

Summary of Public Counsel Adjustments**Public Counsel**

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

Schedule A

**Public Counsel Adjustments are Shown as Adjustments to the Company's Unadjusted Books
(and this is before the Company's Proposed Adjustment are Reflected on the Books)**

A	B	C	D	E
Line No.	Ref. To Company Adj.	Issues	Before Tax Impact Public Counsel Adjustment to Unadjusted Books	Exhibit Reference
ADJUSTMENTS TO OPERATIONS:				
1		Nonrecurring DSM Costs	\$ (64,947)	B1
2	4.4	Automated Meter Reading Savings	\$ (518,826)	B2
3		System Software	\$ (65,571)	B3
4		Directors' & Officers' Liability Insurance	\$ (22,457)	B4
5		2010 Non-Union Payroll Raise	\$ (85,525)	B5
6	4.11	Property & Liability Insurance (Self Insurance) (b)	(a)	B6
7	4.5	Costs Paid for Settling Litigation	\$ (835,107)	B7
9		Impute Income on Intercompany Federal Tax Receivable	\$ (1,010,646)	B8
8		Bonuses in MEHC Affiliate Management Fee	\$ (136,883)	B9
9		Charitable Contributions	\$ (770)	B10
11		Employee Meals and Entertainment	\$ (39,912)	B11
12		Legislative and Lobbying	\$ (29,688)	B12
13		Marketing and Advertising	\$ (1,210)	B13
14		Membership Fees and Dues	\$ (30,554)	B14
15		Total Operations Adjustments to Revenue Requirement	<u>\$ (2,842,096)</u>	
ADJUSTMENTS TO RATE BASE:				
16	4.4	Automated Meter Reading Savings		
17		System Software (see above adjustment to Operations)	\$ 65,571	C1
18		Plant Held for Future Use	\$ (37,964)	C2
19		Total Rate Base Adjustments to Revenue Requirement	<u>\$ 27,607</u>	

Note: Debit/positive amounts represent increases in expenses and related revenue requirements and credits/negative amounts represent decreases in expenses and related revenue requirements.

(a) - It is not necessary for Public Counsel to propose an adjustment to remove these costs, because the Company's proposed adjustment is not included in the unadjusted book amounts.

(b) - The Company's adjustment includes a unique provision to "increase" income taxes by \$137,326 as a permanent tax timing difference which Public Counsel has adjusted.

Summary of Public Counsel Adjustments - Before and After Taxes
Public Counsel
Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction
Test Year End - December 31, 2010

Schedule A-1

Revised
 1/31/12
 Redacted
 version

Public Counsel Adjustments are Shown as Adjustments to the Company's Unadjusted Books
(and this is before the Company's Proposed Adjustment are Reflected on the Books)

A Line No.	B Issues	C Exhibit Cite	D	E	F
			Before Taxes Public Counsel Adjustments	Income Tax Impact	Net of Taxes Public Counsel Adjustments
ADJUSTMENTS TO OPERATIONS:					
1	Nonrecurring DSM Costs	B1	\$ (64,947)	\$ 22,731	\$ (42,216)
2	Automated Meter Reading Savings	B2	\$ (518,826)	\$ 181,589	\$ (337,237)
3	System Software	B3	\$ (65,571)	\$ 22,950	\$ (42,621)
4	Directors' & Officers' Liability Insurance	B4	\$ (22,457)	\$ 7,860	\$ (14,597)
5	2010 Non-Union Payroll Raise	B5	\$ (85,525)	\$ 29,934	\$ (55,591)
7	Property & Liability Insurance (Self Insurance) (a)	B7	\$ -	\$ -	\$ -
8	Costs Paid for Settling Litigation	B8	\$ (835,107)	\$ 292,287	\$ (542,820)
9	Impute Income on Intercompany Fed. Tax Receivable	B9	\$ (1,010,646)	\$ 353,726	\$ (656,920)
10	Bonuses in MEHC Affiliate Management Fee	B10	\$ (136,883)	\$ 47,909	\$ (88,974)
11	Charitable Contributions	B11	\$ (770)	\$ 270	\$ (501)
12	Employee Meals and Entertainment	B12	\$ (39,912)	\$ 13,969	\$ (25,943)
13	Legislative and Lobbying	B13	\$ (29,688)	\$ 10,391	\$ (19,297)
14	Marketing and Advertising	B14	\$ (1,210)	\$ 424	\$ (787)
15	Membership Fees and Dues	B15	\$ (30,554)	\$ 10,694	\$ (19,860)
16	Total Operations Adjustments to Revenue Requirement		<u>\$ (2,842,096)</u>	<u>\$ 994,734</u>	<u>\$ (1,847,362)</u>
ADJUSTMENTS TO RATE BASE:					
17	Automated Meter Reading Savings				
18	System Software - Plant in Service (see above)	C1	\$ 65,571		
19	Plant Held for Future Use	C2	\$ (37,964)		
20	Total Rate Base Adjustments to Revenue Requirement		<u>\$ 27,607</u>		

