UE-152253 / Pacific Power & Light Company
February 5, 2016
PC Data Request 52

PC Data Request 52

Re: Pension Expense.
Since the actuarial assumptions for the 2016 pension plan would have been selected by PacifiCorp at the end of 2015, please provide the following:

(a) Please provide the actuarial assumptions that were selected in December 2015 for use in the 2016 pension plan year.

(b) Please provide a full and complete copy of the most recent projections of 2016 pension expense provided by the actuarial firm to the Company. This should include the impact of the actual 2015 plan experience and the actuarial assumptions that were selected for the 2016 plan year in December 2015. With the response, please provide all information provided by the actuarial firm in making the estimates.

(c) Please provide the pension expense that would result from the actuarial calculations for 2016 on a similar basis to the test pension expense contained on Exhibit No.__(SEM-3), page 4.2.2, of $24,712,488.

Response to PC Data Request 52

(a) Please refer to Attachment PC 52-1 for a listing of the actuarial assumptions.

(b) Please refer to Attachment PC 52-2 for a complete copy of the most recent pension actuarial report.

(c) Please refer to Attachment PC 52-3. The projected pension expense for 2016 on a similar basis to the test pension expense previously provided is calculated in the attachment.

PREPARER: Scott Mills

SPONSOR: Shelley McCoy

PacifiCorp Retirement Plan

Actuarial Valuation Report Disclosure for Fiscal Year Ending December 31, 2015 and 2016 Benefit Cost under US GAAP

January 2016

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Purposes of valuation

PacifiCorp engaged Towers Watson Delaware Inc. (Willis Towers Watson) to value the Company's pension plan.

As requested by PacifiCorp (the Company), this report provides information for year-end financial reporting purposes required by FASB Accounting Standards Codification Topic 715-20-50 (ASC 715) for your fiscal year ending December 31, 2015 for the PacifiCorp Retirement Plan (the Plan).

The exhibits present year-end financial reporting information in accordance with ASC 715-20-50, including net balance sheet position of the Plan, cash flow, plan asset information, amortization amounts during the fiscal year, participant information, the provisions on which the valuation is based, and the actuarial assumptions and methods used in the calculations. Additional input is required (as described below) by the Company in relation to the asset disclosures specified in ASC 715-20-50-1(d) (public entities) or ASC 715-20-50-5(c) (nonpublic entities).

In addition, this report presents the Net Periodic Benefit Cost/(Income) (Benefit Cost), in accordance with ASC 715, for the fiscal year beginning January 1, 2016. Both year-end financial reporting and benefit cost results are based on a valuation of the Plan as of December 31, 2015.

Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. As discussed above, certain year-end financial reporting information in accordance with ASC 715-20-50 is not included in this report and must be provided by the Company, as follows:

   - Categorization of assets, actual asset allocation at December 31, 2015 and December 31, 2014, and the target asset allocation for 2016.

   - A description of the Company's investment policy for the assets held by the pension plan.

   - A description of the basis used to determine the expected long-term rate of return on plan assets.

2. The expected contributions to the qualified pension plan were set at $0.

   Note that any significant change in the amounts contributed or expected to be contributed in 2016 will require disclosure in the interim financial statements.

3. There may be certain events that have occurred since the valuation date that are not reflected in the current valuation. See Subsequent Events in the Basis for Valuation section below for more information.

4. This report is not intended to constitute a certification of the Adjusted Funding Target Attainment Percentage (AFTAP) under IRC §436 for any plan year.

5. This report does not determine funding requirements under IRC §430.

6. This report does not provide information for plan reporting under ASC 960.

7. This report does not determine liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).

8. The comparisons of accounting obligations to assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions. Nevertheless, such comparisons may be useful to assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses, demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly as they come due.

Section 1: Summary of key results

Benefit cost, assets & obligations

All monetary amounts shown in US Dollars

Fiscal Year Beginning		01/01/2016	01/01/2015
Benefit Cost/ (Income)	Net Periodic Benefit Cost/(Income)	14,311,574	19,338,429
	Amortization of Regulatory (Liability)/Asset	(823,378)	(823,378)
	Total Benefit Cost/(Income)	13,488,196	18,515,051
Measurement Date		**12/31/2015**	**12/31/2014**
Plan Assets	Fair Value of Assets (FVA)	1,043,068,400	1,146,453,859
	Market Related Value of Assets (MRVA)	1,054,329,199	1,081,092,018
	Return on Fair Value Assets during Prior Year	(0.02%)	4.72%
Benefit Obligations	Accumulated Benefit Obligation (ABO)	(1,229,838,126)	(1,314,780,326)
	Projected Benefit Obligation (PBO)	(1,230,128,959)	(1,315,217,529)
Funded Ratios	Fair Value of Assets to ABO	84.8%	87.2%
	Fair Value of Assets to PBO	84.8%	87.2%
Accumulated Other Comprehensive (Income)/Loss	Net Prior Service Cost/(Credit)	(13,207,000)	(21,198,000)
	Net Loss/(Gain)	489,288,963	498,321,503
	Net Regulatory (Liability)/Asset	(2,753,309)	(3,576,687)
	Total Accumulated Other Comprehensive (Income)/Loss	473,328,654	473,546,816
Assumptions	Discount Rate	4.40%	4.00%
	Expected Long-term Rate of Return on Plan Assets	7.50%	7.50%
	Rate of Compensation Increase	2.75%	2.75%
Participant Data	Census Date	01/01/2015	01/01/2014

Comments on results

The actuarial gain/(loss) due to demographic experience, including any assumption changes, and investment return different from assumed during the prior year was $37,180,925 and $(77,463,941) respectively.

Change in net periodic cost and funded position

The net periodic cost decreased from $18,515,051 in fiscal 2015 to $13,488,196 in fiscal 2016 and the funded position declined from $(168,763,670) to $(187,060,559).

Significant reasons for these changes include the following:

- The return on the fair value of plan assets since the prior measurement date was less than expected, which caused the funded position to deteriorate.
- The return on the market-related value of plan assets, which reflects gradual recognition of asset gains and losses over the past five years, was less than expected, which increased the pension cost.
- The discount rate increased 40 basis points compared to the prior year, which reduced the net periodic cost and improved the funded position.

Basis for valuation

Appendix A summarizes the assumptions and methods used in the valuation. Appendix B summarizes our understanding of the principal provisions of the plan being valued. The most recent plan change reflected in this valuation was effective on January 1, 2015. Unless otherwise described below under Subsequent Events, assumptions were selected based on information known as of the measurement date.

Changes in assumptions

- Discount rate changed from 4.00% to 4.40%
- The future interest crediting rates for cash balance benefits changed from 3.00% to 1.18% in 2017 and 3.40% in 2018 and beyond for Non-Union participants, and 3.50% to 2.95% in 2017 and 3.90% in 2018 and beyond for Union participants
- Interest crediting rates of 1.18% for Non-Union participants and 2.95% for Union participants were used for 2016
- The ultimate lump sum conversion rate changed from 4.00% to 4.40%
- Lump sum conversion mortality changed from:
  - the prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants;

    to:
  - valuation mortality, blended 50% male and 50% female annuitant tables.

