

Exh. SLC-9
Docket UE-230172
Witness: Sherona L. Cheung

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY

Respondent.

Docket UE-230172
(Consolidated)

In the Matter of

ALLIANCE OF WESTERN ENERGY
CONSUMERS'

Petition for Order Approving Deferral of
Increased Fly Ash Revenues

Docket UE-210852
(Consolidated)

PACIFICORP

EXHIBIT OF SHERONA L. CHEUNG

Summary of Rebuttal Washington Results of Operations for the Rate Year 1

October 2023

Revenue Requirement Adjustment Summary

The table below presents the Company's restating and pro forma ratemaking adjustments and their impact on net operating income (NOI), rate base, and the Washington revenue requirement.

Line No.	Adj. No.	A	B	C			D			E			F		
				NOI	Rate Base	Rev. Req.	NOI	Rate Base	Rev. Req.	NOI	Rate Base	Rev. Req.	Reference		
Unadjusted Washington Allocated Data (Per Books)				67,900,654	1,150,397,547	26,129,393	(SLC-11) Page 1.0_R								
1	3.1	Temperature Normalization		(1,770,024)	-	2,354,319	(SLC-11), Page 3.0_R Total								
2	3.2	Revenue Normalizing		26,633,457	-	(35,425,311)	(SLC-11), Page 3.0_R Total								
3	3.3	Wheeling Revenue - Year 1		1,108,387	-	(1,474,272)	(SLC-11), Page 3.0_R Total								
4			Tab 3 - Revenue - Subtotal	25,971,821	-	(34,545,264)									
6	4.1	Miscellaneous Expense & Revenue		(136,543)	-	181,616	(SLC-11), Page 4.0_R Total								
7	4.2_R	General Wage Increase (Annualizing)		(297,885)	-	396,219	(SLC-11), Page 4.0_R Total								
8	4.3_R	General Wage Increase(Pro Forma) - Year 1		(1,269,220)	-	1,688,197	(SLC-11), Page 4.0_R Total								
9	4.4_R	Pension Related Non-Service Expense		1,402,076	-	(1,864,909)	(SLC-11), Page 4.0_R Total								
10	4.5_R	Insurance Expense		(2,417,478)	(2,506,736)	2,961,767	(SLC-11), Page 4.0_R Total								
11	4.6	Advertising		(13,356)	-	17,766	(SLC-11), Page 4.0_R Total								
12	4.7	Memberships & Subscriptions		607	-	(807)	(SLC-1_R1_R), Page 4.0.1_R Total								
13	4.8	Revenue-Sensitive/ Uncollectible Expense		(430,973)	-	573,240	(SLC-1_R1_R), Page 4.0.1_R Total								
14	4.9	Legal Expenses		497,131	-	(661,236)	(SLC-1_R1_R), Page 4.0.1_R Total								
15	4.10	Remove Non-Recurring Entries		(1,585,326)	-	2,108,652	(SLC-1_R1_R), Page 4.0.1_R Total								
16	4.11	Environmental Remediation		(1,048,556)	1,273,328	1,523,578	(SLC-1_R1_R), Page 4.0.1_R Total								
17	4.12	Payment Services Fees		(57,811)	-	76,895	(SLC-1_R1_R), Page 4.0.1_R Total								
18	4.13	Incremental O&M Expenses		(3,262,847)	-	4,339,931	(SLC-1_R1_R), Page 4.0.1_R Total								
19			Tab 4 - O&M - Subtotal	(8,620,184)	(1,233,408)	11,340,908									
21	5.1_R	Net Power Costs (Restating)		5,642,038	-	(7,504,507)	(SLC-11), Page 5.0_R Total								
22	5.2_R	Net Power Costs (Pro Forma) - Year 1		(22,412,194)	-	29,810,585	(SLC-11), Page 5.0_R Total								
23	5.3_R	Pryor Mountain REC Revenues		213,270	-	(283,671)	(SLC-11), Page 5.0_R Total								
24	5.4	WRAP Fees		(90,171)	-	119,937	(SLC-11), Page 5.0_R Total								
25	5.5	AURORA Access Fees		(29,843)	-	39,694	(SLC-11), Page 5.0_R Total								
26			Tab 5 - NPC - Subtotal	(16,676,900)	-	22,182,038									
28	6.1_R	Pro Forma Depreciation & Amortization Expense - Year 1		12,479,857	-	(16,599,528)	(SLC-11), Page 6.0_R Total								
29	6.2_R	Pro Forma Depreciation & Amortization Reserves - Year 1		-	(87,822,149)	(8,889,449)	(SLC-11), Page 6.0_R Total								
30	6.3	End-of-Period Reserves - Historical		-	(27,898,421)	(2,823,907)	(SLC-11), Page 6.0_R/6.0.1_R Total								
31	6.4_R	Decommissioning & Other Plant Closure Costs - Year 1		(4,428,521)	(12,006,172)	4,675,123	(SLC-11), Page 6.0.1_R Total								
32			Tab 6 - Depreciation/Amortization - Subtotal	8,051,336	(127,726,743)	(23,637,761)									
34	7.1_R	Interest True Up - Year 1		(130,491)	-	173,567	(SLC-11), Page 7.0_R Total								