Assumes federal income tax rate of 35%.

Schedule B-1

Revised 1/31/12
Redacted version**Nonrecurring DSM Costs****Public Counsel****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

Line No.	Description	Wash. Juris.	Reference
1	Demand Side Man. Expenses	<u>\$ (64,947)</u>	PC DR 201
2	(Cadmus Group, Inc.)		
3	The Company agrees that this amount should be removed from revenue requirements.		

Revised 1/31/12
Redacted Version**Automated Meter Reading Implementation****Public Counsel**

Schedule B-2

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction**Test Year End - December 31, 2010**

Line No.	Description	Wash. Juris.	Reference
1	Remove AMR Severance costs	\$ (86,826)	PC DR 92
2	Remove Non-Payroll AMR Savings	\$ (432,000)	PC DR 44
3	Total	<u>\$ (518,826)</u>	

- 4 The Company response to PC DR 92 identifies AMR severance costs of \$86,826.
- 5 The Company's "An Investment Appraisal for Automated Meter Reading in the
- 6 State of Washington Executive Report and Authorization" (AI-AMR) includes
- 7 the amounts for non-payroll savings per PC DR 44, Confidential Attachment PC 44.
- 8 The individual components from the the AI-AMR are set forth
- 9 in the Confidential testimony of Bion Ostrander.

System Software Costs

Public Counsel

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

Schedule B-3

*Revised 1/31/12,
Redacted Version*

Line No.	Description	Wash. Juris.	Reference
1	Reclassify System Software Expense to a Capital Account	\$ (65,571)	PC DR 345
2	Total	<u>\$ (65,571)</u>	

- 3 The amount of \$65,571 of System Software is removed from expense and will be
- 4 capitalized as an intangible asset at plant in service.
- 5 Software is per vendor Open Link Financial.

Revised 1/31/12
Redacted Version

Directors' and Officers' Liability Insurance

Public Counsel

Schedule B-4

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

Line No.	Description	Wash. Juris.	Reference
1	Directors'/Officers' Liability Insur.	\$ (22,457)	PC DR 98
2	Total	\$ (22,457)	

Revised 1/31/12
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2010 Non-Union Payroll Raise

Public Counsel

Schedule B-5

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

Line No.	Description	Wash. Juris.	Reference
1	Remove 2010 Non-Union Payroll Raise	\$ (85,525)	See Company workpapers referenced below
2	Total	\$ (85,525)	
3	This adjustments removes the embedded amount of the .88% increase in pay awarded to non-union employees		
4	in 2010. The Company did not adjust for this amount because it was already embedded in the payroll		
5	costs on the 2010 books.		
6	Supporting Calculations:		
		Amount	Reference
7	Non-union payroll with .88% increase	177,805,000	Company workpaper 4.3.3
8	2010 pay increase	1.0088	Company workpaper 4.3.3
9	Non-union payroll before .88% increase	176,253,965	
10	.88% pay increase in 2010	1,551,035	
11	Percent of payroll increase expensed	69.62%	Note 1
12	Amount of payroll expensed	1,079,830	
13	Washington alloc. Factor	7.39%	Note 2
14	Washington jurisdiction pay increase	79,799	
15	Medicare rate	1.45%	
16	Medicare amount	1,157	
17	Soc. Sec. Rate	6.20%	
18	Amount subject to Social Security	4,948	
19	% of Social Security Wages	92.33%	
20	Social Security Amount	4,568	
21	Total adjustment	85,525	

22 Note 1: 69.62% is the overall expense factor for union and non-union at Workpaper 4.3.2, and PacifiCorp applies same percent to non-union.