Changes in methods

None

Changes in benefits valued

None

Subsequent events

None

Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information discussed below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied upon information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by the Company and other persons or organizations designated by the Company. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by the Company, may produce materially different results that could require that a revised report be issued.

Measurement of benefit obligations, plan assets and balance sheet adjustments

Census date/measurement date

The measurement date is December 31, 2015. The benefit obligations were measured as of the Company's December 31, 2015 fiscal year end and are based on participant data as of the census date, January 1, 2015. We have projected forward benefit obligations to the end of the year, adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year.

This is the same data that was used for the calculation of the Net Periodic Benefit Cost/(Income) for the fiscal year ending December 31, 2016.

Plan assets and balance sheet adjustments

Information about the fair value of plan assets was furnished to us by the Company. The Company also provided information about the general ledger account balances for the pension plan cost at December 31, 2015, which reflect the expected funded status of the plans before adjustment to reflect the funded status based on the year-end measurements. Willis Towers Watson used information supplied by the Company regarding amounts recognized in accumulated other comprehensive income as of December 31, 2015. This data was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined in consultation with the Company's tax advisors and auditors.

Assumptions and methods under U.S. GAAP

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the pension cost and other financial reporting have been selected by the Company. Willis Towers Watson has concurred with these assumptions and methods, except for the expected rate of return on plan assets. Evaluation of the expected return assumption was outside the scope of Willis Towers Watson's assignment and would have required substantial additional work that we were not engaged to perform. U.S. GAAP requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by Willis Towers Watson, we consider to be reasonable. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions and methods used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the December 31, 2015 measurement date will change the results shown in this report.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

See Basis for Valuation in Section 1 above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated July 25, 2012 and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of the Company and its auditors in connection with our actuarial valuation of the pension plan as described in Purposes of Valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. The Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require the Company to provide them this report, in which case the Company will use best efforts to notify Willis Towers Watson in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Willis Towers Watson's prior written consent. Willis Towers Watson accepts no responsibility for any consequences arising from any other party relying on this report or any advice relating to its contents.

Professional qualifications

The undersigned consulting actuaries are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Towers Watson Delaware Inc.

James J. Andrews, FSA, EA
Consultant
January 2016

Towers Watson Delaware Inc.

Steven M. Schatt, FSA, EA
Consultant
January 2016

Towers Watson Delaware Inc.

Section 2: Accounting exhibits

2.1 Disclosed benefit cost

All monetary amounts shown in US Dollars

Fiscal Year Ending		12/31/2015	12/31/2014
A	**Disclosed Benefit Cost**		
1	Employer service cost	4,711,241	5,286,497
2	Interest cost	50,579,179	53,949,211
3	Expected return on assets	(77,276,547)	(76,299,503)
4	Subtotal	(21,986,127)	(17,063,795)
5	Net prior service cost/(credit) amortization	(7,991,000)	(7,991,000)
6	Net loss/(gain) amortization	49,315,556	37,520,090
7	Net regulatory (liability)/asset amortization	(823,378)	(823,378)
7	Subtotal	40,501,178	28,705,712
8	Net periodic benefit cost/(income)	18,515,051	11,641,917
9	Curtailments	0	0
10	Settlements	0	0
11	Special/contractual termination benefits	0	0
12	Disclosed benefit cost	18,515,051	11,641,917
B	**Assumptions Used to Determine Benefit Cost[1]**		
1	Discount rate	4.00%	4.80%
2	Long-term rate of return on assets	7.50%	7.50%
3	Rate of compensation increase	2.75%	3.00%

[1] These assumptions were used to calculate Net Periodic Benefit Cost/(Income) as of the beginning of the year. Rates are expressed on an annual basis where applicable. See Appendix A for interim measurements, if any.

2.2 Balance sheet asset/(liability)

All monetary amounts shown in US Dollars

Fiscal Year Ending		12/31/2015	12/31/2014
A	**Development of Balance Sheet Asset/(Liability)**		
1	Projected benefit obligation (PBO)	(1,230,128,959)	(1,315,217,529)
2	Fair value of assets (FVA) [1]	1,043,068,400	1,146,453,859
3	Net balance sheet asset/(liability)	(187,060,559)	(168,763,670)
B	**Current and Noncurrent Allocation**		
1	Noncurrent asset	0	0
2	Current liability	0	0
3	Noncurrent liability	(187,060,559)	(168,763,670)
4	Net balance sheet asset/(liability)	(187,060,559)	(168,763,670)
C	**Reconciliation of Net Balance Sheet Asset/(Liability)**		
1	Net balance sheet asset/(liability) at end of prior fiscal year	(168,763,670)	(1,945,889)
2	Employer service cost	(4,711,241)	(5,286,497)
3	Interest cost	(50,579,179)	(53,949,211)
4	Expected return on assets	77,276,547	76,299,503
5	Plan amendments	0	0
6	Actuarial gain/(loss)	(40,283,016)	(189,381,576)
7	Employer contributions	0	5,500,000
8	Benefits paid directly by the Company	0	0
9	Transfer payments	0	0
10	Acquisitions/divestitures	0	0
11	Curtailments	0	0
12	Settlements (if settled using corporate cash)	0	0
13	Special/contractual termination benefits	0	0
14	Net balance sheet asset /(liability) at end of current fiscal year	(187,060,559)	(168,763,670)
D	**Assumptions and Dates Used at Disclosure**		
1	Discount rate	4.40%	4.00%
2	Rate of compensation increase	2.75%	2.75%
3	Census date	01/01/2015	01/01/2014

[1] Excludes receivable contributions.

2.3 Accumulated other comprehensive (income)/loss

All monetary amounts shown in US Dollars

Fiscal Year Ending				12/31/2015	12/31/2014
A	**Accumulated Other Comprehensive (Income)/Loss**				
	1		Net prior service cost/(credit)	(13,207,000)	(21,198,000)
	2		Net loss/(gain)	489,288,963	498,321,503
	3		Net regulatory (liability)/asset	(2,753,309)	(3,576,687)
	4		Accumulated other comprehensive (income)/loss[1]	473,328,654	473,546,816
B	**Development of Accumulated Other Comprehensive (Income)/Loss (AOCI)**				
	1		AOCI at prior fiscal year end	473,546,816	312,870,952
	2		Amounts amortized during the year		
		a	Net prior service (cost)/credit	7,991,000	7,991,000
		b	Net (loss)/gain	(49,315,556)	(37,520,090)
		c	Net regulatory (liability)/asset	823,378	823,378
	3		Occurring during the year		
		a	Net prior service cost/(credit)	0	0
		b	Net loss/(gain)	40,283,016	189,381,576
	4		AOCI at current fiscal year end	473,328,654	473,546,816

[1] Amount shown is pre-tax and should be adjusted by plan sponsor for tax effects.

