

**PACIFICORP
WASHINGTON**
Normalized Results of Operations - West Control Area
12 Months Ended MARCH 2006

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	226,563,997	19,042,969	245,606,965
3 Interdepartmental	-		
4 Special Sales	67,631,778		
5 Other Operating Revenues	12,432,635		
6 Total Operating Revenues	<u>306,628,410</u>		
7			
8 Operating Expenses:			
9 Steam Production	39,041,486		
10 Nuclear Production	-		
11 Hydro Production	5,309,949		
12 Other Power Supply	122,520,645		
13 Transmission	18,723,250		
14 Distribution	11,393,848		
15 Customer Accounting	7,834,493	92,326	7,926,820
16 Customer Service & Info	511,164		
17 Sales	-		
18 Administrative & General	15,205,663		
19 Total O&M Expenses	<u>220,540,498</u>		
20 Depreciation	28,343,041		
21 Amortization	3,915,890		
22 Taxes Other Than Income	12,717,730	773,716	13,491,446
23 Income Taxes - Federal	3,475,865	6,361,924	9,837,789
24 Income Taxes - State	-	-	-
25 Income Taxes - Def Net	5,472,804		
26 Investment Tax Credit Adj.	-		
27 Misc Revenue & Expense	(399,757)		
28 Total Operating Expenses:	<u>274,066,071</u>	<u>7,227,967</u>	<u>281,294,038</u>
29			
30 Operating Rev For Return:	<u>32,562,338</u>	<u>11,815,002</u>	<u>44,377,341</u>
31			
32 Rate Base:			
33 Electric Plant In Service	1,059,765,583		
34 Plant Held for Future Use	1,546		
35 Misc Deferred Debits	2,750,089		
36 Elec Plant Acq Adj	-		
37 Nuclear Fuel	-		
38 Prepayments	2,599,684		
39 Fuel Stock	2,516,964		
40 Material & Supplies	6,970,931		
41 Working Capital	4,107,952		
42 Weatherization Loans	2,256,731		
43 Misc Rate Base	-		
44 Total Electric Plant:	<u>1,080,969,481</u>	<u>-</u>	<u>1,080,969,481</u>
45			
46 Rate Base Deductions:			
47 Accum Prov For Deprec	(404,617,400)		
48 Accum Prov For Amort	(27,607,697)		
49 Accum Def Income Tax	(88,581,278)		
50 Unamortized ITC	(1,644,344)		
51 Customer Adv For Const	-		
52 Customer Service Deposits	(2,001,969)		
53 Misc Rate Base Deductions	(9,428,499)		
54			
55 Total Rate Base Deductions	<u>(533,881,187)</u>	<u>-</u>	<u>(533,881,187)</u>
56			

57 Total Rate Base:	547,088,294	-	547,088,294
58			
59 Return on Rate Base	5.952%		8.112%
60 Return on Equity	5.505%		10.200%
61			
62 TAX CALCULATION:			
63 Operating Revenue	41,511,007	18,176,926	59,687,933
64 Other Deductions			
65 Interest (AFUDC)			
66 Interest	18,354,812	-	18,354,812
67 Schedule "M" Additions	41,823,407	-	41,823,407
68 Schedule "M" Deductions	53,251,254	-	53,251,254
69 Income Before Tax	11,728,349	18,176,926	29,905,275
70			
71 State Income Taxes	-	-	-
72 Taxable Income	11,728,349	18,176,926	29,905,275
73			
74 Federal Income Taxes + Other	3,475,865	6,361,924	9,837,789

Ref. Page 2.2

Ref. Page 1.1

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12 Months Ended MARCH 2006**

Net Rate Base - Oregon Jurisdiction	\$ 547,088,294	Ref. Page 1.1
Return on Rate Base Requested	<u>8.112%</u>	Ref. Page 2.1
Revenues Required to Earn Requested Return	44,377,341	
Less Current Operating Revenues	<u>(32,562,338)</u>	
Increase to Current Revenues	11,815,002	
Net to Gross Bump-up	<u>161.18%</u>	
Price Change Required for Requested Return	<u>\$ 19,042,969</u>	
Requested Price Change	\$ 19,042,969	
Uncollectible Percent	<u>0.485%</u>	Ref. Page 1.3
Increased Uncollectible Expense	<u>\$ 92,326</u>	
Requested Price Change	\$ 19,042,969	
Franchise Tax	0.190%	Ref. Page 1.3
Revenue Tax	3.873%	Ref. Page 1.3
Resource Supplier Tax	0.000%	Ref. Page 1.3
Gross Receipts	0.000%	Ref. Page 1.3
Increase Taxes Other Than Income	<u>\$ 773,716</u>	

