

UE-991832/ PacifiCorp  
April 24, 2000  
WUTC Bench Request 2

EXHIBIT NO.	UE-991832	
EXHIBIT #	267	
<input checked="" type="checkbox"/> I	<input type="checkbox"/> W/D	<input type="checkbox"/> REJ

**WUTC Bench Request No. 2:**

As discussed at the prehearing conference held in Olympia, Washington on April 21, 2000, it is apparently the intention of the Company to revise Mr. Larsen's prefiled Exhibit No. \_\_\_\_\_(JKL-2).

In that regard, the attachment to this data request lists those 19 revised adjustments. On the attachment, or a like schedule, please indicate which adjustments are 1) new ("N"), 2) Replacements or a Removal of prefiled adjustments ("R") (please indicate the adjustment number of the original adjustment being replaced), or 3) incremental adjustments ("I"), i.e., adjustments which should be added to rather than replace the original adjustments.

Please provide all changes and additions to the underlying detail of the adjustments in Mr. Larsen's prefiled exhibits.

**Response to WUTC Bench Request No. 2:**

It should be noted that the Company does not intend to revise Mr. Larsen's prefiled Exhibit No. \_\_\_ (JKL-2). The Company has identified a number of items that could be adjusted in the Company's direct case, but the relatively small magnitude of these items—amounting in total to about a \$700,000 change in the revenue requirement—does not warrant the Company actually revising its exhibits. The Company has provided Staff and other parties with a list of these items, a description of their derivation, and provided further explanation in a technical conference, in the interests of limiting the amount of cross-examination necessary as the Company concedes that adjustments for these items would be appropriate. The Company's exhibits and testimony in the rebuttal phase of this proceeding will incorporate these items.

The following table sets forth the requested designation of each item, including a brief commentary describing the adjustment. Attachment WUTC Bench Request No. 2 sets forth the underlying detail of the items. Additional supporting workpapers were provided to Staff, Public Counsel and ICNU at the technical conference, and can be provided to the Commission upon request.

No.	Adjustment	Type	Description
1	Unbilled Revenues	I	Error identified in Utah Rate Case, provided in response to WUTC 433 on April 20. Incremental adjustment to JKL 3.1.
2	Outside Services	N	Error identified in Utah Rate Case
3	Bridger Accounts Receivable	I	Error identified in Utah Rate Case. Incremental adjustment to JKL 8.4.

UE-991832/ PacifiCorp  
 April 24, 2000  
 WUTC Bench Request 2

4	Revised Depreciation Adjustment	I	Peterson's supplemental testimony. Information provided in response to Bench Request No. 1 on April 19. Incremental adjustment to JKL 6.1.
5	Revised Accumulated Depreciation Adjustment	I	Peterson's supplemental testimony. Information provided in response to Bench Request No. 1 on April 19. Incremental adjustment to JKL 6.2.
6	New Depreciation Adjustment	I	Peterson's supplemental testimony. Information provided in response to Bench Request No. 1 on April 19. Incremental adjustment to JKL 6.1.
7	New Accumulated Depreciation Adjustment	I	Peterson's supplemental testimony. Information provided in response to Bench Request No. 1 on April 19. Incremental adjustment to JKL 6.2.
8	Remove Modified Accord Allocation Adjustment	I	No agreement reached at PITA on April 14. Incremental adjustment to JKL 4.12
9	Early out Adjustment Rate Base Error	I	Need for clarification to Company's proposal identified through discussions with WUTC Staff. Incremental adjustment to JKL 4.3.
10	Other Revenue Allocation Adjustment	N	Provided in response to WUTC 129 on March 3.
11	Revised Year-End Deferred Taxes	I	Provided in response to WUTC 324 on April 3. Incremental adjustment to JKL 7.3.
12	Revised SAP Adjustment	I	Provided in response to WUTC 384 on April 18. Incremental adjustment to JKL 8.10.
13	Cash Working Capital Update	I	True-Up based on changes from other adjustments. Incremental adjustment to JKL 8.9.
14	Revised Interest True-Up	I	True-Up based on changes from other adjustments. Incremental adjustment to JKL 7.1.
15	Revised Revenue Related Taxes	I	Provided in response to WUTC 415 on April 21. Incremental adjustment to JKL 7.4.
16	Remove 1997 Tax True-Up	N	Provided in response to WUTC 307 on March 22. (No impact on Revenue Requirement)
17	Update Tree-Trimming Expense Adjustment	I	Provided in response to WUTC 299 on March 22 and 364 on April 10. Incremental adjustment to JKL 4.14.

UE-991832/ PacifiCorp  
April 24, 2000  
WUTC Bench Request 2

18	Update Property Tax for Removal of Colstrip 3 and Black Hills	I	Provided in response to WUTC 361 on April 7 and 304 on March 22. Incremental adjustment to JKL 7.2.
19	Tab 9 True-Up	R	Provided in response to WUTC 129 on March 3 and WUTC 372 on April 18 and WUTC 429 on April 20. Revision to JKL Tab 9.