2.4 Additional disclosure information

All monetary amounts shown in US Dollars

A	**Accumulated Benefit Obligation (ABO)**	
	1 ABO at current fiscal year end	(1,229,838,126)
	2 ABO at prior fiscal year end	(1,314,780,326)
B	**Expected Future Benefit Payments**	
	1 During fiscal year ending 12/31/2016	104,087,835
	2 During fiscal year ending 12/31/2017	105,156,989
	3 During fiscal year ending 12/31/2018	103,578,360
	4 During fiscal year ending 12/31/2019	104,970,576
	5 During fiscal year ending 12/31/2020	102,082,928
	6 During fiscal years ending 12/31/2021 through 12/31/2025	427,745,346
C	**Expected Contributions during fiscal year ending December 31, 2016**	
	1 Employer	0
	2 Plan participants	0
D	**Expected Amortization Amounts during fiscal year ending December 31, 2016[1]**	
	1 Amortization of net prior service cost/(credit)	(7,991,000)
	2 Amortization of net loss/(gain)	41,551,121
	3 Amortization of net regulatory (liability)/asset	(823,378)
	4 Total	32,736,743

[1] These amounts have been determined assuming there are no special events, plan amendments, assumption changes, or actuarial losses/(gains) during the upcoming fiscal year.

2.5 Changes in disclosed liabilities and assets

All monetary amounts shown in US Dollars

Fiscal Year Ending		12/31/2015	12/31/2014
A	**Change in Projected Benefit Obligation (PBO)**		
1	PBO at prior fiscal year end	1,315,217,529	1,172,932,717
2	Employer service cost	4,711,241	5,286,497
3	Interest cost	50,579,179	53,949,211
4	Actuarial loss/(gain)	(37,180,925)	166,540,873
5	Plan participants' contributions	0	0
6	Benefits paid from plan assets	(103,198,065)	(83,491,769)
7	Benefits paid from the Company	0	0
8	Transfers from (to) other plans	0	0
9	Administrative expenses paid	0	0
10	Plan change	0	0
11	Acquisitions/(divestitures)	0	0
12	Curtailments	0	0
13	Settlements	0	0
14	Special/contractual termination benefits	0	0
15	PBO at current fiscal year end	1,230,128,959	1,315,217,529
B	**Change in Plan Assets**		
1	Fair value of assets at prior fiscal year end	1,146,453,859	1,170,986,828
2	Actual return on assets	(187,394)	53,458,800
3	Employer contributions	0	5,500,000
4	Plan participants' contributions	0	0
5	Benefits paid	(103,198,065)	(83,491,769)
6	Transfer payments	0	0
7	Administrative expenses paid	0	0
8	Acquisitions/(divestitures)	0	0
9	Settlements	0	0
10	Fair value of assets at current fiscal year end	1,043,068,400	1,146,453,859

2.6 Reconciliation of net balances

All monetary amounts shown in US Dollars

A Reconciliation of Net Prior Service Cost/(Credit)

Measurement Date Established	Original Amount	Net Amount at 12/31/2014	Amortization Amount in 2015	Effect of Curtailments	Other Events	Net Amount at 12/31/2015	Remaining Amortization Period	Amortization Amount in 2016
06/01/2007	(110,732,000)	(13,105,000)	5,781,000	0	0	(7,324,000)	1.26691	5,781,000
09/30/2007	(18,882,000)	(2,538,000)	1,005,000	0	0	(1,533,000)	1.52537	1,005,000
09/30/2008	(3,642,000)	(1,380,000)	377,000	0	0	(1,003,000)	2.66048	377,000
10/14/2008	(3,568,000)	(1,354,000)	369,000	0	0	(985,000)	2.66938	369,000
08/31/2009	(170,000)	(80,000)	18,000	0	0	(62,000)	3.44444	18,000
10/14/2009	(577,000)	(267,000)	62,000	0	0	(205,000)	3.30645	62,000
12/31/2011	(3,611,000)	(2,474,000)	379,000	0	0	(2,095,000)	5.52770	379,000
Total		(21,198,000)	7,991,000	0	0	(13,207,000)		7,991,000

All monetary amounts shown in US Dollars

B Reconciliation of Net Loss/(Gain)[1]

Net Amount at 12/31/2014	Amortization Amount in 2015	Experience Loss/(Gain)	Effect of Curtailments	Effect of Settlements	Net Amount at 12/31/2015	Amortization Amount in 2016
498,321,503	(49,315,556)	40,283,016	0	0	489,288,963	(41,551,121)

1 See Appendix A for description of amortization method.

C Reconciliation of Regulatory (Liability)/Asset

State	Remaining Amount at 12/31/2014	Amount Amortized during FY2015	Effect of Curtailments	Effect of Other Events	Remaining Amount at 12/31/2015	Remaining Amortization Period	Amount to be Amortized in FY2016
California	(413,000)	104,000	0	0	(309,000)	2.97115	104,000
	(24,000)	6,000	0	0	(18,000)	3.00000	6,000
	48,000	(12,000)	0	0	36,000	3.00000	(12,000)
	21,319	(6,080)	0	0	15,239	2.50641	(6,080)
Oregon	(4,580,000)	1,145,000	0	0	(3,435,000)	3.00000	1,145,000
	(263,000)	66,000	0	0	(197,000)	2.98485	66,000
	531,000	(132,000)	0	0	399,000	3.02273	(132,000)
	253,466	(64,366)	0	0	189,100	2.93789	(64,366)
Utah	574,000	(191,000)	0	0	383,000	2.00524	(191,000)
	275,528	(92,176)	0	0	183,352	1.98915	(92,176)
Total	(3,576,687)	823,378	0	0	(2,753,309)		823,378

2.7 Reconciliation with prior year's disclosure

All monetary amounts shown in US Dollars

		Projected Benefit Obligation (i)	Fair Value of Assets (ii)	Net Balance Sheet Asset / (Liability) (i+ii) (iii)	Net Prior Service Cost / (Credit) (iv)	Net Loss / (Gain) (v)	Net Regulatory (Liability)/Asset (vi)	Accumulated Other Comprehensive (Income)/Loss (iv+v+vi) (vii)
1	At December 31, 2014	(1,315,217,529)	1,146,453,859	(168,763,670)	(21,198,000)	498,321,503	(3,576,687)	473,546,816
2	Employer service cost	(4,711,241)		(4,711,241)				
3	Interest cost	(50,579,179)		(50,579,179)				
4	Expected asset return		77,276,547	77,276,547				
5	Amortizations				7,991,000	(49,315,556)	823,378	(40,501,178)
6	Experience loss/gain	37,180,925	(77,463,941)	(40,283,016)		40,283,016		40,283,016
7	Employer contributions		0	0				
8	Plan participants' contributions	0	0	0				
9	Benefits paid	103,198,065	(103,198,065)	0				
10	Administrative expenses paid	0	0	0				
11	Plan changes	0		0	0			0
12	Acquisitions/divestitures	0	0	0				
13	Curtailments	0		0	0	0		0
14	Settlements	0	0	0		0		0
15	Special/contractual termination benefits	0		0				
16	Transfer payments	0	0	0				
17	At December 31, 2015	(1,230,128,959)	1,043,068,400	(187,060,559)	(13,207,000)	489,288,963	(2,753,309)	473,328,654

