 38,42 | |
| 14 | Operating Revenues | 274,836,628 | 119,685,961 | 38,575,550 | 66,605,206 | 36,360,362 | 11,946,246 | 1,571,882 | 91,420 |
| 15 | | | | | | | | | |
| 16 | Operating Expenses | | | | | | | | |
| 17 | Operation & Maintenance Expenses | 184,662,236 | 81,103,260 | 24,434,796 | 44,879,668 | 25,262,164 | 8,133,207 | 786,982 | 62,159 |
| 18 | Depreciation Expense | 28,066,452 | 12,550,883 | 3,896,236 | 6,598,365 | 3,502,703 | 1,275,576 | 232,113 | 10,575 |
| 19 | Amortization Expense | 3,181,732 | 1,580,763 | 415,624 | 613,634 | 333,430 | 206,152 | 30,435 | 1,694 |
| 20 | Taxes Other Than Income | 6,574,959 | 2,927,806 | 909,775 | 1,560,764 | 836,617 | 300,784 | 36,813 | 2,400 |
| 21 | Income Taxes - Federal | 11,128,523 | 4,832,741 | 1,518,163 | 2,730,305 | 1,491,236 | 504,587 | 47,709 | 3,782 |
| 22 | Income Taxes - State | 1,891,788 | 821,471 | 258,071 | 464,188 | 253,542 | 85,771 | 8,103 | 643 |
| 23 | Income Taxes Deferred | (439,101) | (485,211) | (31,575) | 131,379 | 66,264 | (98,050) | (20,939) | (968) |
| 24 | Investment Tax Credit Adj | - | - | - | - | - | - | - | - |
| 25 | Misc Revenues & Expense | 1,089,274 | 455,640 | 147,261 | 280,208 | 155,298 | 47,857 | 2,681 | 329 |
| 26 | Total Operating Expenses | 236,155,862 | 103,787,353 | 31,548,351 | 57,258,509 | 31,901,254 | 10,455,883 | 1,123,897 | 80,614 |
| 27 | | | | | | | | | |
| 28 | Operating Revenue For Return | 38,680,766 | 15,898,608 | 7,027,199 | 9,346,696 | 4,459,108 | 1,490,363 | 447,986 | 10,806 |
| 29 | | | | | | | | | |
| 30 | Rate Base : | | | | | | | | |
| 31 | Electric Plant In Service | 951,764,454 | 423,330,712 | 131,120,496 | 226,436,660 | 121,260,694 | 43,540,932 | 5,727,248 | 347,812 |
| 32 | Plant Held For Future Use | 193,223 | 83,039 | 26,418 | 48,116 | 26,221 | 8,590 | 776 | 63 |
| 33 | Electric Plant Acquisition Adj | 3,589,508 | 1,501,480 | 485,273 | 923,375 | 611,767 | 167,704 | 8,836 | 1,083 |
| 34 | Prepayments | 1,962,500 | 1,000,676 | 248,665 | 354,142 | 197,137 | 141,114 | 19,625 | 1,140 |
| 35 | Fuel Stock | 3,761,158 | 1,537,785 | 464,633 | 991,713 | 593,127 | 158,361 | 14,502 | 1,037 |
| 36 | Materials & Supplies | 7,338,749 | 3,146,073 | 1,002,345 | 1,833,086 | 1,000,657 | 325,882 | 28,412 | 2,393 |
| 37 | Misc Deferred Debits | 11,664,692 | 4,989,792 | 1,591,760 | 2,921,368 | 1,596,815 | 517,490 | 43,697 | 3,779 |
| 38 | Cash Working Capital | 3,420,860 | 1,585,900 | 432,179 | 788,363 | 447,774 | 162,439 | 12,954 | 1,250 |
| 39 | Weatherization Loans | 3,756,286 | 1,559,426 | 493,224 | 974,328 | 554,476 | 162,739 | 10,992 | 1,101 |
| 40 | Miscellaneous Rate Base | 3,383,631 | 1,404,718 | 444,292 | 877,666 | 499,468 | 146,594 | 9,902 | 992 |
| 41 | Total Rate Base Additions | 990,835,061 | 440,139,602 | 136,309,275 | 236,148,718 | 126,688,027 | 45,311,845 | 5,876,943 | 360,650 |
| 42 | | | | | | | | | |
| 43 | Rate Base Deductions : | | | | | | | | |
| 44 | Accum Provision For Depreciation | (319,952,425) | (141,004,067) | (43,704,915) | (77,297,949) | (41,430,087) | (14,306,802) | (2,094,671) | (113,935) |