WASHINGTON  
Misc 1 (Tab 11)  
TOTAL

	11.1	11.2	11.3	11.4	11.5	11.6	11.7	11.8	11.9	
	Total Normalized	Unbilled Revenues	Outside Services	Bridger Accounts Receivable	Revised Depreciation Adjustment	Revised Accum. Depreciation Adjustment	New Depreciation Adjustment	New Accumulated Depreciation Adjustment	Remove Modified Accord Allocations Adjustment	Early Out Adjustment
1 Operating Revenues:										
2 General Business Revenues	343,000	343,000	-	-	-	-	-	-	-	-
3 Interdepartmental	-	-	-	-	-	-	-	-	-	-
4 Special Sales	-	-	-	-	-	-	-	-	-	-
5 Other Operating Revenues	(63,579)	-	-	-	-	-	-	-	-	-
6 Total Operating Revenues	279,421	343,000	-	-	-	-	-	-	-	-
7										
8 Operating Expenses:										
9 Steam Production	(290,725)	-	-	-	35,165	-	(325,890)	-	-	-
10 Nuclear Production	-	-	-	-	-	-	-	-	-	-
11 Hydro Production	-	-	-	-	-	-	-	-	-	-
12 Other Power Supply	-	-	-	-	-	-	-	-	-	-
13 Transmission	-	-	-	-	-	-	-	-	-	-
14 Distribution	(99,540)	-	-	-	-	-	-	-	-	-
15 Customer Accounting	-	-	-	-	-	-	-	-	-	-
16 Customer Service & Info	-	-	-	-	-	-	-	-	-	-
17 Sales	-	-	-	-	-	-	-	-	-	-
18 Administrative & General	(253,837)	-	(248,721)	-	-	-	-	-	-	-
19 Total O&M Expenses	(644,102)	-	(248,721)	-	35,165	-	(325,890)	-	-	-
20 Depreciation	3,583,807	-	-	-	(4,669)	-	3,503,124	-	-	-
21 Amortization	(107,807)	-	-	-	-	-	-	-	-	-
22 Taxes Other Than Income	(207,725)	-	-	-	-	-	-	-	-	-
23 Income Taxes: Federal	42,489	114,135	82,763	-	-	-	-	-	95,180	-
24 State	41,276	16,900	12,254	-	-	-	-	-	14,093	-
25 Deferred Income Taxes	(149,907)	-	-	-	(11,650)	-	(1,213,767)	-	-	-
26 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-	-
27 Misc Revenue & Expense	(286,035)	-	-	-	-	-	-	-	(286,035)	-
28 Total Operating Expenses:	2,271,997	131,035	(153,703)	-	18,846	-	1,963,467	-	(176,762)	-
29										
30 Operating Rev For Return:	(1,992,576)	211,965	153,703	-	(18,846)	-	(1,963,467)	-	176,762	-
31										
32 Rate Base:										
33 Electric Plant In Service	(2,048,671)	-	-	(288,686)	-	-	-	-	-	-
34 Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-
35 Misc Deferred Debits	5,131,288	-	-	-	-	-	-	-	-	5,131,288
36 Elec Plant Acq Adj	-	-	-	-	-	-	-	-	-	-
37 Nuclear Fuel	-	-	-	-	-	-	-	-	-	-
38 Prepayments	-	-	-	-	-	-	-	-	-	-
39 Fuel Stock	-	-	-	-	-	-	-	-	-	-
40 Material & Supplies	-	-	-	-	-	-	-	-	-	-
41 Working Capital	(42,086)	-	-	-	-	-	-	-	-	-
42 Weatherization Loans	-	-	-	-	-	-	-	-	-	-
43 Misc Rate Base	-	-	-	-	-	-	-	-	-	-
44 Total Electric Plant:	3,040,531	-	-	(288,686)	-	-	-	-	-	5,131,288
45										
46 Deductions:										
47 Accum Prov For Deprec	(742,262)	-	-	-	-	(15,248)	-	(1,588,617)	-	-
48 Accum Prov For Amort	780,566	-	-	-	-	-	-	-	-	-
49 Accum Def Income Tax	419,571	-	-	-	-	5,825	-	606,883	-	-
50 Unamortized ITC	9,000	-	-	-	-	-	-	-	-	-
51 Customer Adv For Const	-	-	-	-	-	-	-	-	-	-
52 Customer Service Deposits	-	-	-	-	-	-	-	-	-	-
53 Miscellaneous Deductions	-	-	-	-	-	-	-	-	-	-
54										
55 Total Deductions:	466,875	-	-	-	-	(9,423)	-	(981,734)	-	-
56										
57 Total Rate Base:	3,507,406	-	-	(288,686)	-	(9,423)	-	(981,734)	-	5,131,288
58										
59										
60 Effect on ROE	-0.728%	0.070%	0.050%	0.006%	-0.006%	0.000%	-0.644%	0.022%	0.058%	-0.113%
61										
62 Revenue Requirement	3,785,973	(347,148)	(251,729)	(43,015)	30,865	(1,404)	3,215,688	(146,280)	(289,494)	764,573
63										
64 TAX CALCULATION:										
65										
66 Operating Revenue	(2,058,718)	343,000	248,721	-	(30,496)	-	(3,177,234)	-	286,035	-
67 Other Deductions	-	-	-	-	-	-	-	-	-	-
68 Interest (AFUDC)	-	-	-	-	-	-	-	-	-	-
69 Interest	118,103	-	-	-	-	-	-	-	-	-
70 Schedule "M" Additions	3,185,275	-	-	-	30,496	-	3,177,234	-	-	-
71 Schedule "M" Deductions	170,703	-	-	-	-	-	-	-	-	-
72 Income Before Tax	837,751	343,000	248,721	-	-	-	-	-	286,035	-
73										
74 State Income Taxes	41,276	16,900	12,254	-	-	-	-	-	14,093	-
75										
76 Taxable Income	796,475	326,100	236,467	-	-	-	-	-	271,942	-
77										
78 Federal Income Taxes - Calculate	278,766	114,135	82,763	-	-	-	-	-	95,180	-
79 Adjustments to Calculated Taxes:										
80 1997 PM/GCC True-up	(236,277)	-	-	-	-	-	-	-	-	-
81 Federal Income Taxes	42,489	114,135	82,763	-	-	-	-	-	95,180	-