2.8 Development of assets for benefit cost

All monetary amounts shown in US Dollars

		Fair Value	Market-Related Value
A	**Reconciliation of Assets**		
	1 Plan assets at 12/31/2014	1,146,453,859	1,081,092,018
	2 Investment return	(187,394)	76,435,246
	3 Employer contributions	0	0
	4 Plan participants' contributions	0	0
	5 Benefits paid	(103,198,065)	(103,198,065)
	6 Administrative expenses paid	0	0
	7 Acquisitions/(divestitures)	0	0
	8 Settlements	0	0
	9 Plan assets at 12/31/2015	1,043,068,400	1,054,329,199
B	**Rate of Return on Invested Assets**		
	1 Weighted invested assets	1,094,854,826	
	2 Rate of return	(0.02%)	
C	**Investment Loss/(Gain)**		
	1 Actual return	(187,394)	
	2 Expected return	77,276,547	
	3 Loss/(Gain)	77,463,941	
D	**Market-Related Value of Assets**		
	1 Fair value of assets at 12/31/2015	1,043,068,400	
	2 Deferred investment (gains) and losses for last 5 years		

	Measurement Year Ending (i)	(Gain)/Loss (ii)	Percent Recognized (iii)	Percent Deferred (iv)	Deferred Amount (v) = (ii) × (iv)
a	12/31/2015	77,463,941	20.000%	80.000%	61,971,153
b	12/31/2014	22,840,703	40.000%	60.000%	13,704,422
c	12/31/2013	(138,303,739)	60.000%	40.000%	(55,321,496)
d	12/31/2012	(45,466,400)	80.000%	20.000%	(9,093,280)
e	12/31/2011	87,672,000	100.000%	0.000%	0
f	Total				11,260,799

3 Market-related value of assets 1,054,329,199

2.9 Summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending			12/31/2016	12/31/2015
A		**Total Benefit Cost**		
	1	Employer service cost	4,087,107	4,711,241
	2	Interest cost	51,835,742	50,579,179
	3	Expected return on assets	(75,171,396)	(77,276,547)
	4	Subtotal	(19,248,547)	(21,986,127)
	5	Net prior service cost/(credit) amortization	(7,991,000)	(7,991,000)
	6	Net loss/(gain) amortization	41,551,121	49,315,556
	7	Net regulatory (liability)/asset amortization	(823,378)	(823,378)
	8	Amortization subtotal	32,736,743	40,501,178
	9	Net periodic benefit cost/(income)	13,488,196	18,515,051
	10	Curtailments	0	0
	11	Settlements	0	0
	12	Special/contractual termination benefits	0	0
	13	Total benefit cost	13,488,196	18,515,051
B		**Assumptions**[1]		
	1	Discount rate	4.40%	4.00%
	2	Rate of return on assets	7.50%	7.50%
	3	Rate of compensation increase	2.75%	2.75%
	6	Census date	01/01/2015	01/01/2014
C		**Assets at Beginning of Year**		
	1	Fair market value	1,043,068,400	1,146,453,859
	2	Market-related value	1,054,329,199	1,081,092,018
D		**Cash Flow**	**Expected**	**Actual**
	1	Employer contributions	0	0
	2	Plan participants' contributions[2]	0	0
	3	Benefits paid from the Company	0	0
	4	Benefits paid from plan assets[2]	104,087,835	103,198,065

[1] These assumptions were used to calculate Net Periodic Benefit Cost/(Income) as of the beginning of the year. Rates are expressed on an annual basis where applicable. For assumptions used for interim measurement periods, if any, refer to Appendix A.

[2] Over the fiscal year.

Section 3: Data exhibits

3.1 Plan participant data

All monetary amounts shown in US Dollars

Census Date		01/01/2015	01/01/2014
A	**Participating Employees**		
	1 Number	2,832	3,087
	2 Expected plan compensation for year beginning on the valuation date	269,305,127	288,821,813
	3 Average expected plan compensation	95,094	93,561
	4 Average age	52.37	51.75
	5 Average service[1]	21.02	20.19
	6 Average future working life[2]	8.54406	8.76319
B	**Participants with Deferred Benefits**		
	1 Number	992	986
	2 Average benefits		
	a. Annual annuity	10,358	10,761
	b. Cash balance[3]	21,565	17,262
	3 Average age	54.77	54.70
C	**Participants Receiving Benefits**		
	1 Number	3,680	3,680
	2 Average annual pension	17,967	16,681
	3 Average age	75.16	75.01

1 Based on Years of Service.
2 Average future working life shown as of end of fiscal year.
3 Cash balance amount are show as of the census date.

3.2 Age and service distribution of participating employees

Number and average plan compensation limited by IRC §401(a)(17) distributed by attained age and attained years of credited service

All monetary amounts shown in US Dollars

Attained Age	Attained Years of Credited Service[1]													
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	0	0	0	0	1	0	0	0	0	0	0	0	0	1
	0	0	0	0	67,044	0	0	0	0	0	0	0	0	67,044
25-29	0	0	0	0	3	29	0	0	0	0	0	0	0	32
	0	0	0	0	78,759	69,876	0	0	0	0	0	0	0	70,709
30-34	0	0	0	1	0	98	22	3	0	0	0	0	0	124
	0	0	0	59,156	0	71,180	78,556	64,663	0	0	0	0	0	72,234
35-39	0	0	0	0	2	92	104	34	0	0	0	0	0	232
	0	0	0	0	101,078	85,921	89,700	86,609	0	0	0	0	0	87,847
40-44	0	0	0	0	0	89	111	63	18	2	0	0	0	283
	0	0	0	0	0	85,738	101,217	92,459	89,994	109,625	0	0	0	93,745
45-49	0	0	0	0	2	57	93	75	68	17	2	0	0	314
	0	0	0	0	237,404	90,554	101,109	90,176	101,830	87,770	127,595	0	0	97,052
50-54	0	0	0	0	2	71	96	71	69	61	72	14	0	456
	0	0	0	0	41,692	96,342	103,664	94,852	98,733	95,180	99,336	110,185	0	98,516
55-59	0	0	0	0	1	58	81	56	74	98	184	178	6	736
	0	0	0	0	207,781	93,429	95,927	90,004	96,407	103,290	107,193	101,701	133,217	100,977
60-64	0	0	0	0	1	28	45	52	58	65	105	131	57	542
	0	0	0	0	121,215	87,861	99,857	86,103	86,529	85,289	89,941	102,233	109,012	94,400
65-69	0	0	0	0	0	11	18	9	10	11	12	24	11	106
	0	0	0	0	0	103,392	88,331	73,003	98,705	92,756	66,727	98,227	107,691	91,834
70 & over	0	0	0	0	0	1	0	2	0	0	1	0	2	6
	0	0	0	0	0	103,683	0	52,834	0	0	55,301	0	113,703	82,010
Total	0	0	0	1	12	534	570	365	297	254	376	347	76	2,832
	0	0	0	59,156	116,055	85,504	97,369	89,703	95,949	95,291	99,550	102,004	110,856	95,094

Average:	Age	52	Number of Participants:	Fully vested	2,832	Males	2,208	
	Service	21		Partially vested	0	Females	624	

Census data as of January 1, 2015

[1] Age and service for purposes of determining category are based on exact (not rounded) values.