Requested Price Change	\$	19,042,969	
Uncollectible Expense		(92,326)	
Taxes Other Than Income		(773,716)	
Income Before Taxes	\$	<u>18,176,926</u>	
State Effective Tax Rate		0.000%	Ref. Page 2.1
State Income Taxes	\$	<u>-</u>	
Taxable Income	\$	18,176,926	
Federal Income Tax Rate		35.00%	Ref. Page 2.1
Federal Income Taxes	\$	<u>6,361,924</u>	
Operating Income		100.000%	
Net Operating Income		<u>62.044%</u>	Ref. Page 1.3
Net to Gross Bump-Up		<u>161.18%</u>	

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12 Months Ended MARCH 2006**

Operating Revenue		100.000%
Operating Deductions		
Uncollectable Accounts		0.485%
Taxes Other - Public Utility Tax		0.190% 1
Taxes Other - Revenue Tax		3.873%
Taxes Other - Resource Supplier		0.000%
Taxes Other - Gross Receipts		<u>0.000%</u>
Sub-Total		95.452%
State Income Tax @ 0.000%		<u>0.000%</u>
Sub-Total		95.452%
Federal Income Tax @ 35.00%		<u>33.408%</u>
Net Operating Income		<u><u>62.044%</u></u>

1. Updated on Feb. 21, 2007 to correct error identified by Tom Schooley of WUTC Staff per telephone conversation on Oct. 5, 2006

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Normalized Results of Operations - West Control Area
12 Months Ended MARCH 2006

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	226,563,997	18,580,036	245,144,033
3 Interdepartmental	-		
4 Special Sales	67,631,778		
5 Other Operating Revenues	12,432,635		
6 Total Operating Revenues	<u>306,628,410</u>		
7			
8 Operating Expenses:			
9 Steam Production	39,041,486		
10 Nuclear Production	-		
11 Hydro Production	5,309,949		
12 Other Power Supply	122,520,645		
13 Transmission	18,723,250		
14 Distribution	11,393,848		
15 Customer Accounting	7,834,493	90,082	7,924,575
16 Customer Service & Info	511,164		
17 Sales	-		
18 Administrative & General	15,205,663		
19 Total O&M Expenses	<u>220,540,498</u>		
20 Depreciation	28,343,041		
21 Amortization	3,915,890		
22 Taxes Other Than Income	12,717,730	754,907	13,472,637
23 Income Taxes - Federal	3,475,865	6,207,267	9,683,132
24 Income Taxes - State	-	-	-
25 Income Taxes - Def Net	5,472,804		
26 Investment Tax Credit Adj.	-		
27 Misc Revenue & Expense	(399,757)		
28 Total Operating Expenses:	<u>274,066,071</u>	7,052,256	281,118,327
29			
30 Operating Rev For Return:	<u>32,562,338</u>	11,527,781	44,090,119
31			
32 Rate Base:			
33 Electric Plant In Service	1,059,765,583		
34 Plant Held for Future Use	1,546		
35 Misc Deferred Debits	2,750,089		
36 Elec Plant Acq Adj	-		
37 Nuclear Fuel	-		
38 Prepayments	2,599,684		
39 Fuel Stock	2,516,964		
40 Material & Supplies	6,970,931		
41 Working Capital	4,107,952		
42 Weatherization Loans	2,256,731		
43 Misc Rate Base	-		
44 Total Electric Plant:	<u>1,080,969,481</u>	-	1,080,969,481
45			
46 Rate Base Deductions:			
47 Accum Prov For Deprec	(404,617,400)		
48 Accum Prov For Amort	(27,607,697)		
49 Accum Def Income Tax	(88,581,278)		
50 Unamortized ITC	(1,644,344)		
51 Customer Adv For Const	-		
52 Customer Service Deposits	(2,001,969)		
53 Misc Rate Base Deductions	(9,428,499)		
54			
55 Total Rate Base Deductions	<u>(533,881,187)</u>	-	(533,881,187)
56			

57 Total Rate Base:	547,088,294	-	547,088,294
58			
59 Return on Rate Base	5.952%		8.0591%
60 Return on Equity	5.619%		10.200%
61			
62 TAX CALCULATION:			
63 Operating Revenue	41,511,007	17,735,047	59,246,054
64 Other Deductions			
65 Interest (AFUDC)			
66 Interest	18,354,812	-	18,354,812
67 Schedule "M" Additions	41,823,407	-	41,823,407
68 Schedule "M" Deductions	53,251,254	-	53,251,254
69 Income Before Tax	11,728,349	17,735,047	29,463,396
70			
71 State Income Taxes	-	-	-
72 Taxable Income	11,728,349	17,735,047	29,463,396
73			
74 Federal Income Taxes + Other	3,475,865	6,207,267	9,683,132

Ref. Page 2.2

Ref. Page 1.1

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12 Months Ended MARCH 2006**