| 45 | Accum Provision For Amortization | (10,481,560) | (4,939,932) | (1,401,782) | (2,254,941) | (1,219,563) | (676,636) | (84,999) | (4,708) |
| 46 | Accum Deferred Income Taxes | (37,940,161) | (16,821,955) | (5,348,836) | (9,051,097) | (4,741,763) | (1,724,062) | (238,539) | (13,919) |
| 47 | Unamortized ITC | (2,875,798) | (1,271,457) | (398,471) | (689,932) | (370,010) | (129,678) | (15,325) | (1,025) |
| 48 | Customer Advance For Construction | 78,364 | 38,702 | 30,050 | - | - | 9,538 | - | 74 |
| 49 | Customer Service Deposits | - | - | - | - | - | - | - | - |
| 50 | Misc Rate Base Deductions | (10,949,700) | (4,586,196) | (1,461,254) | (2,811,791) | (1,575,615) | (478,662) | (32,871) | (3,311) |
| 51 | Total Rate Base Deductions | (382,121,279) | (168,584,904) | (52,285,207) | (92,105,711) | (49,337,028) | (17,205,202) | (2,466,404) | (136,823) |
| 52 | Total Rate Base | 608,713,781 | 271,554,699 | 84,024,068 | 144,043,007 | 77,350,999 | 28,106,644 | 3,410,538 | 223,827 |
| 53 | | | | | | | | | |
| 54 | Calculated Return On Rate Base | 6.35% | 5.85% | 8.36% | 6.49% | 5.76% | 5.30% | 13.14% | 4.83% |
| 55 | | | | | | | | | |
| 56 | Return On Rate Base @ Earned ROR 6.355% | 38,680,766 | 17,255,965 | 5,339,316 | 9,153,224 | 4,915,275 | 1,786,039 | 216,723 | 14,223 |
| 57 | Total Operating Expenses Adjusted for Taxes | 236,155,862 | 103,787,353 | 31,548,351 | 57,258,509 | 31,901,254 | 10,455,883 | 1,123,897 | 80,614 |
| 58 | Revenue Credits | (104,101,083) | (43,463,595) | (13,800,377) | (26,827,133) | (15,144,095) | (4,533,434) | (301,136) | (31,312) |
| 59 | Total Revenue Requirements | 170,735,545 | 77,579,723 | 23,087,290 | 39,584,601 | 21,672,434 | 7,708,488 | 1,039,483 | 63,525 |
| 60 | Class Revenue | 170,735,545 | 76,222,366 | 24,775,173 | 39,778,073 | 21,216,267 | 7,412,812 | 1,270,746 | 60,108 |
| 61 | Increase / (Decrease) Required to | | | | | | | | |
| 62 | Earn Equal Rates of Return | (0) | 1,357,357 | (1,687,883) | (193,472) | 456,167 | 295,676 | (231,263) | 3,417 |
| 63 | Percent % | 0.00% | 1.78% | -6.81% | -0.49% | 2.15% | 3.99% | -18.20% | 5.69% |
| 64 | | | | | | | | | |
| 65 | Return On Rate Base @ Target ROR 8.978% | 54,650,909 | 24,380,442 | 7,543,762 | 12,932,320 | 6,944,647 | 2,523,442 | 306,201 | 20,095 |
| 66 | Total Operating Expenses Adjusted for Taxes | 246,023,612 | 108,189,477 | 32,910,450 | 59,593,565 | 33,155,177 | 10,911,515 | 1,179,184 | 84,243 |
| 67 | Revenue Credits | (104,101,083) | (43,463,595) | (13,800,377) | (26,827,133) | (15,144,095) | (4,533,434) | (301,136) | (31,312) |
| 68 | Total Target Revenue Requirements | 196,673,438 | 89,106,324 | 26,653,835 | 45,698,752 | 24,955,729 | 8,901,523 | 1,184,249 | 73,026 |
| 69 | Class Revenue | 170,735,545 | 76,222,366 | 24,775,173 | 39,778,073 | 21,216,267 | 7,412,812 | 1,270,746 | 60,108 |
| 70 | Increase / (Decrease) Required to | | | | | | | | |
| 71 | Earn Target Rate of Return | 25,837,893 | 12,883,958 | 1,878,662 | 5,920,679 | 3,739,462 | 1,488,711 | (86,497) | 12,918 |