35	7.2	Property Tax Expense - Year 1		(666,609)	-	886,660	(SLC-11), Page 7.0_R Total								
36	7.3_R	Production Tax Credit - Year 1		6,571,362	-	(8,740,606)	(SLC-11), Page 7.0_R Total								
37	7.4_R	PowerTax ADIT Balance - Year 1		3,833,954	(32,937,503)	(8,433,532)	(SLC-11), Page 7.0_R Total								
38	7.5	Permanent Schedule M Adjustment - Year 1		(302,036)	-	401,739	(SLC-11), Page 7.0_R Total								
39	7.6_R	Remove Deferred State Tax Expense & Balance - Year 1		(73,287)	28,176,905	2,949,575	(SLC-1_R1_R), Page 7.0.1_R Total								
40	7.7	Washington Public Utility Tax Adjustment		(1,019,512)	-	1,356,058	(SLC-1_R1_R), Page 7.0.1_R Total								
41	7.8	Removal of TCJA Deferred Balances Adjustment		(8,451,410)	40,315,957	15,322,091	(SLC-1_R1_R), Page 7.0.1_R Total								
42	7.9	Washington Low Income Tax Credit		13,171	-	(17,519)	(SLC-1_R1_R), Page 7.0.1_R Total								
43	7.10_R	Wyoming Wind Generation Tax		(173,922)	-	231,335	(SLC-1_R1_R), Page 7.0.1_R Total								
44			Tab 7 - Tax - Subtotal	(398,780)	35,555,360	4,129,369									
46	8.1	End-of-Period Plant Balances - Historical		-	30,000,112	3,036,642	(SLC-11), Page 8.0_R/8.0.1_R Total								
47	8.2_R	Regulatory Assets/ Liabilities Amortization - Year 1		(5,186,375)	25,903,246	9,520,380	(SLC-1_R1_R), Page 8.0.1_R Total								
48	8.3	Customer Advances for Construction		-	(1,733,115)	(175,428)	(SLC-1_R1_R), Page 8.0.1_R Total								
49	8.4_R	Pro Forma Major Plant Additions - Year 1		147,773	123,941,639	12,348,947	(SLC-1_R1_R), Page 8.0.1_R Total								
50	8.5	Miscellaneous Rate Base		-	(27,252,977)	(2,758,575)	(SLC-1_R1_R), Page 8.0.1_R Total								
51	8.6	Customer Service Deposits		(1,846)	(408,391)	(38,882)	(SLC-1_R1_R), Page 8.0.2_R Total								
52	8.7	Investor Supplied Working Capital		-	29,873,668	3,023,844	(SLC-1_R1_R), Page 8.0.2_R Total								
53	8.8_R	Labor Day Wildfire Restoration Capital Removal		-	(10,276,643)	(1,040,212)	(SLC-1_R1_R), Page 8.0.2_R Total								
54	8.9	WJAM Transmission Reallocation		-	(6,227,109)	(630,314)	(SLC-1_R1_R), Page 8.0.2_R Total								
55	8.10	Klamath Hydroelectric Assets Transfer - Year 1		142,928	(77,496)	(197,954)	(SLC-1_R1_R), Page 8.0.2_R Total								
56	8.11	Confidential Wind Capital Additions - Year 1		(180,796)	2,316,422	474,949	(SLC-1_R1_R), Page 8.0.2_R Total								
57	8.12	Major Transmission Capital Additions - Year 1		(511,008)	37,655,293	4,491,202	(SLC-1_R1_R), Page 8.0.2_R Total								
58			Tab 8 - Rate Base- Subtotal	(5,589,324)	203,714,649	28,054,599									
60	9.1_R	Production Factor - Year 1		(790,107)	(2,760)	1,050,646	(SLC-11), Page 9.0_R Total								
61			Tab 9 - Production Factor - Subtotal	(790,107)	(2,760)	1,050,646									
63	10.1	Removal of Coal-Fired Generation Assets		-	(144,705,070)	(14,647,197)	(SLC-11), Page 10_R.0_R Total								
64	10.2	Jim Bridger SCRs Removal		(315,586)	(22,651,762)	(1,873,072)	(SLC-11), Page 10_R.0_R Total								
65	10.3	Colstrip Unit 3 Removal		918,036	(9,976,935)	(2,230,961)	(SLC-11), Page 10_R.0_R Total								
66	10.4	Jim Bridger Mine Rate Base - Year 1		-	5,211,879	527,552	(SLC-11), Page 10_R.0_R Total								
67	10.5	Existing Coal-Fired Generation Assets - Year 1		(2,226,611)	797,315	3,042,333	(SLC-11), Page 10_R.0_R Total								
68	10.6_R	Pro Forma JB Units 3, 4 and Colstrip 4 Additions - Year 1		(42,107)	3,577,940	418,170	(SLC-11), Page 10_R.0_R Total								
69	10.7_R	Pro Forma JB Units 1 & 2 Additions - Year 1		2,380,854	8,898,316	(2,266,091)	(SLC-11), Page 10.0.1_R Total								
70	10.8	Fly Ash Revenues - Year 1		(806,454)	-	1,072,669	(SLC-11), Page 10.0.1_R Total								
71			Tab 10 - Thermal Generation - Subtotal	(91,868)	(158,848,316)	(15,956,597)									
72			Subtotal Normalizing Adjustments	1,855,995	(48,541,218)	(7,382,062)									
73			Total Adjusted Results	69,756,648	1,101,856,329	18,747,330	(SLC-11) Page 1.0_R								