Net Rate Base - Oregon Jurisdiction	\$ 547,088,294	Ref. Page 1.1
Return on Rate Base Requested	<u>8.059%</u>	Ref. Page 2.1
Revenues Required to Earn Requested Return	44,090,119	
Less Current Operating Revenues	<u>(32,562,338)</u>	
Increase to Current Revenues	11,527,781	
Net to Gross Bump-up	<u>161.18%</u>	
Price Change Required for Requested Return	<u>\$ 18,580,036</u>	
Requested Price Change	\$ 18,580,036	
Uncollectible Percent	<u>0.485%</u>	Ref. Page 1.3
Increased Uncollectible Expense	<u>\$ 90,082</u>	
Requested Price Change	\$ 18,580,036	
Franchise Tax	0.190%	Ref. Page 1.3
Revenue Tax	3.873%	Ref. Page 1.3
Resource Supplier Tax	0.000%	Ref. Page 1.3
Gross Receipts	0.000%	Ref. Page 1.3
Increase Taxes Other Than Income	<u>\$ 754,907</u>	

Requested Price Change	\$	18,580,036	
Uncollectible Expense		(90,082)	
Taxes Other Than Income		(754,907)	
Income Before Taxes	\$	<u>17,735,047</u>	
State Effective Tax Rate		0.000%	Ref. Page 2.1
State Income Taxes	\$	<u>-</u>	
Taxable Income	\$	17,735,047	
Federal Income Tax Rate		35.00%	Ref. Page 2.1
Federal Income Taxes	\$	<u>6,207,267</u>	
Operating Income		100.000%	
Net Operating Income		<u>62.044%</u>	Ref. Page 1.3
Net to Gross Bump-Up		<u>161.18%</u>	

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Operating Revenue		100.000%
Operating Deductions		
Uncollectable Accounts		0.485%
Taxes Other - Public Utility Tax		0.190% 1
Taxes Other - Revenue Tax		3.873%
Taxes Other - Resource Supplier		0.000%
Taxes Other - Gross Receipts		<u>0.000%</u>
Sub-Total		95.452%
State Income Tax @ 0.000%		<u>0.000%</u>
Sub-Total		95.452%
Federal Income Tax @ 35.00%		<u>33.408%</u>
Net Operating Income		<u><u>62.044%</u></u>

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Normalized Results of Operations - West Control Area
12 Months Ended MARCH 2006

	0 Total Adjusted Results	0 Price Change	0 Results with Price Change
0 Operating Revenues:			
0 General Business Revenues	-	(462,932)	(462,932)
0 Interdepartmental	-		
0 Special Sales	-		
0 Other Operating Revenues	-		
0 Total Operating Revenues	-		
0 Operating Expenses:			
0 Steam Production	-		
0 Nuclear Production	-		
0 Hydro Production	-		
0 Other Power Supply	-		
0 Transmission	-		
0 Distribution	-		
0 Customer Accounting	-	(2,244)	(2,244)
0 Customer Service & Info	-		
0 Sales	-		
0 Administrative & General	-		
0 Total O&M Expenses	-		
0 Depreciation	-		
0 Amortization	-		
0 Taxes Other Than Income	-	(18,809)	(18,809)
0 Income Taxes - Federal	-	(154,658)	(154,658)
0 Income Taxes - State	-	-	-
0 Income Taxes - Def Net	-		
0 Investment Tax Credit Adj.	-		
0 Misc Revenue & Expense	-		
0 Total Operating Expenses:	-	(175,711)	(175,711)
0 Operating Rev For Return:	-	(287,221)	(287,221)
0 Rate Base:			
0 Electric Plant In Service	-		
0 Plant Held for Future Use	-		
0 Misc Deferred Debits	-		
0 Elec Plant Acq Adj	-		
0 Nuclear Fuel	-		
0 Prepayments	-		
0 Fuel Stock	-		
0 Material & Supplies	-		
0 Working Capital	-		
0 Weatherization Loans	-		
0 Misc Rate Base	-		
0 Total Electric Plant:	-	-	-
0 Rate Base Deductions:			
0 Accum Prov For Deprec	-		
0 Accum Prov For Amort	-		
0 Accum Def Income Tax	-		
0 Unamortized ITC	-		
0 Customer Adv For Const	-		
0 Customer Service Deposits	-		
0 Misc Rate Base Deductions	-		
0 Total Rate Base Deductions	-	-	-
0 Total Rate Base:	-	-	-
0 Return on Rate Base	0.000%		-0.053%
0 Return on Equity	0.114%		0.000%
0 TAX CALCULATION:			
0 Operating Revenue	-	(441,879)	(441,879)
0 Other Deductions	-		
0 Interest (AFUDC)	-		
0 Interest	-	-	-
0 Schedule "M" Additions	-	-	-
0 Schedule "M" Deductions	-	-	-
0 Income Before Tax	-	(441,879)	(441,879)
0 State Income Taxes	-	-	-
0 Taxable Income	-	(441,879)	(441,879)
0 Federal Income Taxes + Other	-	(154,658)	(154,658)