Generation Summary

PacifiCorp
 Cost Of Service By Rate Schedule - Generation Function
 State of Washington
 BaseCase - Full Functionalization
 12 Months Ending December 31, 1998

| A | B | C | D | E | F | G | H | I | J |
|-------------|---|--|------------------------|-------------------------------|-----------------------------------|----------------------------------|----------------------|---------------------------------------|--------------------------|
| DESCRIPTION | | Washington Jurisdiction Normalized | Residential Sch. 16 | General Service Sch. 24 | Lrg General Service Sch. 36 | Lrg Power Service Sch. 48T | Irrigation Sch 40 | Street & Area Sch. 15, 52,54,57 | Other Sch. Sch. 38,42 |
| 13 | | | | | | | | | |
| 14 | Operating Expenses | | | | | | | | |
| 15 | Operation & Maintenance Expenses | 147,555,035 | 61,537,973 | 19,456,610 | 38,073,495 | 21,573,146 | 6,411,186 | 458,709 | 43,915 |
| 16 | Depreciation Expense | 12,507,803 | 5,231,880 | 1,690,838 | 3,217,607 | 1,783,394 | 549,507 | 30,804 | 3,774 |
| 17 | Amortization Expense | 1,397,621 | 599,977 | 188,028 | 346,932 | 191,894 | 65,491 | 4,832 | 467 |
| 18 | Taxes Other Than Income | 3,147,854 | 1,315,319 | 422,803 | 810,593 | 451,923 | 138,153 | 8,116 | 946 |
| 19 | Income Taxes - Federal | 6,198,700 | 2,590,104 | 832,577 | 1,596,205 | 889,920 | 272,049 | 15,983 | 1,863 |
| 20 | Income Taxes - State | 1,055,597 | 441,077 | 141,782 | 271,823 | 151,547 | 46,328 | 2,722 | 317 |
| 21 | Income Taxes Deferred | (658,665) | (275,221) | (88,468) | (169,611) | (94,562) | (28,908) | (1,698) | (198) |
| 22 | Investment Tax Credit Adj | - | - | - | - | - | - | - | - |
| 23 | Misc Revenues & Expense | (328,881) | (137,570) | (44,462) | (84,602) | (46,889) | (14,449) | (810) | (99) |
| 24 | Total Operating Expenses | 170,875,063 | 71,303,539 | 22,599,708 | 44,062,442 | 24,900,374 | 7,439,357 | 518,658 | 50,986 |
| 25 | | | | | | | | | |
| 26 | Rate Base : | | | | | | | | |
| 27 | Electric Plant In Service | 454,334,122 | 189,709,661 | 61,006,207 | 117,103,690 | 65,314,589 | 19,895,645 | 1,168,167 | 136,164 |
| 28 | Plant Held For Future Use | 22,056 | 9,779 | 3,056 | 5,277 | 2,813 | 994 | 129 | 8 |
| 29 | Electric Plant Acquisition Adj | 3,589,508 | 1,501,480 | 485,273 | 923,375 | 511,757 | 157,704 | 8,836 | 1,083 |
| 30 | Prepayments | 1,401,743 | 667,415 | 180,998 | 292,097 | 163,187 | 87,486 | 9,887 | 673 |
| 31 | Fuel Stock | 3,761,158 | 1,537,785 | 464,633 | 991,713 | 593,127 | 158,361 | 14,502 | 1,037 |
| 32 | Materials & Supplies | 6,172,654 | 2,582,002 | 834,494 | 1,587,871 | 880,037 | 271,193 | 15,195 | 1,863 |
| 33 | Misc Deferred Debits | 6,236,413 | 2,608,672 | 843,113 | 1,604,272 | 889,127 | 273,994 | 15,352 | 1,882 |
| 34 | Cash Working Capital | 3,292,558 | 1,373,164 | 434,157 | 849,576 | 481,385 | 143,060 | 10,236 | 980 |
| 35 | Weatherization Loans | - | - | - | - | - | - | - | - |
| 36 | Miscellaneous Rate Base | 3,383,631 | 1,404,718 | 444,292 | 877,666 | 499,468 | 146,594 | 9,902 | 992 |
| 37 | Total Rate Base Additions | 482,193,844 | 201,394,677 | 64,696,222 | 124,235,537 | 69,335,492 | 21,135,031 | 1,252,205 | 144,681 |
| 38 | | | | | | | | | |
| 39 | Rate Base Deductions : | | | | | | | | |
| 40 | Accum Provision For Depreciation | (172,506,864) | (71,990,247) | (23,112,995) | (44,491,171) | (24,865,002) | (7,546,273) | (449,588) | (51,587) |
| 41 | Accum Provision For Amortization | (3,874,430) | (1,640,857) | (521,164) | (981,436) | (544,797) | (171,869) | (13,090) | (1,218) |
| 42 | Accum Deferred Income Taxes | (14,786,737) | (6,173,172) | (1,985,903) | (3,812,102) | (2,125,914) | (647,453) | (37,764) | (4,429) |
| 43 | Unamortized ITC | (1,397,606) | (583,668) | (187,915) | (360,176) | (200,650) | (61,231) | (3,547) | (419) |
| 44 | Customer Advance For Construction | - | - | - | - | - | - | - | - |
| 45 | Customer Service Deposits | - | - | - | - | - | - | - | - |
| 46 | Misc Rate Base Deductions | (10,449,124) | (4,352,809) | (1,390,370) | (2,700,243) | (1,518,632) | (455,582) | (28,385) | (3,103) |
| 47 | Total Rate Base Deductions | (203,014,761) | (84,740,752) | (27,198,347) | (52,345,128) | (29,254,994) | (8,882,408) | (532,374) | (60,757) |
| 48 | Total Rate Base | 279,179,083 | 116,653,925 | 37,497,875 | 71,890,408 | 40,080,497 | 12,252,623 | 719,831 | 83,924 |
| 49 | | | | | | | | | |
| 50 | Return On Rate Base @ Earned ROR | 6.355% | | | | | | | |
| 51 | Total Operating Expenses Adjusted for Taxes | 170,875,063 | 71,303,539 | 22,599,708 | 44,062,442 | 24,900,374 | 7,439,357 | 518,658 | 50,986 |
| 52 | Revenue Credits | (97,248,241) | (40,483,587) | (12,873,561) | (25,149,461) | (14,208,937) | (4,229,838) | (274,045) | (28,812) |
| 53 | Total Earned Revenue Requirements | 91,367,279 | 38,232,734 | 12,108,952 | 23,481,263 | 13,238,355 | 3,988,113 | 290,355 | 27,507 |
| 54 | | | | | | | | | |
| 55 | Return On Rate Base @ Target ROR | 8.978% | | | | | | | |
| 56 | Total Operating Expenses Adjusted for Taxes | 175,400,785 | 73,194,595 | 23,207,579 | 45,227,844 | 25,550,112 | 7,637,982 | 530,327 | 52,346 |
| 57 | Revenue Credits | (97,248,241) | (40,483,587) | (12,873,561) | (25,149,461) | (14,208,937) | (4,229,838) | (274,045) | (28,812) |
| 58 | Total Target Revenue Requirements | 103,217,511 | 43,184,309 | 13,700,613 | 26,532,773 | 14,939,640 | 4,508,197 | 320,909 | 31,069 |