(1) The revenue requirement column is calculated using the Company's proposed return on rate base of 7.61% and the NOI conversion factor of 75.182%. The development of these percentages can be found in Exhibit No. SLC-11 on pages 2.1_R and 1.3_R respectively.

Notes:

**PacifiCorp
Summary**

**Washington 2023 General Rate Case
12 Months Ended June 2022
Rebuttal Filing**

	Exh. SLC-4		Exhibit No. SLC-11					
	Tab 3	Tab 4	Tab 5	Tab 6	Tab 7	Tab 8	Tab 9	
	Washington Allocated Actual Results June 2022	Revenue Adjustments	O&M Adjustments	Net Power Cost Adjustments	Depreciation & Amortization Adjustments	Tax Adjustments	Rate Base Adjustments	Other Adjustment
1 Operating Revenues:								
2 General Business Revenues	373,551,616	31,472,700	-	-	-	-	-	
3 Interdepartmental	-	-	-	-	-	-	-	
4 Special Sales	1,285,829	-	-	17,719,976	-	-	103,011	
5 Other Operating Revenues	20,011,924	1,403,022	-	269,962	-	-	(5,533)	
6 Total Operating Revenues	394,849,369	32,875,722	-	17,989,938	-	-	97,479	
7								
8 Operating Expenses:								
9 Steam Production	59,399,958	-	338,462	(5,492,610)	1,986,017	-	-	179,926
10 Nuclear Production	-	-	-	-	-	-	-	-
11 Hydro Production	1,451,886	-	2,233,639	-	-	(253,659)	573	
12 Other Power Supply	124,223,583	-	133,562	43,991,297	-	131,145	865,949	
13 Transmission	18,668,675	-	591,208	563,475	-	-	72,015	
14 Distribution	14,095,288	-	4,416,409	-	-	-	-	
15 Customer Accounting	6,726,005	-	10,816	-	-	-	-	
16 Customer Service & Info	664,977	-	42,187	-	-	-	-	
17 Sales	-	-	-	-	-	-	-	
18 Administrative & General	17,574,535	-	3,012,001	37,776	-	-	-	
19 Total O&M Expenses	242,804,906	-	10,778,284	39,099,938	1,986,017	-	(122,514)	1,118,463
20 Depreciation	67,617,925	-	-	-	(16,422,689)	-	744,556	23,042
21 Amortization	4,068,762	-	-	-	4,325,984	-	7,464,361	-
22 Taxes Other Than Income	26,622,827	-	-	-	-	2,337,812	-	1,193
23 Income Taxes - Federal	(11,584,544)	6,903,902	(2,529,010)	(4,433,100)	2,497,350	(7,656,197)	2,990,040	(255,113)
24 Income Taxes - State	-	-	-	-	-	-	-	-
25 Income Taxes - Def Net	(2,401,026)	-	291,371	-	(437,999)	5,717,165	(5,489,456)	-
26 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-
27 Misc Revenue & Expense	(180,134)	-	79,538	-	-	-	2,337	-
28 Total Operating Expenses:	326,948,715	6,903,902	8,620,184	34,666,838	(8,051,336)	398,780	5,589,324	887,586
29								
30 Operating Rev For Return:	67,900,654	25,971,821	(8,620,184)	(16,676,900)	8,051,336	(398,780)	(5,589,324)	(790,107)