23 Workpaper 4.3 - Allocation from Total to Wash. (gross expense + capital) for Administrative and General accounts only

24 Note 2: This assumes that all (or most) non-union payroll goes to A&G accounts only listed at workpaper 4.3 (although some non-union payroll could be in other accounts like Customer Op., Trans., Distribution, etc.

	A&G Accts.	Total	Wash.	Reference
27	920	27,221	3,985	Co. workpaper 4.3
28	920	1,015,618	73,169	Co. workpaper 4.3
29	935	186	20	Co. workpaper 4.3
30	935	23,613	1,701	Co. workpaper 4.3
31		1,066,638	78,875	
32	Percent to Total		7.39%	Note 2 above

Property & Liability Insurance (Self Insurance)**Public Counsel****Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction****Test Year End - December 31, 2010**

Schedule B-6

Revised 1/31/12
Redacted Version

Line No.	Description	Wash. Juris.	Reference
1	Increase in self insurance accrual	\$ 179,940	Company Adj. 4.11
2	Increase in federal taxes for permanent timing differences	\$ 137,326	Company Adj. 4.11
3	Total Company Adjustment Opposed by Public Counsel	<u>\$ 317,266</u>	

- 4 Note: The Public Counsel opposes any cost increase for self insurance as set forth above.
5 However, it was not necessary for Public Counsel to propose a specific adjustment to remove
6 these costs because Public Counsel's adjustments are to the Company's unadjusted book
7 amounts and this adjustment is not reflected on the Company's unadjusted books.

Costs Paid for Settling Litigation
Public Counsel
Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction
Test Year End - December 31, 2010

Schedule B-7 *Revised 1/31/12*
Redacted version
CONFIDENTIAL

Line No.	Description	Wash. Juris.	Reference
1	Additional adjustments to settlement costs	\$ (375,845)	Table 1 below - Confidential
2	Corrections to PacifiCorp's settlement costs	\$ (307,834)	Table 2 below - Confidential
3	Company adjustments included at workpapers		
4	but not at the Company's revenue requirement	\$ (151,428)	Table 3 below - public
5	Total	\$ (835,107)	

CONFIDENTIAL AMOUNTS HIGHLIGHTED BELOW

(a) - Also see Company workpaper 4.5.

Line No.	CONFIDENTIAL - Table 1 Description	Reason for Adjustment	Wash. Juris.	Ref. (a)
9				PC 204
10				PC 204
11				PC 204
12				PC 204
13				PC 204
14				PC 204
15				PC 204
16				PC 204
17				PC 204
18				PC 204
19				PC 204
20				PC 204
21	Total		\$ (375,845)	

Line No.	CONFIDENTIAL - Table 2 Description	Reason for Adjustment	Wash. Juris.	Ref. (a)
26	Total		\$ (307,834)	

Line No.	Public - Table 3 Description	Reason for Adjustment	Wash. Juris.	Ref. (a)
29	Jim Bridger Turbine Upgrade	Omitted from Co. Adj.	\$ (246,928)	Company workpaper 4.5
30	East Side Electric Lake Charges	Omitted from Co. Adj.	\$ 95,500	Company workpaper 4.5
31	Total		\$ (151,428)	

Impute Income on Intercompany Federal Tax Receivable
Public Counsel
Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction
Test Year End - December 31, 2010

Schedule B-8 *Revised 1/31/12*
Redacted Version

Line No.	Description	Wash. Juris.	Reference
1	Impute Income on Fed. Tax Receivable	\$ (1,010,646)	See below
2	Total	\$ (1,010,646)	
3			
	Description	Amount	Reference
4	Federal Tax Receivable - 12 mo. end March 31, 2011	184,862,934	PC 379 and
5	Washington juris. Factor	7%	Table 1 below
6	Washington Federal Tax Receivable	12,940,405	
7	ROR from prior rate case	7.81%	
8	Adjustment	1,010,646	

