# PacifiCorp Results of Operations for Ratemaking Purposes (Twelve Months Ended March 2006 – Washington)

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PacifiCorp Results of Operations For Ratemaking Purposes For The Twelve Months Ended March 2006 - Washington

																														-								
(5) Results With	Price Change	)	\$238,888,906	0	67,631,778	12,432,637	\$318,953,321			39,041,486	0	5,309,949	120,980,000	18,978,249	11,393,848	7,894,269	511,163	0	14,532,668	218,641,632	28,343,017	3,912,168	13,215,097	7,877,111	0	5,085,153	0	(399,757)	276,674,421	\$42,278,900	22.00		1,057,779,986	1,546	1,705,042	0	0	0
(4) Per	Staff	5.44%	\$12,324,910	0	0	0	\$12,324,910									59,776				59,776			500,761	4,117,531	0			٠	4,678,067	\$7,646.843	200000000000000000000000000000000000000							
(3) Total Adinsted	at Present Rates		\$226,563,996	0	67,631,778	12,432,637	\$306,628,411			39,041,486	0	5,309,949	120,980,000	18,978,249	11,393,848	7,834,493	511,163	0	14,532,668	218,581,856	28,343,017	3,912,168	12,714,336	3,759,580	0	5,085,153	0	(399,757)	271,996,353	830 637 688	20120		1,057,779,986	1,546	1,705,042	0	0	0
(2) Ratemakino	Adjustments	,	\$10,000,070	80	\$0	(\$327,649)	\$9,672,421			\$0	0\$	\$0	\$17,386,856	\$0	(\$15,539)	(\$103,271)	(\$4,960,687)	20	(\$2,897,399)	9,409,960	(\$114,640)	(\$355,722)	(\$373,487)	(\$1,385,894)	80	(\$1,500,954)	80	\$2,008,443	7,687,706	21 084 715	21.61.2.61.2		\$14,046,368	\$0	(\$1,104,558)	\$0	<b>\$</b> 0	(\$2,599,684)
(1) Unadiusted	Results	Revised by CAGW	\$216,563,926	0	67,631,778	12,760,286	\$296,955,990			39,041,486	r	5,309,949	103,593,144	18,978,249	11,409,387	7,937,764	5,471,850	0	17,430,067	209,171,896	28,457,657	4,267,890	13,087,823	5,145,474	0	6,586,107	0	(2,408,200)	264,308,647	\$12 647 343	2. 26. 26.		1,043,733,618	1,546	2,809,600	0	0	2,599,684
		Operating Revenues: Revised by CAGW	1 General Business Revenues	2 Interdepartmental	3 Special Sales	4 Other operating revenues	5 Total Operating Revenues	. 9	7 Operating Expenses:	8 Steam Production	9 Nuclear Production	10 Hydro Production	11 Other Power Supply	12 Transmission	13 Distribution	14 Customer Accounting	15 Customer Service & Info	16 Sales	17 Administrative & General	18 Total O&M Expense	19 Depreciation	20 Amortization	21 Taxes Other than Income	22 Income Taxes: Federal	23 : State	24 Deferred Income Taxes	<ol><li>Investment Tax Credit Adj.</li></ol>	26 Misc. Revenue & Expense	27 Total Operating Expenses:	20 Onerating Revenue for Return:	30	31 Rate Base:	32 Electric Plant in Service	33 Plant Held for Future Use	34 Misc. Deferred Debits	35 Electric Plant Acq Adj	36 Nuclear Fuel	37 Prepayments

PacifiCorp Results of Operations For Ratemaking Purposes For The Twelve Months Ended March 2006 - Washington