31								
32 Rate Base:								
33 Electric Plant In Service	2,263,546,946	-	-	-	-	-	170,991,725	192,587
34 Plant Held for Future Use	467,185	-	-	-	-	-	-	-
35 Misc Deferred Debits	9,959,814	-	-	-	-	-	(10,147,119)	-
36 Elec Plant Acq Adj	115,844	-	-	-	-	-	-	-
37 Nuclear Fuel	-	-	-	-	-	-	-	-
38 Prepayments	3,284,761	-	-	-	-	-	(3,284,761)	-
39 Fuel Stock	9,196,315	-	-	-	-	-	(9,196,315)	-
40 Material & Supplies	12,260,467	-	-	-	-	-	(12,260,467)	-
41 Working Capital	2,747,159	-	-	-	-	-	27,126,509	-
42 Weatherization	3,312	-	-	-	-	-	-	-
43 Misc Rate Base	-	-	-	-	-	-	-	-
44 Total Electric Plant:	2,301,581,803	-	-	-	-	-	163,229,572	192,587
45								
46 Rate Base Deductions:								
47 Accum Prov For Deprec	(750,094,987)	-	-	-	(106,622,268)	-	3,588,183	(195,347)
48 Accum Prov For Amort	(55,896,700)	-	-	-	(9,098,302)	-	-	-
49 Accum Def Income Tax	(161,876,853)	-	(1,233,408)	-	4,348,913	(17,769,037)	(5,993,362)	-
50 Unamortized ITC	(14,943)	-	-	-	-	-	-	-
51 Customer Adv For Const	(6,092,042)	-	-	-	-	-	(1,733,115)	-
52 Customer Service Deposits	-	-	-	-	-	-	(408,391)	-
53 Misc Rate Base Deductions	(177,208,730)	-	-	-	(16,355,085)	53,324,397	45,031,761	-
54								
55 Total Rate Base Deductions	(1,151,184,256)	-	(1,233,408)	-	(127,726,743)	35,555,360	40,485,077	(195,347)
56								
57 Total Rate Base:	1,150,397,547	-	(1,233,408)	-	(127,726,743)	35,555,360	203,714,649	(2,760)
58								
59 Return on Equity	6.68%	4.403%	-1.451%	-2.828%	2.973%	-0.411%	-2.537%	-0.134%
60 Price Change	26,129,392	(34,545,264)	11,340,908	22,182,038	(23,637,761)	4,129,369	28,054,599	1,050,646
61								
62 TAX CALCULATION:								
63 Operating Revenue	53,915,083	32,875,722	(10,857,822)	(21,110,000)	10,110,687	(2,337,812)	(8,088,739)	(1,045,220)
64 Other Deductions	-	-	-	-	-	-	-	-
65 Interest (AFUDC)	(3,636,275)	-	-	-	-	-	-	-
66 Interest	27,945,750	-	-	-	-	(621,388)	-	-
67 Schedule "M" Additions	75,168,483	-	(770,947)	-	1,781,456	5,537,671	16,821,130	-
68 Schedule "M" Deductions	107,655,465	-	414,134	-	-	9,079,741	(5,505,895)	-
69 Income Before Tax	(2,881,374)	32,875,722	(12,042,903)	(21,110,000)	11,892,143	(5,258,495)	14,238,286	(1,045,220)
70								
71 State Income Taxes	-	-	-	-	-	-	-	-
72 Taxable Income	(2,881,374)	32,875,722	(12,042,903)	(21,110,000)	11,892,143	(5,258,495)	14,238,286	(1,045,220)
73								
74 Federal Income Taxes + Other	(11,584,544)	6,903,902	(2,529,010)	(4,433,100)	2,497,350	(7,656,197)	2,990,040	(255,113)