WASHINGTON  
Misc 1 (Tab 11)  
TOTAL

	11.10	11.11	11.12	11.13	11.14	11.15	11.16	11.17	11.18	11.19
	Other Revenue Allocation Correction	Revised Year-end Deferred Taxes	Revised SAP Adjustment	Cash Working Capital Update	Revised Interest True-up	Revised Revenue Related Taxes	Remove 1997 Tax True-up	Update Tree Trimming Expense Adjustment	Update Property Tax for Removal of Colstrip 3 & Black Hills	True-up Centralia Balances in Tab 9
1 Operating Revenues:										
2 General Business Revenues	-	-	-	-	-	-	-	-	-	-
3 Interdepartmental	-	-	-	-	-	-	-	-	-	-
4 Special Sales	-	-	-	-	-	-	-	-	-	-
5 Other Operating Revenues	(63,579)	-	-	-	-	-	-	-	-	-
6 Total Operating Revenues	(63,579)	-	-	-	-	-	-	-	-	-
7										
8 Operating Expenses:										
9 Steam Production	-	-	-	-	-	-	-	-	-	-
10 Nuclear Production	-	-	-	-	-	-	-	-	-	-
11 Hydro Production	-	-	-	-	-	-	-	-	-	-
12 Other Power Supply	-	-	-	-	-	-	-	-	-	-
13 Transmission	-	-	-	-	-	-	-	-	-	-
14 Distribution	-	-	-	-	-	-	-	(99,540)	-	-
15 Customer Accounting	-	-	-	-	-	-	-	-	-	-
16 Customer Service & Info	-	-	-	-	-	-	-	-	-	-
17 Sales	-	-	-	-	-	-	-	-	-	-
18 Administrative & General	-	-	-	-	-	(5,116)	-	-	-	-
19 Total O&M Expenses	-	-	-	-	-	(5,116)	-	(99,540)	-	-
20 Depreciation	-	-	85,352	-	-	-	-	-	-	-
21 Amortization	-	-	(107,807)	-	-	-	-	-	-	-
22 Taxes Other Than Income	-	-	-	-	-	28,602	-	-	(236,327)	-
23 Income Taxes: Federal	(21,156)	-	(56,802)	-	(39,299)	(7,815)	(236,277)	33,122	78,639	-
24 State	(3,133)	-	(8,411)	-	(5,819)	(1,157)	-	4,904	11,644	-
25 Deferred Income Taxes	-	-	73,704	-	-	-	236,277	-	-	765,530
26 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-	-
27 Misc Revenue & Expense	-	-	-	-	-	-	-	-	-	-
28 Total Operating Expenses:	(24,289)	-	(13,965)	-	(45,118)	14,514	-	(61,513)	(146,044)	765,530
29										
30 Operating Rev For Return:	(39,290)	-	13,965	-	45,118	(14,514)	-	61,513	146,044	(765,530)
31										
32 Rate Base:										
33 Electric Plant In Service	-	-	(834,764)	-	-	-	-	-	-	(925,222)
34 Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-
35 Misc Deferred Debits	-	-	-	-	-	-	-	-	-	-
36 Elec Plant Acq Adj	-	-	-	-	-	-	-	-	-	-
37 Nuclear Fuel	-	-	-	-	-	-	-	-	-	-
38 Prepayments	-	-	-	-	-	-	-	-	-	-
39 Fuel Stock	-	-	-	-	-	-	-	-	-	-
40 Material & Supplies	-	-	-	-	-	-	-	-	-	-
41 Working Capital	-	-	-	(42,086)	-	-	-	-	-	-
42 Weatherization Loans	-	-	-	-	-	-	-	-	-	-
43 Misc Rate Base	-	-	-	-	-	-	-	-	-	-
44 Total Electric Plant:	-	-	(834,764)	(42,086)	-	-	-	-	-	(925,222)
45										
46 Deductions:										
47 Accum Prov For Deprec	-	-	(42,676)	-	-	-	-	-	-	904,279
48 Accum Prov For Amort	-	-	780,566	-	-	-	-	-	-	-
49 Accum Def Income Tax	-	(5,500)	(187,638)	-	-	-	-	-	-	-
50 Unamortized ITC	-	9,000	-	-	-	-	-	-	-	-
51 Customer Adv For Const	-	-	-	-	-	-	-	-	-	-
52 Customer Service Deposits	-	-	-	-	-	-	-	-	-	-
53 Miscellaneous Deductions	-	-	-	-	-	-	-	-	-	-
54										
55 Total Deductions:	-	3,500	550,252	-	-	-	-	-	-	904,279
56										
57 Total Rate Base:	-	3,500	(284,511)	(42,086)	-	-	-	-	-	(20,943)
58										
59										
60 Effect on ROE	-0.013%	0.000%	0.011%	0.001%	0.015%	-0.005%	0.000%	0.020%	0.048%	-0.251%
61										
62 Revenue Requirement	64,348	522	(65,263)	(6,271)	(73,893)	23,770	-	(100,744)	(239,185)	1,250,634
63										
64 TAX CALCULATION:										
65										
66 Operating Revenue	(63,579)	-	22,455	-	-	(23,486)	-	99,540	236,327	-
67 Other Deductions	-	-	-	-	-	-	-	-	-	-
68 Interest (AFUDC)	-	-	-	-	-	-	-	-	-	-
69 Interest	-	-	-	-	118,103	-	-	-	-	-
70 Schedule "M" Additions	-	-	(22,455)	-	-	-	-	-	-	-
71 Schedule "M" Deductions	-	-	170,703	-	-	-	-	-	-	-
72 Income Before Tax	(63,579)	-	(170,703)	-	(118,103)	(23,486)	-	99,540	236,327	-
73										
74 State Income Taxes	(3,133)	-	(8,411)	-	(5,819)	(1,157)	-	4,904	11,644	-
75										
76 Taxable Income	(60,447)	-	(162,293)	-	(112,284)	(22,329)	-	94,636	224,683	-
77										
78 Federal Income Taxes - Calculate	(21,156)	-	(56,802)	-	(39,299)	(7,815)	-	33,122	78,639	-
79 Adjustments to Calculated Taxes:										
80 1997 PMWGCC True-up	-	-	-	-	-	-	(236,277)	-	-	-
81 Federal Income Taxes	(21,156)	-	(56,802)	-	(39,299)	(7,815)	(236,277)	33,122	78,639	-

