

Exhibit No. RMM-2  
Docket UE-161204  
Witness: Robert M. Meredith

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER & LIGHT  
COMPANY,

Modification of Tariffs Governing Permanent  
Disconnection and Removal Procedures

Docket UE-161204

**PACIFIC POWER & LIGHT COMPANY**

**EXHIBIT**

**REVISED STRANDED COST RECOVERY FEE CALCULATION**

**May 2017**

PacifiCorp  
State of Washington  
Stranded Cost Analysis  
6 Year - Modified

No.	Description	Residential (A)	Non-Residential (B)
1	Total Revenue <sup>1</sup>	\$145,355,240	\$193,197,821
3	Less: Meters, Services & Transformers	\$10,638,320	\$6,635,312
4	Customer Accounts and Service Expense less FERC Account 902	\$5,105,105	\$1,059,178
5	<b>Stranded Cost-Related Revenue</b>	<b>\$129,611,815</b>	<b>\$185,503,331</b>
6	<b>Low Income Assistance Program Revenue</b>	\$881,771	\$1,136,452
7	<b>System Benefits Charge Revenue</b>	\$5,185,387	\$7,318,340
8	Average Annual Customers	105,259	25,423
9	Stranded Cost-Related Revenue per Customer	\$1,231	\$7,297
10	Low Income Assistance Program Revenue per Customer	\$8	\$45
11	Demand Side Management-Related Revenues per Customer	\$49	\$288
12	Discount Rate	6.38%	6.38%
13	6-Year Net Present Value Stranded Costs per Customer	\$5,983	\$35,456
14	6-Year Net Present Value Freed-Up Energy Value per Customer	(\$2,348)	(\$12,840)
15	Net Stranded Cost per Customer	\$3,636	\$22,616
16	6-Year Net Present Value Low Income Assistance Program Cost per Customer	\$41	\$217
17	6-Year Net Present Value Demand Side Management Cost per Customer	\$239	\$1,399
18	Average Annual Revenue per Customer	\$1,381	\$7,599
19	Net Stranded Cost Revenue Ratio	2.63	2.98
20	Low Income Assistance Program Cost to Revenue Ratio	0.03	0.03
21	Demand Side Management Cost to Revenue Ratio	0.17	0.18
22	Percentage Change from Initial Filing	-36%	-29%

1 From Docket No. UE-152253 rates effective October 4, 2016.

PacifiCorp  
State of Washington  
Stranded Cost Analysis  
6 Year - Modified

	6-Year Period					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Schedules 16/18 Stranded Costs</b>						
Total Revenue		\$145,355,240				
Less: Meters, Services & Transformers		\$10,638,319.78				
Customer Accounts and Service Expense less FERC Account 902		\$5,105,105				
<b>Stranded Cost-Related Revenue</b>		<b>\$129,611,815</b>				
<b>Low Income Revenue</b>		<b>\$881,771</b>				
<b>Conservation Revenue</b>		<b>\$5,185,387</b>				
Average Annual Customers	105,259					
Stranded Cost-Related Revenue per Customer	\$1,231	\$1,231	\$1,231	\$1,231	\$1,231	\$1,231
Freed-Up Energy Value per Customer		(\$456)	(\$462)	(\$482)	(\$515)	(\$547)
Low Income Assistance Program Revenue per Customer	\$8	\$8	\$8	\$8	\$8	\$8
Demand Side Management-Related Revenues per Customer	<u>\$49</u>	\$49	\$49	\$49	\$49	\$49
Discount Rate		6.38%				
6-Year Net Present Value Stranded Costs per Customer		\$5,983				
6-Year Net Present Value Freed-Up Energy Value per Customer		(\$2,348)				
6-Year Net Present Value Low Income Assistance Program Cost per Customer		\$41				
6-Year Net Present Value Demand Side Management Cost per Customer		<u>\$239</u>				
<b>Average Annual Revenue per Customer</b>		<b>\$1,381</b>				
<b>Low Income Assistance Program Cost to Revenue Ratio</b>		<b>0.03</b>				
<b>Demand Side Management Cost to Revenue Ratio</b>		<b>0.17</b>				
<b>Net Stranded Cost Revenue Ratio</b>		<b>2.63</b>				