Table 1 - PC - 379 - Federal Tax Receivable by Month				Tax Receivable by Month
9	04/30/2010	0	0	0
10	05/31/2010	0	0	0
11	06/30/2010	0	0	0
12	07/31/2010	0	0	0
13	08/31/2010	0	0	0
14	09/30/2010	326,007,602	(175,348)	325,832,254
15	10/31/2010	308,697,846	(175,348)	308,522,498
16	11/30/2010	297,189,426	(113,914)	297,075,512
17	12/31/2010	352,792,765	(3)	352,792,762
18	01/31/2011	352,792,765	(22,279,646)	330,513,119
19	02/28/2011	352,792,765	(39,225,195)	313,567,570
20	03/31/2011	234,039,355	56,012,133	290,051,488
21				2,218,355,203
22		12 months		12
23		Average Balance - 12 months		184,862,934

**Bonuses in MEHC Affiliate Management Fee
Public Counsel
Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction
Test Year End - December 31, 2010**

Schedule B-9 Revised 1/31/12.
Redacted version

<u>Line No.</u>	<u>Description</u>	<u>Wash. Juris.</u>	<u>Reference</u>
1	Bonuses in MEHC Affiliate Management Fee	\$ (136,883)	See testimony
2	Total	<u>\$ (136,883)</u>	

Charitable Contributions

Public Counsel

Schedule B-10

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

*Revised 1/31/12
Redacted Version*

<u>Line No.</u>	<u>Description</u>	<u>Wash. Juris.</u>	<u>Reference</u>
1	Charitable Contributions	\$ (770)	See testimony and
2	Total	<u>\$ (770)</u>	Public Counsel workpapers

Employee Meals and Entertainment

Public Counsel

Schedule B-11

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

*Revised 1/31/12.
Redacted Version*

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Wash.</u> <u>Juris.</u>	<u>Reference</u>
1	Employee Meals and Entertain.	\$ (39,912)	See testimony and
2	Total	<u>\$ (39,912)</u>	Public Counsel workpapers

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Redacted Version

Legislative and Lobbying

Public Counsel

Schedule B-12

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

<u>Line No.</u>	<u>Description</u>	<u>Wash. Juris.</u>	<u>Reference</u>
1	Legislative and Lobbying	\$ (29,688)	See testimony and
2	Total	<u>\$ (29,688)</u>	Public Counsel workpapers

Marketing and Advertising

Public Counsel

Schedule B-13

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

*Revised 1/31/12
Redacted Version*

<u>Line No.</u>	<u>Description</u>	<u>Wash. Juris.</u>	<u>Reference</u>
1	Marketing and Advertising	\$ (1,210)	See testimony and
2	Total	<u>\$ (1,210)</u>	Public Counsel workpapers

*Revised 1/31/12
Redacted Version*

Membership Fees and Dues

Public Counsel

Schedule B-14

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

<u>Line No.</u>	<u>Description</u>	<u>Wash. Juris.</u>	<u>Reference</u>
1	Membership Fees and Dues	<u>\$ (30,554)</u>	See testimony and
2	Total	<u><u>\$ (30,554)</u></u>	Public Counsel workpapers

System Software Costs

Public Counsel

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

Line No.	Description	Wash. Juris.	Reference
1	Reclassify System Software Expense to a Capital Account	\$ (65,571)	PC DR 345
2	Total	<u>\$ (65,571)</u>	
3	The amount of \$65,571 of System Software is removed from expense and will be		
4	capitalized as an intangible asset at plant in service.		
5	Software is per vendor Open Link Financial.		

Plant Held for Future Use

Public Counsel

Schedule C-2

Docket No. UE-111190 - PacifiCorp - Washington Jurisdiction

Test Year End - December 31, 2010

*Revised 1/31/12.
Redacted Version*

<u>Line No.</u>	<u>Description</u>	<u>Wash. Juris.</u>	<u>Reference</u>
1	Remove Plant Held for Future Use	\$ (37,964)	See testimony
2	Total	<u>\$ (37,964)</u>	