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Revenues:</b>							
Residential	440	1	168,000	WA	Situs	168,000	
Commercial & Industry	442	1	115,000	WA	Situs	115,000	
Public Street & Highway Lighting	444	1	60,000	WA	Situs	60,000	
			<u>343,000</u>			<u>343,000</u>	

**Description of Adjustments:**

An error was discovered in the calculation of unbilled revenues included in the original 1998 results. This adjustment corrects for the error and properly restates retail revenues.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Remove Outside Services	923	1	(1,635,456)	SO	8.676%	(141,899)	
Remove Strategic Consulting	921	1	(1,064,810)	SO	8.676%	(92,387)	
Remove Misc. Expenses	921	1	(166,371)	SO	8.676%	(14,435)	

**Description of Adjustment:**

Certain non-utility expenses, prior period outside services, certain consultant projects, and sponsorships were included in results but should have been charged below-the-line. This adjustment removes these expenses from results.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Rate Base:</b>							
Net Plant in Service	399	1	(3,165,280)	SE	9.120%	(288,686)	

	<u>Dec-98 Balance</u>	<u>Dec-97 Balance</u>	<u>Average Balance</u>
<b>Adjustment Detail:</b>			
<u>Original Calculation</u>			
Accounts Receivable	14,040,369	7,571,246	10,805,808
<u>Revised Calculation</u>			
Accounts Receivable	14,040,369	7,571,246	10,805,808
Less early retirement	6,330,559		
Adjusted Accounts receivable	<u>7,709,810</u>	7,571,246	<u>7,640,528</u>
Difference			<u><u>(3,165,280)</u></u>

**Description of Adjustment:**

Adjustment 8.4 in the results incorporates Bridger Mine rate base into the results of operations. However, included in the original balances was an amount for early retirement costs associated with the mine that should have been removed because all early retirement costs are reflected in Adjustment 4.3. This adjustment removes the amount included in the Bridger accounts receivable balance associated with the early retirement program and restates it to its proper levels.