PacifiCorp  
State of Washington  
Stranded Cost Analysis  
6 Year - Modified

	6-Year Period					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Schedule 24 Stranded Costs</b>						
Total Revenue		\$49,430,455				
Less: Meters, Services & Transformers		\$3,009,538.33				
Customer Accounts and Service Expense less FERC Account 902		\$739,990.34				
<b>Stranded Cost-Related Revenue</b>		<b>\$45,680,926</b>				
<b>Low Income Revenue</b>		<b>\$356,542</b>				
<b>Conservation Revenue</b>		<b>\$1,871,570</b>				
Average Annual Customers	19,046					
Stranded Cost-Related Revenue per Customer	\$2,398	\$2,398	\$2,398	\$2,398	\$2,398	\$2,398
Freed-Up Energy Value per Customer		(\$791)	(\$798)	(\$832)	(\$889)	(\$945)
Low Income Assistance Program Revenue per Customer	\$19	\$19	\$19	\$19	\$19	\$19
Demand Side Management-Related Revenues per Customer	\$98	\$98	\$98	\$98	\$98	\$98
Discount Rate		6.38%				
6-Year Net Present Value Stranded Costs per Customer		\$11,655				
6-Year Net Present Value Freed-Up Energy Value per Customer		(\$4,057)				
6-Year Net Present Value Low Income Assistance Program Cost per Customer		\$91				
6-Year Net Present Value Demand Side Management Cost per Customer		\$477				
<b>Average Annual Revenue per Customer</b>		<b>\$2,595</b>				
<b>Low Income Assistance Program Cost to Revenue Ratio</b>		<b>0.04</b>				
<b>Demand Side Management Cost to Revenue Ratio</b>		<b>0.18</b>				
<b>Net Stranded Cost Revenue Ratio</b>		<b>2.93</b>				

PacifiCorp  
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6 Year - Modified

	6-Year Period					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Schedule 36 Stranded Costs</b>						
Total Revenue		\$73,313,049				
Less: Meters, Services & Transformers		\$2,192,878.15				
Customer Accounts and Service Expense less FERC Account 902		\$114,271				
<b>Stranded Cost-Related Revenue</b>		<b>\$71,005,900</b>				
<b>Low Income Revenue</b>		<b>\$493,716</b>				
<b>Conservation Revenue</b>		<b>\$2,776,556</b>				
Average Annual Customers	1,086					
Stranded Cost-Related Revenue per Customer	\$65,392	\$65,392	\$65,392	\$65,392	\$65,392	\$65,392
Freed-Up Energy Value per Customer	(\$22,117)	(\$22,040)	(\$22,312)	(\$23,284)	(\$24,879)	(\$26,435)
Low Income Assistance Program Revenue per Customer	\$455	\$455	\$455	\$455	\$455	\$455
Demand Side Management-Related Revenues per Customer	\$2,557	\$2,557	\$2,557	\$2,557	\$2,557	\$2,557
Discount Rate						
6-Year Net Present Value Stranded Costs per Customer	6.38%					
6-Year Net Present Value Freed-Up Energy Value per Customer	\$317,754					
6-Year Net Present Value Low Income Assistance Program Cost per Customer	(\$113,484)					
6-Year Net Present Value Demand Side Management Cost per Customer	\$2,209					
	<u>\$12,425</u>					
<b>Average Annual Revenue per Customer</b>		<b>\$67,517</b>				
<b>Low Income Assistance Program Cost to Revenue Ratio</b>		<b>0.03</b>				
<b>Demand Side Management Cost to Revenue Ratio</b>		<b>0.18</b>				
<b>Net Stranded Cost Revenue Ratio</b>		<b>3.03</b>				

PacifiCorp  
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Stranded Cost Analysis  
6 Year - Modified

	6-Year Period					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Schedule 40 Stranded Costs</b>						
Total Revenue	\$14,013,389					
Less: Meters, Services & Transformers	\$739,668.90					
Customer Accounts and Service Expense less FERC Account 902	\$144,792.69					
<b>Stranded Cost-Related Revenue</b>	<b>\$13,128,927</b>					
<b>Low Income Revenue</b>	<b>\$81,770</b>					
<b>Conservation Revenue</b>	<b>\$530,887</b>					
Average Annual Customers	5,225					
Stranded Cost-Related Revenue per Customer	\$2,513	\$2,513	\$2,513	\$2,513	\$2,513	\$2,513
Freed-Up Energy Value per Customer		(\$754)	(\$763)	(\$796)	(\$851)	(\$904)
Low Income Assistance Program Revenue per Customer	\$16	\$16	\$16	\$16	\$16	\$16
Demand Side Management-Related Revenues per Customer	\$102	\$102	\$102	\$102	\$102	\$102
Discount Rate	6.38%					
6-Year Net Present Value Stranded Costs per Customer	\$12,210					
6-Year Net Present Value Freed-Up Energy Value per Customer	(\$3,881)					
6-Year Net Present Value Low Income Assistance Program Cost per Customer	\$76					
6-Year Net Present Value Demand Side Management Cost per Customer	\$494					
<b>Average Annual Revenue per Customer</b>	<b>\$2,682</b>					
<b>Low Income Assistance Program Cost to Revenue Ratio</b>	<b>0.03</b>					
<b>Demand Side Management Cost to Revenue Ratio</b>	<b>0.18</b>					
<b>Net Stranded Cost Revenue Ratio</b>	<b>3.11</b>					