Transmission Summary

PacifiCorp
 Cost Of Service By Rate Schedule - Transmission Function
 State of Washington
 BaseCase - Full Functionalization
 12 Months Ending December 31, 1998

| A | B | C | D | E | F | G | H | I | J | |
|-------------|--|--|------------------------|-------------------------------|-----------------------------------|----------------------------------|----------------------|---------------------------------------|--------------------------|-------|
| DESCRIPTION | | Washington Jurisdiction Normalized | Residential Sch. 16 | General Service Sch. 24 | Lrg General Service Sch. 36 | Lrg Power Service Sch. 48T | Irrigation Sch 40 | Street & Area Sch. 15, 52,54,57 | Other Sch. Sch. 38,42 | |
| 13 | | | | | | | | | | |
| 14 | <u>Operating Expenses</u> | | | | | | | | | |
| 15 | Operation & Maintenance Expenses | 14,094,812 | 5,995,530 | 1,914,474 | 3,553,865 | 1,953,892 | 623,124 | 49,443 | 4,484 | |
| 16 | Depreciation Expense | 4,470,850 | 1,870,143 | 604,423 | 1,150,094 | 637,411 | 196,425 | 11,006 | 1,349 | |
| 17 | Amortization Expense | 498,689 | 210,864 | 67,286 | 126,427 | 70,010 | 22,512 | 1,432 | 157 | |
| 18 | Taxes Other Than Income | 1,329,016 | 556,133 | 179,616 | 341,717 | 189,392 | 58,478 | 3,279 | 402 | |
| 19 | Income Taxes - Federal | 2,865,850 | 1,199,229 | 387,319 | 736,869 | 408,398 | 126,100 | 7,070 | 866 | |
| 20 | Income Taxes - State | 486,103 | 203,412 | 65,697 | 124,987 | 69,272 | 21,389 | 1,199 | 147 | |
| 21 | Income Taxes Deferred | 1,130,009 | 472,858 | 152,720 | 290,548 | 161,032 | 49,721 | 2,788 | 342 | |
| 22 | Investment Tax Credit Adj | - | - | - | - | - | - | - | - | |
| 23 | Misc Revenues & Expense | (12,022) | (5,029) | (1,625) | (3,093) | (1,714) | (528) | (30) | (4) | |
| 24 | <u>Total Operating Expenses</u> | <u>24,863,307</u> | <u>10,503,140</u> | <u>3,369,909</u> | <u>6,321,415</u> | <u>3,487,693</u> | <u>1,097,221</u> | <u>76,186</u> | <u>7,743</u> | |
| 25 | | | | | | | | | | |
| 26 | <u>Rate Base :</u> | | | | | | | | | |
| 27 | Electric Plant In Service | 200,992,717 | 84,074,629 | 27,172,614 | 51,703,925 | 28,655,598 | 8,830,531 | 494,771 | 60,648 | |
| 28 | Plant Held For Future Use | 132,494 | 56,113 | 18,005 | 33,587 | 18,475 | 5,852 | 420 | 42 | |
| 29 | Electric Plant Acquisition Adj | - | - | - | - | - | - | - | - | |
| 30 | Prepayments | 187,063 | 112,782 | 21,666 | 18,945 | 11,053 | 19,252 | 3,202 | 163 | |
| 31 | Fuel Stock | - | - | - | - | - | - | - | - | |
| 32 | Materials & Supplies | 219,576 | 91,848 | 29,685 | 56,484 | 31,305 | 9,647 | 541 | 66 | |
| 33 | Misc Deferred Debts | 3,553,411 | 1,486,381 | 480,393 | 914,089 | 506,611 | 156,118 | 8,747 | 1,072 | |
| 34 | Cash Working Capital | 73,732 | 31,363 | 10,015 | 18,591 | 10,221 | 3,260 | 259 | 23 | |
| 35 | Weatherization Loans | - | - | - | - | - | - | - | - | |