PacifiCorp  
Washington Results of Operations June 2001  
Revised Depreciation Adjustment

PAGE

11.4

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Steam - PP&L Pre-Merger	403SP	2	(14,304)	DGP	16.873%	(2,414)	
Steam - UP&L Pre-Merger	403SP	2	296,856	DGU	0.000%	-	
Steam - Post-merger	403SP	2	<u>238,976</u>	SG	9.694%	<u>23,167</u>	
			<u>521,528</u>			<u>20,754</u>	
Other Production - PP&L Pre-merger	403OP	2	-	DGP	16.873%	-	
Other Production - UP&L Pre-merger	403OP	2	-	DGU	0.000%	-	
Other Production - Post merger	403OP	2	<u>784,519</u>	SG	9.694%	<u>76,054</u>	
			<u>784,519</u>			<u>76,054</u>	
Hydro - PP&L Pre-merger	403HP	2	(2,109,145)	DGP	16.873%	(355,883)	
Hydro - UP&L Pre-merger	403HP	2	166,667	DGU	0.000%	-	
Hydro - Post merger	403HP	2	<u>2,000,000</u>	SG	9.694%	<u>193,888</u>	
			<u>57,522</u>			<u>(161,995)</u>	
Transmission - PP&L Pre-Merger	403TP	2	(10,496)	DGP	16.873%	(1,771)	
Transmission - UP&L Pre-Merger	403TP	2	-	DGU	0.000%	-	
Transmission - Post-merger	403TP	2	<u>85,417</u>	SG	9.694%	<u>8,281</u>	
			<u>74,921</u>			<u>6,510</u>	
Distribution	403362	2	-	WA	Situs	-	
General - Direct	403GP	2	(2,477,134)	WA	Situs	(349,918)	
Customer	403GP	2	(234,533)	CN	8.412%	(19,728)	
PP&L General Office	403GP	2	(23,229)	SO	8.676%	(2,015)	
UP&L General Office	403GP	2	(1,170,273)	SO	8.676%	(101,538)	
General - System Div. - PP&L	403GP	2	1,896,771	DGP	16.873%	320,048	
General - System Div. - UP&L	403GP	2	17,873	DGU	0.000%	-	
General - Common	403GP	2	2,136,888	SG	9.694%	207,159	
General - Mining	403GP	2	<u>(9,200)</u>	SE	9.120%	<u>-</u>	
			<u>137,163</u>			<u>54,008</u>	
Mining Plant	501	2	385,570	SE	9.120%	35,165	
Total Depreciation adjustment			<u>1,961,223</u>			<u>30,496</u>	
Schedule M Impact on Adjustment	SCHMAT	2	1,961,223	WA	Situs	30,496	
Deferred Income Taxes	41110	2	(749,226)	WA	Situs	(11,650)	

**Description of Adjustment:**

The current authorized depreciation rates were applied to depreciable year end plant balances of December 31, 1998 to calculate the on-going level of depreciation expense. The annualized depreciation expense was compared to the actual expense booked to account 403 for the same period. This adjustment to booked depreciation expense is necessary to reflect on-going depreciation expense based on the current rates and depreciable plant balances.

PacifiCorp  
Washington Results of Operations June 2001  
Revised Accum. Depreciation Adjustment

PAGE

11.5

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Rate Base:</b>							
Accumulated Depreciation	108SP	2	7,152	DGP	16.873%	1,207	
Accumulated Depreciation	108SP	2	(148,428)	DGU	0.000%	-	
Accumulated Depreciation	108SP	2	(119,488)	SG	9.694%	(11,584)	
			<u>(260,764)</u>			<u>(10,377)</u>	
Accumulated Depreciation	108OP	2	-	DGP	16.873%	-	
Accumulated Depreciation	108OP	2	--	DGU	0.000%	-	
Accumulated Depreciation	108OP	2	(392,260)	SG	9.694%	(38,027)	
			<u>(392,260)</u>			<u>(38,027)</u>	
Accumulated Depreciation	108HP	2	1,054,573	DGP	16.873%	177,941	
Accumulated Depreciation	108HP	2	(83,334)	DGU	0.000%	-	
Accumulated Depreciation	108HP	2	(1,000,000)	SG	9.694%	(96,944)	
			<u>(28,761)</u>			<u>80,997</u>	
Accumulated Depreciation	108TP	2	5,248	DGP	16.873%	886	
Accumulated Depreciation	108TP	2	-	DGU	0.000%	-	
Accumulated Depreciation	108TP	2	(42,709)	SG	9.694%	(4,140)	
			<u>(37,461)</u>			<u>(3,255)</u>	
Accumulated Depreciation	108362	2	-	WA	Situs	-	
Accumulated Depreciation	108GP	2	1,238,567	WA	Situs	174,959	
Customer	108GP	2	117,267	CN	8.412%	9,864	
Accumulated Depreciation	108GP	2	11,615	SO	8.676%	1,008	
Accumulated Depreciation	108GP	2	585,137	SO	8.676%	50,769	
Accumulated Depreciation	108GP	2	(948,386)	DGP	16.873%	(160,024)	
Accumulated Depreciation	108GP	2	(8,937)	DGU	0.000%	-	
Accumulated Depreciation	108GP	2	(1,068,444)	SG	9.694%	(103,579)	
Accumulated Depreciation	108GP	2	4,600	SE	9.120%	-	
			<u>(68,582)</u>			<u>(27,004)</u>	
Accumulated Depreciation	108MP	2	(192,785)	SE	9.120%	(17,583)	
Total Accumulated Depreciation Adj.			<u>(980,612)</u>			<u>(15,248)</u>	
Accumulated D.I.T. Balance	282	2	374,613	WA	Situs	5,825	

**Description of Adjustment:**

Adjustment 11.4 revised depreciation expense is based on year end plant balances. Any changes made to depreciation expense has a direct impact on the accumulated depreciation reserve balance. Adjustment 11.5 is necessary to reflect the impact that adjustment 11.4 would have on the accumulated depreciation reserve.

