

Appendix A

Comparison of Net Operating Income, Rate Base and Revenue Requirements

	Page
Comparison of Net Operating Income	1-2
Comparison of Net Rate Base	3-4
Revenue Requirements	5
Explanatory Notes	5

Comparison of Net Operating Income

	Adj. No.	PacifiCorp NOI Impact	Staff NOI Impact	Differences	ICNU NOI Impact
1		\$32,647,342	\$32,647,342	\$0	
2					
3					
4	3.1	(143,284)	(143,284)	-	
5	3.2	(2,539,148)	(2,539,148)	-	
6	3.3	9,182,478	9,182,478	-	
7	3.4	(734,690)	(734,690)	-	
8	3.5	(519,401)	(519,401)	-	
9	3.6	(1,246,243)	(1,246,243)	-	
10					
11	4.1	26,742	26,742	-	
12	4.2	21,560	21,560	-	
13	4.3	95,029	95,029	-	
14	4.4	210,066	210,066	-	
15	4.5	(108,614)	(108,614)	-	
16	4.6	7,018	7,018	-	
17	4.7	3,224,447	3,224,447	-	
18	4.8	52,774	52,774	-	
19	4.9	303,027	-	(303,027)	
20	4.10	(688,860)	(688,860)	-	
21	9.1	21,905	21,905	-	
22					
23					585,878
24					1,268,777
25					175,019
26					
27	5.1	(13,034,252)	(13,034,252)	-	
28	5.2	1,041,119	1,041,119	-	
29	5.3	665,706	665,706	-	
30	5.4	992,662	992,664	2	
31	5.5	-	-	-	
32	5.6	-	1,001,444	1,001,444	1,019,957
33					
34	ICNU 1				5,569,037
35	ICNU 2				2,497,588
36	ICNU 3				5,358,348
37	ICNU 4				1,425,085
38	ICNU 5				413,811
39					
40	ICNU 6				5,160,763
41	ICNU 7				1,800,709
42	ICNU 8				1,160,206
43	ICNU 9				20,119
44	ICNU 10	Equivalent to Adj. 5.6 above			
45	ICNU 11				(95,976)
46	ICNU 12				168,282
47	ICNU 13				123,837

Comparison of Net Operating Income

	Adj. No.	PacifiCorp NOI Impact	Staff NOI Impact	Differences	ICNU NOI Impact
48 TAX ADJUSTMENTS					
49 Interest True Up	7.1	(147,823)	250,819	398,642	
50 Utah Gross Receipts Tax	7.2	195,117	195,117	-	
51 Deferred Income Tax Balance Reclassified	7.3	-	-	-	
52 Malin Midpoint	7.4	292,603	292,603	-	
53 Flow-through Deferred Tax Adj.	7.5	1,217,863	1,217,863	-	
54 IRS Settlement Amortization ⁴	7.6	(387,624)	-	387,624	
55 Year-end Deferred Tax	7.7	-	-	-	
56 Renewable Energy Tax Credit	7.8	629,057	629,057	-	
57 Low Income Tax Credit	7.9	23,835	23,835	-	
58 Production Activity Tax ⁵	7.10	184,797	184,798	1	
59 Average balance ADFIT (Rebuttal Adj.) ¹¹	9.9	-	-	-	
60 ICNU Federal Income Tax Adj.		This adjustment is on page 5, line 13			
61 RATE BASE					
62 Cash Working Capital	8.1	-	-	-	
63 Remove Deferred Debits	8.2	-	-	-	
64 Bridger Mine Rate Base	8.3	-	-	-	
65 Grid West Loan	8.4	(84,652)	(84,652)	-	
66 North Umpqua Relicensing Settlement	8.5	77,992	77,992	-	
67 Yakama Sale	8.6	6,090	6,090	-	
68 Customer Advances for Construction	8.7	-	-	-	
69 Centralia Transmission Line Sale	8.8	712	724	12	
70 Leaning Juniper	8.9	(934,138)	(934,138)	-	
71 Miscellaneous Rate Base Adj.	8.10	427,294	427,294	-	
72 Colstrip 4 AFUDC Adj.	8.11	33,000	33,000	-	
73 Trojan Removal	8.12	280,616	280,616	-	
74 MEHC Transition Savings ⁶	8.13	1,304,872	1,879,604	574,732	2,480,229
75 Remove Working Capital	8.14	-	-	-	
76 Remove Current Assets	8.15	-	-	-	
77 ISWC	8.16	-	-	-	
78 Customer Deposits ⁷	8.17	(24,364)	(24,364)	-	
79 PacifiCorp Rebuttal Adjustments					
80 EEI dues (Company Rebuttal) ¹¹	9.1	Placed with O&M adjustments, line 21 above.			
81 Yellowtail Tribe Right-of-Way	9.2	Part of Adj. 4.4, see footnote 1			
82 Pro Forma Wages	9.3	Same as Adj. 4.10, see footnote 2			
83 IRS Settlement Amortization Correction	9.4	Part of Adj. 7.6, see footnote 4			
84 Production Activity Tax Deduction	9.5	Same as Adj. 7.10, see footnote 5			
85 Customer Deposits	9.6	Same as Adj. 8.17, see footnote 7			
86 MEHC Transition Savings revised	9.7	Part of Adj. 8.13, see footnote 6			
87 Net Power Cost Revisions	9.8	Same as Adj. 5.4, see footnote 3			
88 Average balance ADFIT (Rebuttal Adj.) ¹¹	9.9	Placed with Tax adjustments, line 59 above.			
89					
90	Total	\$32,572,627	\$34,632,056	\$2,059,429	