| 36 | Miscellaneous Rate Base | - | - | - | - | - | - | - | - | |
| 37 | <u>Total Rate Base Additions</u> | <u>205,158,993</u> | <u>85,853,117</u> | <u>27,732,377</u> | <u>52,745,621</u> | <u>29,233,264</u> | <u>9,024,659</u> | <u>507,940</u> | <u>62,015</u> | |
| 38 | | | | | | | | | | |
| 39 | <u>Rate Base Deductions :</u> | | | | | | | | | |
| 40 | Accum Provision For Depreciation | (61,118,786) | (25,565,799) | (8,262,773) | (15,722,366) | (8,713,726) | (2,685,228) | (150,452) | (18,442) | |
| 41 | Accum Provision For Amortization | (2,312,808) | (981,780) | (311,477) | (584,172) | (323,751) | (102,837) | (8,057) | (733) | |
| 42 | Accum Deferred Income Taxes | (6,726,743) | (2,813,037) | (909,464) | (1,730,961) | (959,342) | (295,474) | (16,437) | (2,028) | |
| 43 | Unamortized ITC | (599,080) | (250,531) | (80,996) | (154,156) | (85,437) | (26,315) | (1,464) | (181) | |
| 44 | Customer Advance For Construction | (13,431) | (6,634) | (5,151) | - | - | (1,635) | - | (13) | |
| 45 | Customer Service Deposits | - | - | - | - | - | - | - | - | |
| 46 | Misc Rate Base Deductions | (202,873) | (84,861) | (27,427) | (52,188) | (28,924) | (8,913) | (499) | (61) | |
| 47 | <u>Total Rate Base Deductions</u> | <u>(70,973,722)</u> | <u>(29,702,642)</u> | <u>(9,597,287)</u> | <u>(18,243,843)</u> | <u>(10,111,180)</u> | <u>(3,120,402)</u> | <u>(176,910)</u> | <u>(21,458)</u> | |
| 48 | <u>Total Rate Base</u> | <u>134,185,271</u> | <u>56,150,475</u> | <u>18,135,090</u> | <u>34,501,778</u> | <u>19,122,084</u> | <u>5,904,258</u> | <u>331,030</u> | <u>40,557</u> | |
| 49 | | | | | | | | | | |
| 50 | <u>Return On Rate Base @ Earned ROR</u> | 6.355% | 8,526,814 | 3,568,086 | 1,152,396 | 2,192,418 | 1,215,114 | 375,187 | 21,035 | 2,577 |
| 51 | <u>Total Operating Expenses Adjusted for Taxes</u> | 24,863,307 | 10,503,140 | 3,369,909 | 6,321,415 | 3,487,693 | 1,097,221 | 76,186 | 7,743 | |
| 52 | Revenue Credits | (5,957,780) | (2,499,305) | (800,393) | (1,527,774) | (851,334) | (261,060) | (16,095) | (1,820) | |
| 53 | <u>Total Earned Revenue Requirements</u> | <u>27,432,341</u> | <u>11,571,922</u> | <u>3,721,912</u> | <u>6,986,059</u> | <u>3,851,473</u> | <u>1,211,347</u> | <u>81,127</u> | <u>8,500</u> | |
| 54 | | | | | | | | | | |
| 55 | <u>Return On Rate Base @ Target ROR</u> | 8.978% | 12,047,283 | 5,041,244 | 1,628,186 | 3,097,603 | 1,716,799 | 530,090 | 29,720 | 3,641 |
| 56 | <u>Total Operating Expenses Adjusted for Taxes</u> | 27,038,561 | 11,413,385 | 3,663,894 | 6,880,717 | 3,797,677 | 1,192,934 | 81,553 | 8,401 | |
| 57 | Revenue Credits | (5,957,780) | (2,499,305) | (800,393) | (1,527,774) | (851,334) | (261,060) | (16,095) | (1,820) | |
| 58 | <u>Total Target Revenue Requirements</u> | <u>33,128,063</u> | <u>13,955,324</u> | <u>4,491,687</u> | <u>8,450,546</u> | <u>4,663,143</u> | <u>1,461,964</u> | <u>95,178</u> | <u>10,222</u> | |