PacifiCorp  
Washington Results of Operations June 2001  
New Depreciation Adjustment

PAGE

11.6

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Steam - PP&L Pre-Merger	403SP	3	5,725,320	DGP	16.873%	966,052	
Steam - UP&L Pre-Merger	403SP	3	6,530,829	DGU	0.000%	-	
Steam - Post-merger	403SP	3	<u>5,260,107</u>	SG	9.694%	<u>509,936</u>	
			<u>17,516,256</u>			<u>1,475,988</u>	
Other Production - PP&L Pre-merger	403OP	3	-	DGP	16.873%	-	
Other Production - UP&L Pre-merger	403OP	3	-	DGU	0.000%	-	
Other Production - Post merger	403OP	3	<u>-</u>	SG	9.694%	<u>-</u>	
			<u>-</u>			<u>-</u>	
Hydro - PP&L Pre-merger	403HP	3	1,228,912	DGP	16.873%	207,358	
Hydro - UP&L Pre-merger	403HP	3	225,039	DGU	0.000%	-	
Hydro - Post merger	403HP	3	<u>766,014</u>	SG	9.694%	<u>74,261</u>	
			<u>2,219,965</u>			<u>281,619</u>	
Transmission - PP&L Pre-Merger	403TP	3	(2,196,041)	DGP	16.873%	(370,545)	
Transmission - UP&L Pre-Merger	403TP	3	(2,374,023)	DGU	0.000%	-	
Transmission - Post-merger	403TP	3	<u>(2,861,934)</u>	SG	9.694%	<u>(277,447)</u>	
			<u>(7,431,998)</u>			<u>(647,993)</u>	
Distribution	403362	3	11,982,913	WA	Situs	2,234,570	
General - Direct	403GP	3	858,070	WA	Situs	77,304	
Customer	403GP	3	29,765	CN	8.412%	2,504	
PP&L General Office	403GP	3	592,103	SO	8.676%	51,373	
UP&L General Office	403GP	3	21,326	SO	8.676%	1,850	
General - System Div. - PP&L	403GP	3	77,349	DGP	16.873%	13,051	
General - System Div. - UP&L	403GP	3	31,104	DGU	0.000%	-	
General - Common	403GP	3	132,629	SG	9.694%	12,858	
General - Mining	403GP	3	<u>512</u>	SE	9.120%	<u>-</u>	
			<u>1,742,858</u>			<u>158,940</u>	
Mining Plant	501	3	(3,573,208)	SE	9.120%	(325,890)	
Total Depreciation adjustment			<u>22,456,786</u>			<u>3,177,234</u>	
Schedule M Impact on Adjustment	SCHMAT	3	22,456,786	WA	Situs	3,177,234	
Deferred Income Taxes	41110	3	(8,578,941)	WA	Situs	(1,213,767)	

**Description of Adjustment:**

PacifiCorp filed a new depreciation study in the Washington jurisdiction. This adjustment incorporates the impact of the new rates into the current rate case filing.

PacifiCorp  
Washington Results of Operations June 2001  
New Accumulated Depreciation Adjustment

PAGE

11.7

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
<b>Adjustment to Rate Base:</b>							
Accumulated Depreciation	108SP	3	(2,862,660)	DGP	16.873%	(483,026)	
Accumulated Depreciation	108SP	3	(3,265,415)	DGU	0.000%	-	
Accumulated Depreciation	108SP	3	<u>(2,630,054)</u>	SG	9.694%	<u>(254,968)</u>	
			<u>(8,758,128)</u>			<u>(737,994)</u>	
Accumulated Depreciation	108OP	3	-	DGP	16.873%	-	
Accumulated Depreciation	108OP	3	-	DGU	0.000%	-	
Accumulated Depreciation	108OP	3	<u>-</u>	SG	9.694%	<u>-</u>	
			<u>-</u>			<u>-</u>	
Accumulated Depreciation	108HP	3	(614,456)	DGP	16.873%	(103,679)	
Accumulated Depreciation	108HP	3	(112,520)	DGU	0.000%	-	
Accumulated Depreciation	108HP	3	<u>(383,007)</u>	SG	9.694%	<u>(37,130)</u>	
			<u>(1,109,983)</u>			<u>(140,809)</u>	
Accumulated Depreciation	108TP	3	1,098,021	DGP	16.873%	185,273	
Accumulated Depreciation	108TP	3	1,187,012	DGU	0.000%	-	
Accumulated Depreciation	108TP	3	<u>1,430,967</u>	SG	9.694%	<u>138,724</u>	
			<u>3,715,999</u>			<u>323,996</u>	
Accumulated Depreciation	108362	3	(5,991,457)	WA	Situs	(1,117,285)	
Accumulated Depreciation	108GP	3	(429,035)	WA	Situs	(38,652)	
Customer	108GP	3	(14,883)	CN	8.412%	(1,252)	
Accumulated Depreciation	108GP	3	(296,052)	SO	8.676%	(25,687)	
Accumulated Depreciation	108GP	3	(10,663)	SO	8.676%	(925)	
Accumulated Depreciation	108GP	3	(38,675)	DGP	16.873%	(6,526)	
Accumulated Depreciation	108GP	3	(15,552)	DGU	0.000%	-	
Accumulated Depreciation	108GP	3	(66,315)	SG	9.694%	(6,429)	
Accumulated Depreciation	108GP	3	<u>(256)</u>	SE	9.120%	<u>-</u>	
			<u>(871,429)</u>			<u>(79,470)</u>	
Accumulated Depreciation	108MP	3	1,786,604	SE	9.120%	162,945	
Total Accumulated Depreciation Adj.			<u>(11,228,393)</u>			<u>(1,588,617)</u>	
Accumulated D.I.T. Balance	282	3	4,289,471	WA	Situs	606,883	