Comparison of Net Rate Base

	Adj. No.	PacifiCorp Rate Base Impact	Staff Rate Base Impact	Differences	ICNU Rate Base Impact
1		\$528,823,255	\$528,823,255	\$0	
2					
3					
4	3.1	-	-	-	
5	3.2	-	-	-	
6	3.3	-	-	-	
7	3.4	-	-	-	
8	3.5	-	-	-	
9	3.6	(1,457,588)	(1,457,588)	-	
10					
11	4.1	-	-	-	
12	4.2	-	-	-	
13	4.3	-	-	-	
14	4.4	-	-	-	
15	4.5	-	-	-	
16	4.6	-	-	-	
17	4.7	-	-	-	
18	4.8	-	-	-	
19	4.9	-	-	-	
20	4.10	-	-	-	
21	9.1	-	-	-	
22					
23					
24					
25					
26					
27	5.1	-	-	-	
28	5.2	-	-	-	
29	5.3	(9,494,838)	(9,494,838)	-	
30	5.4	-	-	-	
31	5.5	-	-	-	
32	5.6	-	-	-	
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					

Comparison of Net Rate Base

	Adj. No.	PacifiCorp Rate Base Impact	Staff Rate Base Impact	Differences	ICNU Rate Base Impact
48 TAX ADJUSTMENTS					
49 Interest True Up	7.1	-	-	-	
50 Utah Gross Receipts Tax	7.2	-	-	-	
51 Deferred Income Tax Balance Reclassified	7.3	(16,435)	(16,435)	-	
52 Malin Midpoint	7.4	(1,463,017)	(1,463,017)	-	
53 Flow-through Deferred Tax Adj.	7.5	(10,531,719)	(10,531,719)	-	
54 IRS Settlement Amortization ⁴	7.6	1,324,386	-	(1,324,386)	
55 Year-end Deferred Tax	7.7	(377,919)	(377,919)	-	
56 Renewable Energy Tax Credit	7.8	-	-	-	
57 Low Income Tax Credit	7.9	-	-	-	
58 Production Activity Tax ⁵	7.10	-	-	-	
59 Average balance ADFIT (Rebuttal Adj.) ¹¹	9.9	(78,865)	(78,865)	-	
60 ICNU Federal Income Tax Adj.		This adjustment is on page 5, line 13			
61 RATE BASE					
62 Cash Working Capital	8.1	175,850	-	(175,850)	
63 Remove Deferred Debits	8.2	(2,809,600)	(2,809,600)	-	
64 Bridger Mine Rate Base	8.3	20,311,983	18,327,771	(1,984,212)	
65 Grid West Loan	8.4	112,424	112,424	-	
66 North Umpqua Relicensing Settlement	8.5	(128,204)	(128,204)	-	
67 Yakama Sale	8.6	(441,866)	(441,866)	-	
68 Customer Advances for Construction	8.7	984,551	984,551	-	
69 Centralia Transmission Line Sale	8.8	(38,281)	(38,931)	(650)	
70 Leaning Juniper	8.9	21,390,436	21,390,436	-	
71 Miscellaneous Rate Base Adj.	8.10	-	-	-	
72 Colstrip 4 AFUDC Adj.	8.11	(481,839)	(481,839)	-	
73 Trojan Removal	8.12	685,583	685,583	-	
74 MEHC Transition Savings ⁶	8.13	2,637,654	1,592,618	(1,045,036)	
75 Remove Working Capital	8.14	-	(3,952,812)	(3,952,812)	
76 Remove Current Assets	8.15	-	(12,087,579)	(12,087,579)	
77 ISWC	8.16	-	8,321,198	8,321,198	
78 Customer Deposits ⁷	8.17	(2,001,969)	(2,001,969)	-	
79 PacifiCorp Rebuttal Adjustments					
80 EEI dues (Company Rebuttal) ¹¹	9.1	Placed with O&M adjustments, line 21 above.			
81 Yellowtail Tribe Right-of-Way	9.2	Part of Adj. 4.4, see footnote 1			
82 Pro Forma Wages	9.3	Same as Adj. 4.10, see footnote 2			
83 IRS Settlement Amortization Correction	9.4	Part of Adj. 7.6, see footnote 4			
84 Production Activity Tax Deduction	9.5	Same as Adj. 7.10, see footnote 5			
85 Customer Deposits	9.6	Same as Adj. 8.17, see footnote 7			
86 MEHC Transition Savings revised	9.7	Part of Adj. 8.13, see footnote 6			
87 Net Power Cost Revisions	9.8	Same as Adj. 5.4, see footnote 3			
88 Average balance ADFIT (Rebuttal Adj.) ¹¹	9.9	Placed with Tax adjustments, line 59 above.			
89					
90					
	Total	\$547,123,982	\$534,874,655	(\$12,249,327)	-