Appendix A- Statement of actuarial assumptions and methods

Plan Sponsor

PacifiCorp

Statement of Assumptions

The assumptions disclosed in this Appendix are for the fiscal year ending December 31, 2015 financial reporting and the fiscal year 2016 benefit cost.

Assumptions and methods

Actuarial Assumptions and Methods	
Economic Assumptions	
Discount rate	4.40%
Expected long-term return on assets	7.50%

The return on assets shown above is net of investment expenses and administrative expenses assumed to be paid from the trust.

Cash balance interest crediting rate	**(Non-union/Union)**
2015	0.83%/3.26%
2016 and 2017	1.18%/2.95%
2018+	3.40%/3.90%

For non-union participants, the plan credits interest to cash balance accounts using 70 basis points plus the average of the one-year Treasury bill constant maturities yield for November of the prior plan year.
For union participants, the plan credits interest to cash balance accounts using the interest rate on 30-year Treasury securities in effect for September of the prior calendar year.

Lump-sum conversion rate	4.40%

Annual rates of increase

■ Salaries	2.75%
■ Social Security wage base	2.50%
■ Statutory limits on compensation and benefits	2.50%

Demographic Assumptions

Mortality:

- Healthy mortality rates — The RP-2014 gender specific benefit weighted tables, adjusted 3% for credibility weighted experience, with separate mortality rates for annuitants and non-annuitants translated to 2011 using MP-2014. Two-dimensional, generational mortality improvements from 2011 forward were based on the RPEC_2014 model using a maximum slope of zero for the short term rates, converging to a 0.75% long term rate by 2020 and a linear reduction from 0.75% at age 85 to 0% at age 95.
- Lump Sum Mortality — As above, blended 50% male and 50% female annuitant tables.
- Disabled life mortality rates — For disabled participants, the unadjusted RP-2014 sex distinct tables for non-annuitants. Two-dimensional, generational mortality improvements from 2011 forward were based on the RPEC_2014 model using a maximum slope of zero for the short term rates, converging to a 0.75% long term rate by 2020 and a linear reduction from 0.75% at age 85 to 0% at age 95.

Disability

The rates for disability are shown below at various ages:

Age	Male	Female
25	0.0345%	0.0345%
40	0.0920%	0.1495%
50	0.3795%	0.4600%

Termination (not due to disability or retirement) rates

The rates at which participants are assumed to terminate are shown below at various ages:

	Years of Service				
Age	**0**	**1**	**2**	**3**	**4+**
25	20.82%	11.74%	8.96%	8.40%	7.20%
40	23.48%	10.73%	9.10%	8.39%	4.20%
50	17.47%	9.48%	7.12%	5.98%	3.60%

Retirement

The rates at which participants are assumed to retire are shown below:

Age	Rate
50-52	0.020
53-54	0.030
55-58	0.050
59-60	0.100
61	0.150
62-63	0.200
64	0.300
65	0.400
66	0.300
67+	1.000

Rates for Inactives: 27% at age 58; 13% at age 62; 60% immediate. Participants over age 62 are assumed to defer to age 65.

Other Assumptions

Inclusion date

The valuation date coincident with or next following the date on which the employee begins to earn credited service.

New or rehired employees

It was assumed there will be no new or rehired employees.

Form of payment and benefit commencement dates

Retirement from active status: 50% are assumed to elect a lump sum, 35% are assumed to elect a 100% Joint and Survivor annuity, and 15% are assumed to elect a single life annuity.

Retirement from vested termination: 66 2/3% assumed to retire at 58 and take a lump sum (or 65 if over age 58), and 33 1/3% are assumed to retire at age 62 and take a single life annuity (or 65 if over age 62).

Preretirement Terminations from active status: 60% are assumed to elect an immediate lump sum, 27% are assumed to elect a lump sum at age 58 (or 65 if over age 58), and 13% are assumed to elect a single life annuity at age 62 (or 65 if over age 62).

All other preretirement decrements: 100% are assumed to elect a lump sum immediately.

Utah Power & Light Company Deferred Compensation Plan benefits: For retirements from active status 50% are assumed to elect a 15 year certain annuity and 50% are assumed to take a lump sum. For retirement from vested termination 100% are assumed to elect a 15 year certain annuity. For all other decrements 100% are assumed to elect a lump sum.

Marriage	For purposes of valuing the pre-retirement surviving spouse's benefit, 100% of participants are assumed to be married. Male participants are assumed to be 3 years older than their spouses and female participants are assumed to be 3 years younger than their spouses.
Valuation pay	Assumed plan compensation for the year beginning on the valuation date was determined in accordance with the plan definition for compensation. Please refer to Appendix B for a full description of compensation used for the valuation.
Administrative expenses	Investment return is assumed to be net of any expenses paid by trust.
Cash flow	
■ Timing of benefit payments	Annuity benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year. Lump sum payments are assumed to be paid on January 1st of the payment year.
■ Amount and timing of contributions	No contributions are assumed for fiscal year 2016.
■ Funding Policy	Funding to PacifiCorp's Retirement Plan trust is based upon the actuarially determined costs of the plan and the requirements of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 ("ERISA") and the Pension Protection Act of 2006 ("PPA"), as amended. PacifiCorp considers contributing additional amounts from time to time in order to achieve certain funding levels specified under the PPA.

Methods – Pension Cost and Funded Position

Census Date/Measurement Date

The measurement date is December 31, 2015. For purposes of determining benefit obligations as of the measurement date, participant data as of the census date, January 1, 2015, are used.

- Obligations are calculated as of the census date, based on selected assumptions and plan provisions as of the measurement date.
- Obligations are then rolled forward from the census date to the measurement date assuming actual experience is the same as our actuarial assumptions.
- If significant changes in the population have occurred during the year, the final obligations are adjusted to reflect such changes. No adjustments for population changes were applied in this valuation.

Cost Method

The Projected Unit Credit Cost Method is used to determine the present value of the projected benefit obligation and the related current service cost. Under this method, a “projected accrued benefit” is calculated based upon service as of the date of valuation, but when the benefit formula is based on future compensation and social security levels, using assumptions about the growth of those amounts projected to the age at which the employee is assumed to leave active service. In normal circumstances the "projected accrued benefit" is based upon the plan’s accrual formula. However, if service in later years leads to a materially higher level of benefit than in earlier years, the "projected accrued benefit" is calculated by attributing benefits on a straight-line basis over the relevant period.

The benefits described above are used to determine both Accumulated Benefit Obligation (ABO) and PBO except that final average pay is assumed to remain constant in the future when calculating ABO.

The projected unit credit cost method is adapted for the particular benefit characteristics of the cash balance features of the plan as follows:

1. At any given time, the projected benefit related to a specified separation date is derived as the account balance earned as of the valuation date, accumulated to the given time using past interest crediting rates and actual past principal additions (as determined under the plan based on actual employee compensation during that period), then projected forward to the specified separation date using anticipated interest crediting rates and anticipated future principal additions (as determined under the plan based on anticipated employee compensation as projected by the assumed increase factors).