Description of Adjustment:

This adjusts depreciation reserve to reflect the impact of implementing the depreciation rates filed in Washington.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Reverse Accelerated Phase-in	41160	3	<u>(286,035)</u> (286,035)	WA	Situs	<u>(286,035)</u> (286,035)	

**Description of Adjustment:**

This adjustment reverses the accelerated phase out of premerger plant included in the modified accord allocation adjustment proposed in Exhibit (JKL-2) 4.12.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment To Rate Base:</b>							
Unamortized Balance Early Retirement	186M	1	59,140,733	SO	8.676%	5,131,288	

**Description of Adjustment:**

This adjusts the Washington unamortized rate base deduction for the Early Out funding that will occur through 6/2001. By amortizing the funded balance over five years.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Revenue:</b>							
Remove Deferred Revenues	456	1	(732,785)	SO	8.676%	(63,579)	
Deferred Revenues - Situs	456	1	732,785	OR	Situs	-	
			<u>-</u>			<u>(63,579)</u>	

**Description of Adjustment:**

The company identified \$732,785 allocated on a SO factor, which should have been directly assigned to Oregon. This amount is on page 7 of tab B1 in Exhibit No. (JKL-2), account 4561 Deferred Revenues.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Rate Base:</b>							
Accumulated Deferred Income Taxes	282	1	(5,500)	WA	Situs	(5,500)	
Accumulated Investment Tax Credit	255	1	9,000	WA	Situs	9,000	

**Adjustment Detail:**

Year-end Deferred Income Taxes	(46,312,000)	WUTC 324A
Less: Average Deferred Income Taxes	(48,127,500)	
Correct Adj to Deferred Taxes	1,815,500	
Adj to Deferred Taxes - 7.3	1,821,000	
Incremental Adjustment Amount	<u>(5,500)</u>	
Year-end Investment Tax Credits	(3,391,000)	WUTC 324C
Less: Average Investment Tax Credits	(3,501,000)	
Correct Adj to Investment Tax Credits	110,000	
Adjustment to ITC - 7.3	101,000	
	<u>9,000</u>	

**Description of Adjustment:**

This adjustment reflects year-end balances rather than average balances for deferred taxes. This is consistent with previous authorized Washington treatment in cause Nos. U-86-02 and U-84-65. The revisions were made to tie the adjustment to tab 2.



	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Amortization - Intangible Plant	404IP	2	(1,242,528)	SO	8.676%	(107,807)	
Depreciation - General Plant	403GP	2	983,722	SO	8.676%	85,352	
Deferred Income Tax Expense							
Intangible Plant	41010	2	473,778	SO	8.676%	41,107	
General Plant	41010	2	375,693	SO	8.676%	32,597	
Schedule M							
Intangible							
Book Depreciation	SCHMAT	2	(1,242,528)	SO	8.676%	(107,807)	
Tax Depreciation	SCHMDT	2	-	SO	8.676%	-	
General Plant							
Book Depreciation	SCHMAT	2	983,722	SO	8.676%	85,352	
Tax Depreciation	SCHMDT	2	1,967,444	SO	8.676%	170,703	
<b>Adjustment to Rate Base:</b>							
Intangible Plant	303	2	(9,621,083)	SO	8.676%	(834,764)	
General Plant	391	2	-	SO	8.676%	-	
Accumulated Depreciation							
Intangible Plant	111IP	2	8,996,424	SO	8.676%	780,566	
General Plant	108GP	2	(491,861)	SO	8.676%	(42,676)	
Accumulated Deferred Income Tax							
Intangible Plant	282	2	(1,787,224)	SO	8.676%	(155,067)	
General Plant	282	2	(375,396)	SO	8.676%	(32,571)	

**Description of Adjustment:**

This adjustment removes legacy system costs that are not on going and incorporates it into the SAP adjustment.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Rate Base:</b>							
Cash Working Capital	CWC	3	(42,086)	WA	Situs	(42,086)	