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6 Year - Modified

	6-Year Period					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>General Service Stranded Costs</b>						
Total Revenue	\$136,756,893					
Less: Meters, Services & Transformers	\$5,942,085					
Customer Accounts and Service Expense less FERC Account 902	\$999,054					
<b>Stranded Cost-Related Revenue</b>	<b>\$129,815,754</b>					
<b>Low Income Revenue</b>	<b>\$932,028</b>					
<b>Conservation Revenue</b>	<b>\$5,179,014</b>					
Average Annual Customers	25,357					
Stranded Cost-Related Revenue per Customer	\$5,120	\$5,120	\$5,120	\$5,120	\$5,120	\$5,120
Freed-Up Energy Value per Customer	(\$1,697)	(\$1,691)	(\$1,712)	(\$1,786)	(\$1,909)	(\$2,028)
Low Income Assistance Program Revenue per Customer	\$37	\$37	\$37	\$37	\$37	\$37
Demand Side Management-Related Revenues per Customer	\$204	\$204	\$204	\$204	\$204	\$204
Discount Rate	6.38%					
6-Year Net Present Value Stranded Costs per Customer	\$24,877					
6-Year Net Present Value Freed-Up Energy Value per Customer	(\$8,707)					
6-Year Net Present Value Low Income Assistance Program Cost per Customer	\$179					
6-Year Net Present Value Demand Side Management Cost per Customer	\$992					
<b>Average Annual Revenue per Customer</b>	<b>\$5,393</b>					
<b>Low Income Assistance Program Cost to Revenue Ratio</b>	<b>0.03</b>					
<b>Demand Side Management Cost to Revenue Ratio</b>	<b>0.18</b>					
<b>Net Stranded Cost Revenue Ratio</b>	<b>3.00</b>					

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Stranded Cost Analysis  
6 Year - Modified

**Schedule 48 Stranded Costs Non Ded**

Total Revenue	\$29,436,675
Less: Meters, Services & Transformers	\$645,734
Customer Accounts and Service Expense less FERC Account 902	\$35,712,21
<b>Stranded Cost-Related Revenue</b>	<b>\$28,755,228</b>
<b>Low Income Revenue</b>	<b>\$201,326</b>
<b>Conservation Revenue</b>	<b>\$1,012,563</b>

	6-Year Period					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Average Annual Customers	65					
Stranded Cost-Related Revenue per Customer	\$441,342	\$441,342	\$441,342	\$441,342	\$441,342	\$441,342
Freed-Up Energy Value per Customer	(\$150,400)	(\$149,871)	(\$151,723)	(\$158,335)	(\$169,180)	(\$179,761)
Low Income Assistance Program Revenue per Customer	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090
Demand Side Management-Related Revenues per Customer	\$15,541	\$15,541	\$15,541	\$15,541	\$15,541	\$15,541

Discount Rate	6.38%
6-Year Net Present Value Stranded Costs per Customer	\$2,144,585
6-Year Net Present Value Freed-Up Energy Value per Customer	(\$771,701)
6-Year Net Present Value Low Income Assistance Program Cost per Customer	\$15,015
6-Year Net Present Value Demand Side Management Cost per Customer	\$75,518

<b>Average Annual Revenue per Customer</b>	<b>\$451,801</b>
<b>Low Income Assistance Program Cost to Revenue Ratio</b>	<b>0.03</b>
<b>Demand Side Management Cost to Revenue Ratio</b>	<b>0.17</b>
<b>Net Stranded Cost Revenue Ratio</b>	<b>3.04</b>



PacifiCorp  
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Stranded Cost Analysis  
6 Year - Modified

**Schedule 48 Dedicated Facility Stranded Costs**

Total Revenue	\$27,004,253
Less: Meters, Services & Transformers	\$47,492.75
Customer Accounts and Service Expense less FERC Account 902	\$24,411.45
<b>Stranded Cost-Related Revenue</b>	<b>\$26,932,349</b>
<b>Low Income Revenue</b>	<b>\$3,099</b>
<b>Conservation Revenue</b>	<b>\$1,126,764</b>

	6-Year Period					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Average Annual Customers	1					
Stranded Cost-Related Revenue per Customer	\$26,932,349	\$26,932,349	\$26,932,349	\$26,932,349	\$26,932,349	\$26,932,349
Freed-Up Energy Value per Customer						
Low Income Assistance Program Revenue per Customer	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099
Demand Side Management-Related Revenues per Customer	\$1,126,764	\$1,126,764	\$1,126,764	\$1,126,764	\$1,126,764	\$1,126,764