2. At any given time, the valuation accrued benefit (related to the specified separation date) is the greater of:

   A. The projected benefit in 1. above prorated by multiplying by the ratio of service to the given time, to service to the specified separation date, or

   B. The accrued benefit under the plan (cash balance as of the valuation date projected to the specified separation date using anticipated interest crediting rates)

Asset Method

The market-related value of assets was calculated as follows:

1. The fair value of assets on the valuation date, less
2. The following percentages of gains and losses on the non-fixed income portion of the fair value of assets:
   - 80% of prior year
   - 60% of the second prior year
   - 40% of the third prior year
   - 20% of the fourth prior year

Amortization of unamortized amounts:

- Recognition of past service cost/(credit)

Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of net periodic benefits cost/(income) in the year first recognized and every year thereafter until such time as it is fully amortized. The annual amortization payment is determined in the first year as the increase in projected benefit obligation due to the plan change divided by the average remaining service of active participants expected to benefit under the plan.

However, when the plan change decreases the projected benefit obligation, existing positive prior service costs are reduced or eliminated before a prior service credit base is posted starting with the first established.

- Recognition of gains or losses

Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of net periodic benefit cost for a year.

If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the projected benefit obligation and the market-related value of plan assets, the amortization is that excess divided by the average remaining service of active participants expected to benefit under the plan.

Under this methodology, the gain/loss amounts recognized in AOCI are not expected to be fully recognized in benefit cost until the plan is terminated (or an earlier event, like a settlement, triggers recognition) because the average remaining service of active participants expected to benefit under the plan over which the amounts are amortized is redetermined each year and amounts that fall within the corridor described above are not amortized.

Benefits not valued All benefits described in Appendix B were valued.

Data Sources

Participant Data PacifiCorp furnished participant data as of January 1, 2015. Data were reviewed for reasonableness and consistency, but no audit was performed.

Financial Data PacifiCorp also provided the postretirement benefit asset, postretirement benefit liability, and amounts recognized in accumulated other comprehensive income as of the end of the December 31, 2015 fiscal year and amounts recognized in other comprehensive income in the December 31, 2015 fiscal year.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately. We believe that the use of approximations in our calculations has not resulted in a significant difference relative to the results we would have obtained by using more detailed calculations.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as:

- plan experience differing from that anticipated by the economic or demographic assumptions
- changes in economic or demographic assumptions
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost based on the plan's funded status
- changes in plan provisions or applicable law
- significant events since last actuarial valuation

Significant Events since Last Actuarial Valuation

None.

Assumptions Rationale - Significant Economic Assumptions

With the exception of the discount rate, all significant economic assumptions used for accounting purposes were prescribed by the plan sponsor and represent an estimate of future experience.

Discount rate	As required by U.S. GAAP the discount rate was chosen by the plan sponsor based on market information on the measurement date. The discount rate was slected by rounding the 4.38% result produced by a bond matching analysis to the nearest 0.05%. For a description of the methodology used in the bond matching analysis, please see the Willis Towers Watson BOND:Link report provided January 25, 2016.
Expected return on plan assets	Evaluation of the expected return assumption was outside of the scope of Willis Towers Watson's assignment and would have required substantial additional work that we were not engaged to perform. We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions, and the plan sponsor's expectations for future market conditions.

Assumptions Rationale - Significant Demographic Assumptions

All significant demographic assumptions used for accounting purposes were prescribed by the plan sponsor and represent an estimate of future experience.

Mortality	PacifiCorp considered the RP-2014 mortality tables and developed an assumption based on an experience study conducted in 2014. PacifiCorp considered the MP-2014 and MP-2015 mortality improvement scales along with other population data and literature on mortality improvement. PacifiCorp developed a best estimate assumption using RPEC experience through 2011 and by modifying the projection scales thereafter to reflect their expectations.
Other Demographic Assumptions	Termination rates, retirement rates, marital assumption and form of payment are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused patterns different than assumed.

Source of Prescribed Methods

Accounting methods

The methods used for accounting purposes as described in Appendix A, are “prescribed methods set by another party”, as defined in the actuarial standards of practice (ASOPs). As required by U.S. GAAP, these methods were selected by the plan sponsor.

Changes in Assumptions and Methods

Change in assumptions since prior valuation

- Discount rate changed from 4.00% to 4.40%
- The future interest crediting rates for cash balance benefits changed from 3.00% to 1.18% in 2017 and 3.40% in 2018 and beyond for Non-Union, and 3.50% to 2.95% in 2017 and 3.90% in 2018 and beyond for Union
- Actual interest crediting rates of 1.18% for Non-Union and 2.95% for Union were used for 2016
- The ultimate lump sum conversion rate changed from 4.00% to 4.40%
- Lump sum conversion mortality changed from the prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants to the valuation mortality, blended 50% male and 50% female tables

Change in methods since prior valuation

- None

Appendix B - Summary of principal plan provisions

Summary of principal plan provisions

Plan Sponsor

PacifiCorp

Effective Date

Amended and restated effective January 1, 2015.

Participation

Any employee, other than a casual or leased employee or an employee covered by a collective-bargaining agreement that does not provide for participation, of a participating company shall become a participant on the first of the month following the completion of one year of service and attainment of age 21. A nonrepresented employee who has not become a participant as of June 1, 2007, shall become a participant then or at date of hire, if later. A Local 127 or Local 197 employee hired after 2006 shall become a participant at date of hire. Notwithstanding the preceding, the following groups of employees are ineligible:

- Local 127 employees hired after March 31, 2010.
- Local 197 employees hired after October 14, 2009.
- Local 57 Laramie employees hired after August 31, 2009.
- Bridger Coal Local S1978 hired after October 14, 2008.
- Nonrepresented employees hired after 2007.
- Local 659 employees hired after 2007.
- Local 125 employees hired after 2005.
- Local 57 (excluding Laramie) employees hired after June 30, 1999.

Eligibility for Benefits

Normal retirement

Attainment of age 65.

Early retirement

- Attainment of age 55 and the completion of five years of service; or
- At least 75 points (age plus years of service).

Deferred vested

Completion of five years of service for the Final Average Pay benefit, three years of service for the Cash Balance benefit. Effective January 1, 2009, if an employee has both a Cash Balance benefit and a Final Average Pay benefit, their Final Average Pay benefit is vested after three years of service.

Disability

Upon LTD eligibility if nonunion or covered by a collective-bargaining agreement providing for such. Otherwise, completion of 10 years of service and satisfaction of the Social Security disability benefits criteria.

Preretirement death

Completion of five years of service.

Postponed retirement

Retirement after attainment of age 65.