**Adjustment Detail:**

O&M Expense	185,660,201
Taxes Other Than Income Tax	6,575,528
Federal Income Tax	10,709,641
State Income Tax	1,839,959
Total	<u>204,785,329</u>
Divided by Days in Year	<u>365</u>
Average Daily Cost of Service	561,056
Net Lag Days	<u>20.0</u>
Cash Working Capital	<u>11,221,114</u>
Unadjusted Cash Working Capital	11,263,199
Cash Working Capital Adjustment	<u><u>(42,086)</u></u>

**Description of Adjustment:**

This adjustment reflects the impact on cash working capital as a result of the adjustments in this document.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Interest Expense	427	3	118,103	WA	Situs	118,103	

**Adjustment Detail:**

Jurisdiction Specific Adjusted Rate Base	612,522,712
Weighted Cost of Debt:	3.37%
Trued-up Interest Expense	<u>20,625,159</u>
Interest Expense excluding CWIP related interest Adj 7.1	<u>20,507,056</u>
Total Interest True-up Adjustment	118,103

**Description of Adjustment:**

This adjustment reflects the impact on interest expense as a result of the adjustments in this document.

PacifiCorp  
 Washington Results of Operations June 2001  
 Revised Revenue Related Taxes

PAGE

11.15

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Taxes Other - Revenue Tax	408	1	(99,070)	SO	8.676%	(8,596)	
Taxes Other - Direct to WA	408	1	37,198	WA	Situs	37,198	
Taxes Other - WUTC Tax	928	1	(5,116)	WA	Situs	(5,116)	
Taxes Other -WUTC Tax	928	3		WA	Situs	-	
<b>Adjustment Detail:</b>							
Revenue Tax							
Normalized Revenues			206,283,618				
Rate %			<u>3.873%</u>				
Normalized Tax			7,989,365				
Less: Actual Tax			<u>6,542,000</u>				
Pro Forma Adjustment				1,447,365	1,546,434	(99,070)	
Franchise Tax							
Revenues Subject to Franchise			197,589,596				
Rate %			<u>0.153%</u>				
Normalized Tax			302,198				
Less: Actual Tax			<u>265,000</u>				
Pro Forma Adjustment				37,198	-	37,198	
WUTC Tax (Type 1)							
Normalized Revenues			206,283,618				
Rate % /1			<u>0.200%</u>				
Normalized Tax			412,517				
Less: Tax Accrual			380,355				
Pro Forma Adjustment				32,162	37,278	(5,116)	
/1 Tax is calculated at .1% on the first \$50,000 in revenues, plus .2% on revenues above \$50,000.							
WUTC Tax (Type 3)							
Normalized Revenues			214,313,812				
Test Period Average Rate %			<u>0.200%</u>				
Normalized Tax			412,517				
1999 Rate %			<u>0.200%</u>				
Pro forma Tax			<u>412,517</u>				
			<u>-</u>				

**Description of Adjustment:**

This adjustment updates the revenue related taxes to incorporate the impact of uncollectables in the calculation.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
GCC 1997 True-up Current Tax	40910	1	(84,330)	SE	9.120%	(7,691)	
PMI 1997 True-up Current Tax	40910	1	(2,506,317)	SE	9.120%	(228,586)	
GCC 1997 True-up Deferred Tax	41110	1	84,330	SE	9.120%	7,691	
PMI 1997 True-up Deferred Tax	41110	1	2,506,317	SE	9.120%	228,586	

**Description of Adjustments:**

This adjustment removes the 1997 tax return true-up adjustment booked in 1998 for PMI (Pacific Minerals, Inc.) and GCC (Glenrock Coal Company).

PacifiCorp  
 Washington Results of Operations June 2001  
 Update Tree Trimming Expense Adjustment

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Tree Trimming	593	2	(99,540)	WA	Situs	(99,540)	

**Adjustment Detail:**

As Filed in Exhibit (JKL-2)	1,529,685
WUTC Data Request 299	1,629,225
	<u>(99,540)</u>

**Description of Adjustment:**

This adjustment updates the Company's actual tree trimming expense in 1998 consistent with the Company's response in WUTC Staff Data Request No. 219 Re: Adjustment 4.14.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Property Taxes	408	2	(1,400,594)	DGP	16.873%	(236,327)	

**Adjustment Detail:**

As Filed in Exhibit (JKL-2)	0.74%	110,283,000	816,094
Adjustment 7.2 in Exhibit (JKL-2) Montana Rate	2.01%	110,283,000	2,216,688
Adjustment Amount		(1,400,594)	

**Description of Adjustment:**

The property tax rate used in adjustment 7.2 was Washington's rather than Montana's. This adjustment corrects that error.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
<b>Adjustment to Expense:</b>							
Deferred Tax Expense	41010	1	765,530	WA	Situs	765,530	
<b>Adjustment to Rate Base:</b>							
	312	1	(925,222)	WA	Situs	(925,222)	
	108SP	1	904,279	WA	Situs	904,279	

**Description of Adjustment:**

The balances used in Tab 9 for Centralia were based on a preliminary Centralia sales calculation. This revision uses 1997, 1998 average balances.