**PacifiCorp
Summary
Washington 2023 General Rate Cas
12 Months Ended June 2022
Rebuttal Filing**

	<u>Exh. SLC-11</u>	<u>Total</u>	
	<u>Tab 10</u>	<u>Tabs 3-10</u>	
	<u>Thermal</u>	<u>Normalizing</u>	<u>Washington</u>
	<u>Adjustment</u>	<u>Adjustments</u>	<u>Normalized</u>
			<u>Results</u>
1 Operating Revenues:			
2 General Business Revenues	-	31,472,700	405,024,316
3 Interdepartmental	-	-	-
4 Special Sales	-	17,822,987	19,108,816
5 Other Operating Revenues	<u>(1,020,828)</u>	<u>646,623</u>	<u>20,658,547</u>
6 Total Operating Revenues	<u>(1,020,828)</u>	<u>49,942,311</u>	<u>444,791,679</u>
7			
8 Operating Expenses:			
9 Steam Production	(4,315,388)	(7,303,593)	52,096,365
10 Nuclear Production	-	-	-
11 Hydro Production	-	1,980,553	3,432,439
12 Other Power Supply	-	45,121,953	169,345,536
13 Transmission	-	1,226,698	19,895,373
14 Distribution	-	4,416,409	18,511,697
15 Customer Accounting	-	10,816	6,736,821
16 Customer Service & Info	-	42,187	707,164
17 Sales	-	-	-
18 Administrative & General	<u>(15,196)</u>	<u>3,034,581</u>	<u>20,609,116</u>
19 Total O&M Expenses	<u>(4,330,584)</u>	<u>48,529,604</u>	<u>291,334,510</u>
20 Depreciation	3,494,789	(12,160,302)	55,457,622
21 Amortization	-	11,790,345	15,859,107
22 Taxes Other Than Income	(76,110)	2,262,896	28,885,723
23 Income Taxes - Federal	79,789	(2,402,339)	(13,986,883)
24 Income Taxes - State	-	-	-
25 Income Taxes - Def Net	(96,844)	(15,763)	(2,416,789)
26 Investment Tax Credit Adj.	-	-	-
27 Misc Revenue & Expense	-	81,875	(98,259)
28 Total Operating Expenses:	<u>(928,960)</u>	<u>48,086,316</u>	<u>375,035,031</u>
29			
30 Operating Rev For Return:	<u>(91,868)</u>	<u>1,855,995</u>	<u>69,756,648</u>
31			
32 Rate Base:			
33 Electric Plant In Service	(23,936,337)	147,247,975	2,410,794,921
34 Plant Held for Future Use	-	-	467,185
35 Misc Deferred Debits	-	(10,147,119)	(187,305)
36 Elec Plant Acq Adj	-	-	115,844
37 Nuclear Fuel	-	-	-
38 Prepayments	-	(3,284,761)	0
39 Fuel Stock	-	(9,196,315)	-
40 Material & Supplies	-	(12,260,467)	0
41 Working Capital	-	27,126,509	29,873,668
42 Weatherization	-	-	3,312
43 Misc Rate Base	-	-	-
44 Total Electric Plant:	<u>(23,936,337)</u>	<u>139,485,822</u>	<u>2,441,067,625</u>
45			
46 Rate Base Deductions:			
47 Accum Prov For Deprec	(152,456,051)	(255,685,483)	(1,005,780,470)
48 Accum Prov For Amort	-	(9,098,302)	(64,995,003)
49 Accum Def Income Tax	17,544,071	(3,102,822)	(164,979,675)
50 Unamortized ITC	-	-	(14,943)
51 Customer Adv For Const	-	(1,733,115)	(7,825,157)
52 Customer Service Deposits	-	(408,391)	(408,391)
53 Misc Rate Base Deductions	-	82,001,072	(95,207,658)
54	-	-	-
55 Total Rate Base Deductions	<u>(134,911,980)</u>	<u>(188,027,041)</u>	<u>(1,339,211,296)</u>
56			
57 Total Rate Base:	<u>(158,848,316)</u>	<u>(48,541,218)</u>	<u>1,101,856,329</u>
58			
59 Return on Equity	1.826%		7.51%
60 Price Change	(15,956,597)	(7,382,062)	18,747,331
61			
62 TAX CALCULATION:			
63 Operating Revenue	(108,922)	(562,107)	53,352,976
64 Other Deductions	-	-	-
65 Interest (AFUDC)	-	-	(3,636,275)
66 Interest	-	(621,388)	27,324,362
67 Schedule "M" Additions	3,494,789	26,864,099	102,032,581
68 Schedule "M" Deductions	<u>3,005,917</u>	<u>6,993,897</u>	<u>114,649,362</u>
69 Income Before Tax	379,949	19,929,482	17,048,108
70			
71 State Income Taxes	-	-	-
72 Taxable Income	<u>379,949</u>	<u>19,929,482</u>	<u>17,048,108</u>
73			
74 Federal Income Taxes + Other	<u>79,789</u>	<u>(2,402,339)</u>	<u>(13,986,883)</u>