Final Average Pay Benefit

The Final Average Pay benefit is frozen for the following groups:

- Local 127 employees — frozen as of March 31, 2010.
- Local 197 employees — frozen as of October 14, 2009.
- Local 57 Laramie employees — frozen as of August 31, 2009.
- Bridger Coal S1978 employees — frozen as of October 14, 2008.
- Local 125 employees who were under age 53 as of October 1, 2008 — frozen as of September 30, 2008.
- Local 659 employees — frozen as of December 31, 2007.
- Nonrepresented employees — frozen as of June 1, 2007. (Nonrepresented employees hired prior to 2008 are also eligible for the Cash Balance benefit.)
- Local 125 employees who were at least age 53 as of October 1, 2008 — frozen as of December 31, 2011.
- Local 127 and Local 197 employees hired after 2006 are not eligible for the Final Average Pay benefit.

Normal retirement

Monthly benefit equal to the greatest of (1), (2), (3), (4), (5) and (6), plus the DCP benefit.

1. The Basic Benefit plus the Excess Benefit, plus the Additional Service Benefit:
    - Basic Benefit = 1.3% of Final Average Pay times Benefit Years up to a maximum of 30.
    - Excess Benefit = 0.65% of Final Average Pay in excess of Social Security Covered Compensation, times Benefit Years up to a maximum of 30.
    - Additional Service Benefit = 0.25% of Final Average Pay times Benefit Years in excess of 30.
2. Monthly benefit under the Utah Power and Light Company Retirement Income Plan on the New Formula Date, as follows:
    - December 31, 1990, for union employees; or
    - December 31, 1989, for non-union employees; or
    - The date of transfer from union to nonunion status for employees making this transfer during 1990.

3. Short service factor (SSF) times Benefit Years up to 20, plus the long service factor (LSF) times Benefit Years in excess of 20, where:

Annual Salary Rate on New Formula Date	SSF	LSF
Under $25,000	$35	$15
From $25,000 to $35,000	$50	$20
Over $35,000	$60	$25

4. Monthly benefit earned under other groups that were merged with the Plan.

5. For members of the IBEW Local 57 who are age 50 or older and in active status on July 1, 1999:

   - 1.67% of Final Average Pay times Benefit Years up to a maximum of 30 plus 0.50% of Final Average Pay times Benefit Years in excess of 30.

6. For members of the IBEW Local125 who are age 53 or older as of October 1, 2008:

   - 1.35% of Final Average Pay times Benefit Years.

The DCP benefit is the monthly benefit payable to former participants of the Utah Power and Light Deferred Compensation Plan.

Early retirement

A benefit computed in the same manner as a normal retirement benefit based on compensation and benefit years at the time of termination. This benefit is paid without reduction if deferred to age 65 or reduced if payments commence before age 65. The applicable early retirement factors vary depending upon which benefit formula predominates.

For Formula (1), the Basic Benefit is reduced under the Higher Percentage table if the participant terminates with 75 or more points; otherwise the Lower Percentage table is used. The Excess Benefit is reduced under the Lower Percentage Table and the Additional Service Benefit is reduced under the Higher Percentage table.

Age at Benefit Starting Date	Higher Percentage	Lower Percentage
64	100.00%	92.00%
63	100.00%	84.00%
62	100.00%	76.00%
61	96.00%	72.00%
60	92.00%	68.00%
59	88.00%	64.00%
58	84.00%	60.00%
57	80.00%	56.00%
56	76.00%	52.00%
55	72.00%	48.00%
54	64.63%	43.09%
53	58.09%	38.73%
52	52.29%	34.86%
51	47.12%	31.42%
50	42.52%	28.35%

For Formulas (2) and (5), the reduction factor is 4% per year below age 65 if the participant has less than 30 years of service; otherwise, the reduction is 4% per year below age 64. For retirement between ages 50 and 55, the reduction factors are the same as the terminated vested factors.

For Formula (3), the reduction factors are based on the factors in the Higher Percentage table listed above.

For Formula (4), the reduction is based upon the applicable early retirement factor for the frozen benefit that was merged with the Plan.

For Formula (6), the reduction is based on the Higher Percentage table if the participant terminates with 75 or more points otherwise the Lower Percentage table is used.

The DCP benefit is also reduced for early commencement under a separate schedule.

Deferred vested

A benefit computed in the same manner as a normal retirement benefit based on final average compensation and benefit years at the time of termination. This benefit is paid without reduction at age 65 or actuarially reduced for early commencement.

Disability

A benefit computed in the same manner as a normal retirement benefit based on Final Average Pay and Benefit Years at retirement and Social Security Covered Compensation at the time of disability. This benefit is paid without reduction if deferred to age 65 or reduced in accordance with the early retirement table if commenced earlier.

Preretirement death

If death occurs before age 55, the vested participant’s spouse will be eligible to begin receiving a life annuity or lump sum immediately or may defer payment until the time the participant would have become age 55. If deferred to age 55, the benefit amount will be equal to the amount the spouse would have received if the participant had separated from service on the date of death or on the actual date of termination, if earlier, survived until age 55, and then died with a 50% joint and survivor benefit in effect.

The spouse of a participant who dies while employed after age 55 or after completing 30 years of service shall receive a life annuity equal to the benefit that would have been paid if the participant had retired on the day before his death with a 50% joint and survivor benefit in effect. In the case of death of a participant with 30 years of service before age 55, the participant is assumed to be age 55 in determining the applicable early retirement reduction factors.

Preretirement death benefits for unmarried participants are provided to nonunion employees and employees covered by a collective-bargaining agreement providing for such. The benefits are actuarially equivalent to those for active participants, based on an assumed spouse exactly three years younger than the participant, and are payable only as a lump sum.

Preretirement death benefits of terminated vested participants are the same as those for active participants.

Postponed retirement

A benefit computed in the same manner as a normal retirement benefit.

Cash Balance Benefit

Eligibility

All nonrepresented employees as of June 1, 2007, and those hired in the following seven months, and Local 127 and Local 197 employees hired after 2006. The Cash Balance benefit is paid in addition to the (frozen) Final Average Pay benefit. Notwithstanding the preceding, the following groups of employees are ineligible:

- Local 127 employees hired after March 31, 2010.
- Local 197 employees hired after October 14, 2009.
- Nonrepresented employees hired after December 31, 2007.

Amount of benefit

The hypothetical Cash Balance account described below, on an actuarially equivalent life annuity, is payable upon termination or any time after termination.

Death benefit

Entire Cash Balance account or actuarially equivalent life annuity payable upon the participant's death, regardless of marital status.

Opening Cash Balance account

For nonrepresented employees, the participant's Cash Balance is $0 as of June 1, 2007, or entry into the plan. For Local 127 and Local 197 participants, an opening Cash Balance of $0 is established upon entry into the plan. The Cash Balance account is increased annually and upon benefit commencement with Pay Credits and Interest Credits.

Annual pay credit

Pay credits are credited to the Cash Balance account each December 31, or upon severance from service if earlier. The amount of the pay credit is 5% of Compensation for Local 127 and Local 197, and 5% of Cash Balance Compensation for nonrepresented employees hired on or after July 1, 2006.