Distribution Summary

PacifiCorp
 Cost Of Service By Rate Schedule - Distribution Function
 State of Washington
 BaseCase - Full Functionalization
 12 Months Ending December 31, 1998

| A | B | C | D | E | F | G | H | I | J |
|-------------|---|--|------------------------|-------------------------------|-----------------------------------|----------------------------------|----------------------|---------------------------------------|--------------------------|
| DESCRIPTION | | Washington Jurisdiction Normalized | Residential Sch. 16 | General Service Sch. 24 | Lrg General Service Sch. 36 | Lrg Power Service Sch. 48T | Irrigation Sch 40 | Street & Area Sch. 15, 52,54,57 | Other Sch. Sch. 38,42 |
| 13 | | | | | | | | | |
| 14 | Operating Expenses | | | | | | | | |
| 15 | Operation & Maintenance Expenses | 13,381,586 | 6,210,297 | 1,997,811 | 2,877,585 | 1,549,327 | 599,364 | 141,615 | 5,587 |
| 16 | Depreciation Expense | 10,973,356 | 5,368,578 | 1,588,904 | 2,228,607 | 1,080,239 | 514,262 | 187,448 | 5,318 |
| 17 | Amortization Expense | 635,851 | 314,453 | 91,771 | 128,419 | 62,013 | 30,907 | 7,981 | 308 |
| 18 | Taxes Other Than Income | 2,058,648 | 1,024,281 | 303,219 | 410,866 | 196,515 | 98,493 | 24,276 | 997 |
| 19 | Income Taxes - Federal | 1,838,457 | 914,725 | 270,787 | 366,920 | 175,496 | 87,959 | 21,679 | 890 |
| 20 | Income Taxes - State | 311,837 | 155,155 | 45,931 | 62,237 | 29,767 | 14,919 | 3,677 | 151 |
| 21 | Income Taxes Deferred | 180,972 | 90,043 | 26,655 | 36,118 | 17,275 | 8,658 | 2,134 | 88 |
| 22 | Investment Tax Credit Adj | - | - | - | - | - | - | - | - |
| 23 | Misc Revenues & Expense | 1,430,177 | 598,239 | 193,349 | 367,903 | 203,901 | 62,834 | 3,521 | 432 |
| 24 | Total Operating Expenses | 30,810,884 | 14,675,772 | 4,518,427 | 6,478,654 | 3,314,534 | 1,417,397 | 392,331 | 13,770 |
| 25 | | | | | | | | | |
| 26 | Rate Base : | | | | | | | | |
| 27 | Electric Plant In Service | 288,283,594 | 143,826,324 | 42,081,622 | 57,482,378 | 27,172,256 | 13,718,708 | 3,860,890 | 141,416 |
| 28 | Plant Held For Future Use | 36,079 | 15,996 | 4,999 | 8,632 | 4,602 | 1,626 | 211 | 13 |
| 29 | Electric Plant Acquisition Adj | - | - | - | - | - | - | - | - |
| 30 | Prepayments | 274,661 | 175,297 | 32,444 | 20,499 | 10,824 | 29,471 | 5,861 | 264 |
| 31 | Fuel Stock | - | - | - | - | - | - | - | - |
| 32 | Materials & Supplies | 946,518 | 472,223 | 138,166 | 188,731 | 89,214 | 45,042 | 12,676 | 464 |
| 33 | Misc Deferred Debits | 1,143,016 | 570,257 | 166,850 | 227,912 | 107,735 | 54,393 | 15,308 | 561 |
| 34 | Cash Working Capital | (472,478) | (219,274) | (70,539) | (101,602) | (54,704) | (21,162) | (5,000) | (197) |
| 35 | Weatherization Loans | - | - | - | - | - | - | - | - |
| 36 | Miscellaneous Rate Base | - | - | - | - | - | - | - | - |
| 37 | Total Rate Base Additions | 290,211,390 | 144,840,825 | 42,353,541 | 57,826,550 | 27,329,928 | 13,828,078 | 3,889,947 | 142,521 |
| 38 | | | | | | | | | |
| 39 | Rate Base Deductions : | | | | | | | | |
| 40 | Accum Provision For Depreciation | (86,208,329) | (43,364,931) | (12,316,654) | (17,082,283) | (7,849,642) | (4,059,379) | (1,491,675) | (43,766) |
| 41 | Accum Provision For Amortization | (3,141,810) | (1,514,515) | (446,968) | (663,742) | (331,699) | (147,955) | (35,512) | (1,419) |
| 42 | Accum Deferred Income Taxes | (17,692,785) | (8,825,868) | (2,590,792) | (3,540,866) | (1,672,249) | (850,993) | (203,427) | (8,590) |
| 43 | Unamortized ITC | (879,111) | (437,258) | (129,560) | (175,600) | (83,923) | (42,032) | (10,313) | (425) |
| 44 | Customer Advance For Construction | (86,614) | (42,777) | (33,214) | - | - | (10,542) | - | (81) |
| 45 | Customer Service Deposits | - | - | - | - | - | - | - | - |
| 46 | Misc Rate Base Deductions | (297,703) | (148,526) | (43,457) | (59,361) | (28,060) | (14,167) | (3,987) | (146) |
| 47 | Total Rate Base Deductions | (108,306,353) | (54,333,875) | (15,560,644) | (21,521,851) | (9,965,573) | (5,125,068) | (1,744,914) | (54,428) |
| 48 | Total Rate Base | 181,905,037 | 90,506,949 | 26,792,897 | 36,304,699 | 17,364,355 | 8,703,011 | 2,145,033 | 88,093 |
| 49 | | | | | | | | | |
| 50 | Return On Rate Base @ Earned ROR | 6.355% | 11,559,170 | 5,751,271 | 1,702,557 | 2,306,985 | 1,103,419 | 553,034 | 5,598 |
| 51 | Total Operating Expenses Adjusted for Taxes | | 30,810,884 | 14,675,772 | 4,518,427 | 6,478,654 | 3,314,534 | 1,417,397 | 13,770 |
| 52 | Revenue Credits | | (639,519) | (290,850) | (87,651) | (147,246) | (83,687) | (28,420) | (248) |
| 53 | Total Earned Revenue Requirements | | 41,730,535 | 20,136,193 | 6,133,333 | 8,638,393 | 4,334,266 | 1,942,011 | 19,120 |
| 54 | | | | | | | | | |
| 55 | Return On Rate Base @ Target ROR | 8.978% | 16,331,609 | 8,125,801 | 2,405,492 | 3,259,471 | 1,558,988 | 781,365 | 7,909 |
| 56 | Total Operating Expenses Adjusted for Taxes | | 33,759,714 | 16,142,964 | 4,952,762 | 7,067,183 | 3,596,024 | 1,558,480 | 15,198 |
| 57 | Revenue Credits | | (639,519) | (290,850) | (87,651) | (147,246) | (83,687) | (28,420) | (248) |
| 58 | Total Target Revenue Requirements | | 49,451,804 | 23,977,915 | 7,270,603 | 10,179,407 | 5,071,326 | 2,311,425 | 22,859 |

Retail Customer

PacifiCorp
 Cost Of Service By Rate Schedule - Retail Services Function
 State of Washington
 BaseCase - Full Functionalization
 12 Months Ending December 31, 1998