Discount Rate	6.38%
6-Year Net Present Value Stranded Costs per Customer	\$130,870,592
6-Year Net Present Value Freed-Up Energy Value per Customer	(\$55,382,137)
6-Year Net Present Value Low Income Assistance Program Cost per Customer	\$15,057
6-Year Net Present Value Demand Side Management Cost per Customer	\$5,475,208

<b>Average Annual Revenue per Customer</b>	<b>\$27,004,253</b>
<b>Low Income Assistance Program Cost to Revenue Ratio</b>	<b>0.00</b>
<b>Demand Side Management Cost to Revenue Ratio</b>	<b>0.20</b>
<b>Net Stranded Cost Revenue Ratio</b>	<b>2.80</b>

PacifiCorp  
State of Washington  
Stranded Cost Analysis  
6 Year - Modified

	6-Year Period					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Schedule 48 Stranded Costs</b>						
Total Revenue	\$56,440,927					
Less: Meters, Services & Transformers	\$693,227					
Customer Accounts and Service Expense less FERC Account 902	\$60,124					
<b>Stranded Cost-Related Revenue</b>	<b>\$55,687,577</b>					
<b>Low Income Revenue</b>	<b>\$204,425</b>					
<b>Conservation Revenue</b>	<b>\$2,139,326</b>					
Average Annual Customers	66					
Stranded Cost-Related Revenue per Customer	\$841,786					
Freed-Up Energy Value per Customer	(\$311,286)	\$841,786	\$841,786	\$841,786	\$841,786	\$841,786
Low Income Assistance Program Revenue per Customer	\$3,090	(\$310,191)	(\$314,024)	(\$327,710)	(\$350,156)	(\$372,054)
Demand Side Management-Related Revenues per Customer	\$32,339	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090
		\$32,339	\$32,339	\$32,339	\$32,339	\$32,339
Discount Rate	6.38%					
6-Year Net Present Value Stranded Costs per Customer	\$4,090,438					
6-Year Net Present Value Freed-Up Energy Value per Customer	(\$1,597,205)					
6-Year Net Present Value Low Income Assistance Program Cost per Customer	\$15,016					
6-Year Net Present Value Demand Side Management Cost per Customer	\$157,141					
<b>Average Annual Revenue per Customer</b>	<b>\$853,174</b>					
<b>Low Income Assistance Program Cost to Revenue Ratio</b>	<b>0.02</b>					
<b>Demand Side Management Cost to Revenue Ratio</b>	<b>0.18</b>					
<b>Net Stranded Cost Revenue Ratio</b>	<b>2.92</b>					

PacifiCorp  
State of Washington  
Stranded Cost Analysis  
6 Year - Modified

<b><u>Non Residential Stranded Costs</u></b>						
Total Revenue	\$193,197,821					
Less: Meters, Services & Transformers	\$6,635,312					
Customer Accounts and Service Expense less FERC Account 902	\$1,059,178					
<b>Stranded Cost-Related Revenue</b>	<b>\$185,503,331</b>					
<b>Low Income Revenue</b>	<b>\$1,136,452</b>					
<b>Conservation Revenue</b>	<b>\$7,318,340</b>					
		<b>6-Year Period</b>				
		Year 1	Year 2	Year 3	Year 4	Year 5
Average Annual Customers	25,423					
Stranded Cost-Related Revenue per Customer	\$7,297	\$7,297	\$7,297	\$7,297	\$7,297	\$7,297
Freed-Up Energy Value per Customer		(\$2,502)	(\$2,494)	(\$2,524)	(\$2,634)	(\$2,815)
Low Income Assistance Program Revenue per Customer	\$45	\$45	\$45	\$45	\$45	\$45
Demand Side Management-Related Revenues per Customer	\$288	\$288	\$288	\$288	\$288	\$288
Discount Rate	6.38%					
6-Year Net Present Value Stranded Costs per Customer	\$35,456					
6-Year Net Present Value Freed-Up Energy Value per Customer	(\$12,840)					
6-Year Net Present Value Low Income Assistance Program Cost per Customer	\$217					
6-Year Net Present Value Demand Side Management Cost per Customer	\$1,399					
<b>Average Annual Revenue per Customer</b>	<b>\$7,599</b>					
<b>Low Income Assistance Program Cost to Revenue Ratio</b>	<b>0.03</b>					
<b>Demand Side Management Cost to Revenue Ratio</b>	<b>0.18</b>					
<b>Net Stranded Cost Revenue Ratio</b>	<b>2.98</b>					