For nonrepresented employees hired before July 1, 2006, the pay credit is 6.5% of Cash Balance Compensation. In addition, through August 1, 2009, there is a pay credit of 4% of Cash Balance Compensation in excess of the Social Security Wage Base for the year. In addition, those employees who were 40 or older on May 31, 2007, receive the following transitional pay credits:

Transitional Pay Credit Period	Percentage of Cash Balance Compensation
6/1/2007 – 5/31/2008	4.0%
6/1/2008 – 5/31/2009	4.0%
6/1/2009 – 5/31/2010	4.0%
6/1/2010 – 5/31/2011	2.5%
6/1/2011 – 5/31/2012	1.5%

Pay credits will be $0 for the following groups:

- Local 127 employees — as of April1, 2010.
- Local 197 employees — as of October 15, 2009.
- Nonrepresented participants who opted out of future cash balance pay credits after December 31, 2008, participating instead in enhanced K Plus defined contribution benefits — as of January 1, 2009.

Interest credits

Interest is credited to the Cash Balance account each December 31, or upon benefit commencement, if earlier. The amount of the interest credit is the rate of interest times the preceding January 1 Cash Balance account. For nonrepresented employees, the rate of interest is the interest rate on one-year Treasury constant maturities in effect for November of the prior calendar year, plus 70 basis points. For Local 127 and Local 197 participants, the rate of interest is the interest rate on 30-year Treasury securities in effect for September of the prior calendar year.

Definitions

Year of service

12-month period during which an employee is in continuous employment with the company or an affiliate.

Benefit year

Years of service while an employee, other than a casual or leased employee or an employee covered by a collective-bargaining agreement that does not provide participation in this Plan, of a participating company. Years of service while on an authorized leave of absence and certain periods of military service are included. Any participants who complete less than a full year of service receive fractional credit.

Compensation

Compensation includes all nondeferred compensation reportable on Form W-2 except the amounts shown below, plus salary reduction amounts elected by the participant under qualified cash or deferred arrangement or a cafeteria plan. Excluded items are:

- Bonuses in excess of 10% of base salary, determined before reductions in base salary for nonqualified deferred compensation.
- Overtime, premium pay, shift and location differentials.
- Imputed income from expense reimbursement or fringe benefits.
- Commissions that are not in lieu of participation in a bonus program or that do not accompany a discounted salary rate.
- Other commissions or production related incentives in excess of 30% of base salary, determined before reductions in base salary for nonqualified deferred compensation.
- Other items such as prizes and awards, severance payments, long-term incentive pay.

As of January 1, 2015, compensation for purposes of calculating qualified plan benefits is limited to $265,000 in accordance with IRC section 401(a)(17).

Cash Balance compensation

Same as Compensation, except that the entire amount of bonuses is included (i.e., bonuses in excess of 10% of base salary are not excluded). Hiring and retention bonuses are not included.

Compensation after 2008 for nonrepresented employees who opted out of Annual Pay Credits effective January 1, 2009, will be disregarded.

Final Average Pay

Average monthly compensation in the 60 highest consecutive calendar months of the last 120 calendar months of employment. Notwithstanding the preceding, compensation after May 31, 2007, shall be disregarded for nonrepresented employees.

Social Security covered compensation

The covered compensation amount for a person with the participant's Social Security retirement age.

Plan year

January 1 to December 31.

Contributions

The plan is paid for by the company. No participant contributions are allowed other than amounts previously transferred from plans that merged with the Plan.

Normal form of benefits

An unmarried member receives benefits payable as a single life annuity. A married participant retiring from active or disabled status receives a 50% joint and survivor benefit which is the actuarial equivalent of a life annuity payment. All other benefits are provided on an actuarial equivalent basis to a life annuity.

Optional annuity forms of benefit

Level income option, 100% or 50% joint and survivor options, 10-year certain and life option. All optional forms are actuarially equivalent to the single life annuity based upon:

Interest: 9.00%.

Mortality: 1984 Unisex Pension Mortality Table.

Final Average Pay lump sum benefit

The actuarially equivalent lump sum benefit is paid:

- Automatically if the amount is not over $5,000; or
- Upon request.

The lump sum is based upon:

Interest: The three-segment corporate bond yield curve published by the IRS for lump sums under 417(e) for the September preceding the year in which the lump sum is paid.

Mortality: The mortality table published by the IRS in Notice 2008-85 for lump sums under 417(e) payable in 2016.

Cost of Living Adjustment

The amount payable to each participant with no service after December 31, 1987, is increased each January 1 by the lesser of:

1. 2%; or
2. The percentage increase in the U.S. Consumer Price Index (all items) during the 12 months ending with the September index preceding the adjustment date.

Effective May 1, 2002, an ad hoc COLA was granted to certain pre-1996 retirees.

Plan Provisions Effective after January 1, 2016

None

Changes in Plan Provisions since Prior Year

The plan was amended to consolidate amendments 1 through 4 as part of a restatement. This amendment had no impact on the plan provisions valued.

UE-152253/Pacific Power & Light Company

Attachment to PC 52-c: Projected pension expense that would result from the actuarial calculations for 2016 on a similar basis to the test pension expense of $24,712,488 from SEM-3, page 4.2.2.

SAP Account	Description	Actuarial accruals for 12 months ended 12/31/16	Estimated Local 57 Mult-employer plan expense (1)	Estimated Pension Admin expense (2)	Subtotal before joint owner allocation	Estimated Joint-Owner Allocation (3)	Estimated 2016 SAP general ledger pension expense
501104	Pension Expense - Non Union	11,625,110			11,625,110	(218,018)	11,407,092
501105	Pension Expense - IBEW 57	107,657	8,150,000		8,257,657	(139,711)	8,117,946
501107	Pension Expense - Local 125	472,993			472,993	(6,074)	466,919
501108	Pension Expense - Local 127	1,045,196			1,045,196	(206,088)	839,108
501109	Pension Expense - Local 197	3,556			3,556		3,556
501111	Pension Expense - Local 659	1,100,806			1,100,806		1,100,806
501102	Pension Administration	0		920,000	920,000		920,000
Total projected general ledger pension expense		14,355,318	8,150,000	920,000	23,425,318	(569,891)	**22,855,427**

(1) Multi-employer plan expense estimated based on prior year (2015) expense of $8,142,614.29

(2) Pension administration expense in 501102 was $1,092,040 in calendar year 2014 & $752,394 in calendar year 2015. Average = $922,217

(3) Calculation of estimated 2016 joint owner allocation:

	A	**B**	**C = B / A**	**D (from above)**	**E = C x D**
	12/31/2015 SAP general ledger expense	12/31/15 joint owner allocation	Joint owner allocation % for 2015	12/31/16 projected expense before joint owner allocation	Estimated joint owner allocation for 2016
501104	15,975,186.87	(299,600.13)	-1.88%	11,625,110.00	(218,018.00)
501105	8,263,210.33	(139,804.92)	-1.69%	8,257,657.00	(139,711.00)
501107	902,571.30	(11,590.74)	-1.28%	472,993.00	(6,074.00)
501108	1,448,513.33	(285,612.67)	-19.72%	1,045,196.00	(206,088.00)
		(736,608.46)			(569,891.00)