| A | B | C | D | E | F | G | H | I | J | |
|-------------|--|--|------------------------|-------------------------------|-----------------------------------|----------------------------------|----------------------|---------------------------------------|--------------------------|------------|
| DESCRIPTION | | Washington Jurisdiction Normalized | Residential Sch. 16 | General Service Sch. 24 | Lrg General Service Sch. 36 | Lrg Power Service Sch. 48T | Irrigation Sch 40 | Street & Area Sch. 15, 52,54,57 | Other Sch. Sch. 38,42 | |
| 13 | | | | | | | | | | |
| 14 | Operating Expenses | | | | | | | | | |
| 15 | Operation & Maintenance Expenses | 9,049,905 | 7,102,554 | 982,514 | 237,280 | 111,998 | 474,267 | 133,319 | 7,972 | |
| 16 | Depreciation Expense | 114,443 | 80,282 | 12,071 | 2,057 | 1,660 | 15,383 | 2,855 | 135 | |
| 17 | Amortization Expense | 649,570 | 455,468 | 68,540 | 11,856 | 9,512 | 87,242 | 16,189 | 763 | |
| 18 | Taxes Other Than Income | 53,787 | 38,090 | 6,036 | 1,265 | 862 | 6,285 | 1,191 | 59 | |
| 19 | Income Taxes - Federal | 118,102 | 83,635 | 13,254 | 2,779 | 1,892 | 13,799 | 2,615 | 130 | |
| 20 | Income Taxes - State | 20,032 | 14,186 | 2,248 | 471 | 321 | 2,341 | 443 | 22 | |
| 21 | Income Taxes Deferred | (1,091,417) | (772,891) | (122,482) | (25,678) | (17,482) | (127,522) | (24,163) | (1,199) | |
| 22 | Investment Tax Credit Adj | - | - | - | - | - | - | - | - | |
| 23 | Misc Revenues & Expense | - | - | - | - | - | - | - | - | |
| 24 | Total Operating Expenses | 8,914,423 | 7,001,323 | 962,182 | 230,030 | 108,763 | 471,794 | 132,450 | 7,881 | |
| 25 | | | | | | | | | | |
| 26 | Rate Base : | | | | | | | | | |
| 27 | Electric Plant In Service | 8,154,021 | 5,720,098 | 860,054 | 146,567 | 118,250 | 1,096,048 | 203,420 | 9,585 | |
| 28 | Plant Held For Future Use | 2,594 | 1,150 | 359 | 621 | 331 | 117 | 15 | 1 | |
| 29 | Electric Plant Acquisition Adj | - | - | - | - | - | - | - | - | |
| 30 | Prepayments | 4,935 | 3,462 | 521 | 89 | 72 | 663 | 123 | 6 | |
| 31 | Fuel Stock | - | - | - | - | - | - | - | - | |
| 32 | Materials & Supplies | - | - | - | - | - | - | - | - | |
| 33 | Misc Deferred Debits | 196,533 | 87,137 | 27,229 | 47,020 | 25,066 | 8,858 | 1,152 | 71 | |
| 34 | Cash Working Capital | 489,120 | 383,872 | 53,102 | 12,824 | 6,053 | 25,633 | 7,205 | 431 | |
| 35 | Weatherization Loans | - | - | - | - | - | - | - | - | |
| 36 | Miscellaneous Rate Base | - | - | - | - | - | - | - | - | |
| 37 | Total Rate Base Additions | 8,847,204 | 6,195,719 | 941,265 | 207,121 | 149,772 | 1,131,319 | 211,915 | 10,093 | |
| 38 | | | | | | | | | | |
| 39 | Rate Base Deductions : | | | | | | | | | |
| 40 | Accum Provision For Depreciation | (118,446) | (83,091) | (12,493) | (2,129) | (1,718) | (15,921) | (2,955) | (139) | |
| 41 | Accum Provision For Amortization | (1,152,512) | (802,779) | (122,173) | (25,592) | (19,316) | (152,975) | (28,341) | (1,337) | |
| 42 | Accum Deferred Income Taxes | 1,266,104 | 990,122 | 137,323 | 32,832 | 15,753 | 69,858 | 19,089 | 1,128 | |
| 43 | Unamortized ITC | - | - | - | - | - | - | - | - | |
| 44 | Customer Advance For Construction | 178,409 | 88,113 | 68,415 | - | - | 21,714 | - | 167 | |
| 45 | Customer Service Deposits | - | - | - | - | - | - | - | - | |
| 46 | Misc Rate Base Deductions | - | - | - | - | - | - | - | - | |
| 47 | Total Rate Base Deductions | 173,556 | 192,365 | 71,072 | 5,111 | (5,280) | (77,324) | (12,207) | (181) | |
| 48 | Total Rate Base | 9,020,760 | 6,388,084 | 1,012,336 | 212,232 | 144,491 | 1,053,995 | 199,708 | 9,912 | |
| 49 | | | | | | | | | | |
| 50 | Return On Rate Base @ Earned ROR | 6.355% | 573,225 | 405,931 | 64,329 | 13,486 | 9,182 | 66,976 | 12,690 | 630 |
| 51 | Total Operating Expenses Adjusted for Taxes | 8,914,423 | 7,001,323 | 962,182 | 230,030 | 108,763 | 471,794 | 132,450 | 7,881 | |
| 52 | Revenue Credits | (292,535) | (218,955) | (43,428) | (2,972) | (155) | (15,812) | (10,729) | (484) | |
| 53 | Total Earned Revenue Requirements | 9,195,113 | 7,188,299 | 983,082 | 240,545 | 117,790 | 522,959 | 134,411 | 8,027 | |
| 54 | | | | | | | | | | |
| 55 | Return On Rate Base @ Target ROR | 8.978% | 809,892 | 573,528 | 90,889 | 19,054 | 12,973 | 94,629 | 17,930 | 890 |
| 56 | Total Operating Expenses Adjusted for Taxes | 9,060,657 | 7,104,879 | 978,592 | 233,471 | 111,105 | 488,880 | 135,687 | 8,042 | |
| 57 | Revenue Credits | (292,535) | (218,955) | (43,428) | (2,972) | (155) | (15,812) | (10,729) | (484) | |
| 58 | Total Target Revenue Requirements | 9,578,015 | 7,459,453 | 1,026,053 | 249,553 | 123,923 | 567,697 | 142,888 | 8,448 | |

MISC Summary

PacifiCorp
 Cost Of Service By Rate Schedule - Miscellaneous Function
 State of Washington
 BaseCase - Full Functionalization
 12 Months Ending December 31, 1998