Other Information and Revenue Requirements

	PacifiCorp		Staff		Difference	ICNU	
1 Conversion Factor	62.0438%		62.0438%		0.0%		
2 <i>Capital Structure</i>							
3 Long-term Debt / Cost	50.00%	6.335%	54.00%	6.335%		50.00%	6.335%
4 Short term Debt / Cost	3.00%	4.500%	3.00%	4.500%		3.00%	4.500%
5 Preferred Stock / Cost	1.00%	6.455%	1.00%	6.455%		1.00%	6.455%
6 Common Stock / Cost	46.00%	10.200%	42.00%	10.200%		46.00%	9.900%
7 Weighted Average Cost of Capital		8.06%		7.90%	-0.15%		7.92%
8							
9	<i>(Staff estimate)</i>					<i>(Staff estimate)</i>	
10 Revenue Requirement Increase	\$18,568,120		\$12,324,910		(\$6,243,210)	(\$19,330,023)	
11 Percentage Increase in Revenues	8.2%		5.4%			-8.5%	
12							
13 ICNU Income Tax Expense Adjustment ¹⁰						(\$3,079,254)	
14 Estimated Total ICNU Revenue Requirement Reduction						(\$22,409,277)	
						-9.9%	

Footnotes:

- ¹ Company Adj. 4.4 plus Company Adj. 9.2 equals Staff Adj. 4.4
- ² The Company accepts Staff Adj. 4.10 and lists it as Company Adj. 9.3
- ³ The Company accepts Staff Adj. 5.4. and lists it as Company Adj. 9.8
- ⁴ Company Adj. 9.4 corrects Company Adj. 7.6. Staff rejects the adjustment entirely.
- ⁵ The Company accepts Staff Adj. 7.10 and lists it as Company Adj. 9.5
- ⁶ Company Adj. 9.7 updates and corrects Company Adj. 8.13. The sum of these two adjustments is comparable to Staff Adj. 8.13 and ICNU's proposal.
- ⁷ The Company accepts Staff Adj. 8.17. and lists it as Company Adj. 9.6
- ⁸ PacifiCorp accepts the use of the CAGW allocation factor and applies it directly to appropriate accounts through its revenue requirement model. The System Operations (SO) factor is also affected. Many adjustments are affected by the changes to the CAGW and SO allocators. The unadjusted results and affected adjustments are revised in the Company's and Staff's final recommendations to implement the new allocation factors. This renders moot the need for Staff's Adjustment 5.5.
- ⁹ Falkenberg, Ex. 161 at 5, less 35% FIT
- ¹⁰ Revenue Requirement impact of ICNU's Income Tax Expense adjustment per Iverson, Ex. 184 at 2:9
- ¹¹ The Company proposed two new adjustments on rebuttal, Adj. 9.1 and Adj. 9.9. Staff accepts these new adjustments.