| A | B | C | D | E | F | G | H | I | J | |
|--------------------|---|---|------------------------|-------------------------------|-----------------------------------|----------------------------------|----------------------|--|--------------------------|-----|
| <u>DESCRIPTION</u> | | Washington Jurisdiction <u>Normalized</u> | Residential Sch. 16 | General Service Sch. 24 | Lrg General Service Sch. 36 | Lrg Power Service Sch. 48T | Irrigation Sch 40 | Street & Area Sch. 15, <u>52,54,57</u> | Other Sch. Sch. 38,42 | |
| 13 | | | | | | | | | | |
| 14 | <u>Operating Expenses</u> | | | | | | | | | |
| 15 | Operation & Maintenance Expenses | 580,899 | 256,906 | 83,387 | 137,443 | 73,801 | 25,265 | 3,896 | 200 | |
| 16 | Depreciation Expense | - | - | - | - | - | - | - | - | |
| 17 | Amortization Expense | - | - | - | - | - | - | - | - | |
| 18 | Taxes Other Than Income | (14,347) | (6,017) | (1,900) | (3,677) | (2,074) | (625) | (48) | (4) | |
| 19 | Income Taxes - Federal | 107,413 | 45,049 | 14,226 | 27,533 | 15,530 | 4,680 | 363 | 33 | |
| 20 | Income Taxes - State | 18,219 | 7,641 | 2,413 | 4,670 | 2,634 | 794 | 62 | 6 | |
| 21 | Income Taxes Deferred | - | - | - | - | - | - | - | - | |
| 22 | Investment Tax Credit Adj | - | - | - | - | - | - | - | - | |
| 23 | Misc Revenues & Expense | - | - | - | - | - | - | - | - | |
| 24 | <u>Total Operating Expenses</u> | <u>692,185</u> | <u>303,579</u> | <u>98,126</u> | <u>165,969</u> | <u>89,891</u> | <u>30,115</u> | <u>4,272</u> | <u>234</u> | |
| 25 | | | | | | | | | | |
| 26 | <u>Rate Base :</u> | | | | | | | | | |
| 27 | Electric Plant In Service | - | - | - | - | - | - | - | - | |
| 28 | Plant Held For Future Use | - | - | - | - | - | - | - | - | |
| 29 | Electric Plant Acquisition Adj | - | - | - | - | - | - | - | - | |
| 30 | Prepayments | 94,098 | 41,720 | 13,037 | 22,513 | 12,001 | 4,241 | 552 | 34 | |
| 31 | Fuel Stock | - | - | - | - | - | - | - | - | |
| 32 | Materials & Supplies | - | - | - | - | - | - | - | - | |
| 33 | Misc Deferred Debits | 535,319 | 237,345 | 74,166 | 128,074 | 68,275 | 24,127 | 3,138 | 193 | |
| 34 | Cash Working Capital | 37,928 | 16,774 | 5,445 | 8,974 | 4,819 | 1,650 | 254 | 13 | |
| 35 | Weatherization Loans | 3,756,286 | 1,559,426 | 493,224 | 974,328 | 554,476 | 162,739 | 10,992 | 1,101 | |
| 36 | Miscellaneous Rate Base | - | - | - | - | - | - | - | - | |
| 37 | <u>Total Rate Base Additions</u> | <u>4,423,631</u> | <u>1,855,265</u> | <u>585,871</u> | <u>1,133,889</u> | <u>639,572</u> | <u>192,757</u> | <u>14,936</u> | <u>1,341</u> | |
| 38 | | | | | | | | | | |
| 39 | <u>Rate Base Deductions :</u> | | | | | | | | | |
| 40 | Accum Provision For Depreciation | - | - | - | - | - | - | - | - | |
| 41 | Accum Provision For Amortization | - | - | - | - | - | - | - | - | |
| 42 | Accum Deferred Income Taxes | - | - | - | - | - | - | - | - | |
| 43 | Unamortized ITC | - | - | - | - | - | - | - | - | |
| 44 | Customer Advance For Construction | - | - | - | - | - | - | - | - | |
| 45 | Customer Service Deposits | - | - | - | - | - | - | - | - | |
| 46 | Misc Rate Base Deductions | - | - | - | - | - | - | - | - | |
| 47 | <u>Total Rate Base Deductions</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | |
| 48 | <u>Total Rate Base</u> | <u>4,423,631</u> | <u>1,855,265</u> | <u>585,871</u> | <u>1,133,889</u> | <u>639,572</u> | <u>192,757</u> | <u>14,936</u> | <u>1,341</u> | |
| 49 | | | | | | | | | | |
| 50 | <u>Return On Rate Base @ Earned ROR</u> | 6.355% | 281,100 | 117,893 | 37,229 | 72,053 | 40,642 | 12,249 | 949 | 85 |
| 51 | Total Operating Expenses Adjusted for Taxes | 692,185 | 303,579 | 98,126 | 165,969 | 89,891 | 30,115 | 4,272 | 234 | |
| 52 | Revenue Credits | 36,992 | 29,102 | 4,655 | 320 | 17 | 1,695 | 1,150 | 52 | |
| 53 | <u>Total Earned Revenue Requirements</u> | <u>1,010,276</u> | <u>450,574</u> | <u>140,011</u> | <u>238,342</u> | <u>130,550</u> | <u>44,058</u> | <u>6,371</u> | <u>371</u> | |
| 54 | | | | | | | | | | |
| 55 | <u>Return On Rate Base @ Target ROR</u> | 8.978% | 397,158 | 166,567 | 52,600 | 101,802 | 57,421 | 17,306 | 1,341 | 120 |
| 56 | Total Operating Expenses Adjusted for Taxes | 763,895 | 333,654 | 107,624 | 184,350 | 100,259 | 33,239 | 4,514 | 256 | |
| 57 | Revenue Credits | 36,992 | 29,102 | 4,655 | 320 | 17 | 1,695 | 1,150 | 52 | |
| 58 | <u>Total Target Revenue Requirements</u> | <u>1,198,045</u> | <u>529,324</u> | <u>164,879</u> | <u>286,472</u> | <u>157,698</u> | <u>52,240</u> | <u>7,005</u> | <u>428</u> | |