	Ξ	(2)	(3)	4	(5)
	Unadjusted	Ratemaking	Total Adjusted	Per	Results With
	Results	Adjustments	at Present Rates	Staff	Price Change
38 Fuel Stock	2,516,964	(\$2,516,964)	0		_
39 Material & Supplies	6,970,931	(\$6,970,931)	0		0
10 Working Capital	3,952,812	\$4,368,386	8,321,198		8,321,198
11 Weatherization Loans	2,256,731	\$0	2,256,731		2,256,731
12 Misc. Rate Base	368,987	(\$368,987)	0		
13 Total Electric Plant:	1,065,210,873	4,853,630	1,070,064,503		0 1,070,064,503
14					
15 Deductions:					
46 Accum. Prov. for Depreciation	(419,336,568)	\$14,720,945	(404,615,623)		(404,615,623)
17 Accum. Prov. for Amortization	(27,611,529)	\$3,832	(27,607,697)		(27,607,697)
18 Accum. Deferred Income Tax	(79,459,944)	(\$10,445,855)	(89,905,799)		(86,905,799)
49 Unamortized ITC	(1,914,487)	\$270,144	(1,644,343)		(1,644,343)
50 Customer Advances for Const.	(984,551)	\$984,551	0		
51 Customer Service Deposits	` O	(\$2,001,969)	(2,001,969)		(2,001,969)
52 Miscellaneous Deductions	(7.080.538)	(\$2,333,878)	(9,414,416)		(9,414,416)
53					
54 Total Rate Base Deductions:	(536,387,617)	1,197,770	(535,189,847)		0 (535,189,847)
55 56 Total Rate Base:	528,823,256	6,051,400	534,874,656		0 534,874,656
15					
88 Return on Rate Base	6.174%		6.475%		7.904%
65					
09					
51 TAX CALCULATION	Sta	State Income Tax Rate		%00'0	%
52	Fe	Federal Income Tax Rate		35.00%	%
53					
54 Operating Revenue	44,378,924	(902,133)	43,476,791	11,764,373	3 55,241,164
55 Other Deductions					
56 Interest (AFUDC)	0	\$0	0		•
57 Interest	18,777,162	\$716,626	19,493,788		0 19,493,788
58 Schedule "M" additions	40,467,822	\$1,354,038	41,821,860		0 41,821,860
59 Schedule "M" deductions	51,368,231	\$1,897,669	53,265,900		0 53,265,900
02					
71 Income Before Tax	14,701,353	(2,162,390)	12,538,963	11,764,373	3 (59,340,384)
72 State Income Tax	0	\$0	0		0
73 Taxable Income	14,701,353	(2,162,390)	12,538,963	11,764,373	3 (59,340,384)
74 Adjustments to FIT		(\$629,057)	(629,057)		0 (629,057)
		00000			

## Calculation of Revenue Requirement Deficiency or (Excess):

g) Revenue Requirement Deficiency (line e/line f)	\$ 12,324,910
f) NOI > Revenue Conversion Factor	62.0438%
e) Net Operating Income Deficiency	7,646,842
d) Proforma Net Operating Income	34,632,058
c) Net Operating Income Requirement	42,278,900
b) Proposed Rate of Return	7.9045%
a) Net Rate Base - Washington Jurisdiction	534,874,656

PacifiCorp General Rate Case		
Conversion Factor		Nominal
		Tax Rate
Operating Revenue	100.0000%	
Operating Revenue Deductions:		
Uncollectible Accounts	0.4850%	
Franchise Tax	0.0000%	
WA Revenue Tax	3.8730%	
WUTC Fee	0.1900%	corrected
Sub-Total	95.4520%	
State Income Tax	0.0000%	0.000%
Sub-Total Sub-Total	95.4520%	
Federal Income Tax @ 35%	33.4082%	35%
Net Operating Income Conversion Factor	62.0438%	
Company uses inverse known as "Net to Gross Bump-up".	161.17646%	
Revenue Sensitive Tax Rates		
customer accounting	0.4850%	
other taxes	4.0630%	

#### STAFF PROPOSED

Weighted Average Cost of Capital

With PCAM Risk Offset

1	Type of Capital	Cap.Structure		Weighted Cost	Debt Rate
2	Long-term Debt	54.00%	6.335%	3.421%	
3	Short term Debt	3.00%	4.500%	0.135%	3.556%
4	Preferred Stock	1.00%	6.455%	0.065%	•
5	Common Stock	42.00%	10.200%	4.284%	
6	Weighted Average Cost of Capital	100.00%	_	7.90445%	
7	•		-		

7

8

## **PacifiCorp**

State of Washington

### Adjustment 7.1, Interest True-up

1 Jurisdiction Specific Adjusted Rate Base	\$ 534,874,656
2 Add Adj. 3.6 back to rate base	\$ 1,457,588
3 Rate Base	\$ 536,332,244
4 Weighted Cost of Debt	3.556%
5 Pro forma interest Expense	\$ 19,071,438
6 Actual Interest Expense	\$ 18,354,812 1*
7 Increase/(decrease) interest expense	\$ 716,626 to adj. 7.1

<sup>1\*</sup> Updated to Wrigley, Ex.137 at page 22, line 1218

# Electric Utility Results of Operations for the twelve months ended September 2004

	. '	Total Ratemaking Adjustments	3,1 Temperature Normalization	3.2 ProForma Load Reduction	3.3 Revenue Normalizing	3.4 Centralia Gain	3.5 Pole Attachment Revenue	3.6 SO2 Emission Allowances
	Operating Revenues: General Business Revenues	10,000,070	(220,437)	(3,906,382)	14,126,889			-
	Interdepartmental Special Sales	-			-			
4	Other operating revenues	(327,649)				(1,130,292)	(799,078)	
5 6		9,672,421	(220,437)	(3,906,382)	14,126,889	(1,130,292)	(799,078)	
7								
8	Steam Production	-						
	Nuclear Production	-						
	Hydro Production Other Power Supply	17,386,856						
	Transmission	•						
	Distribution	(15,539)		-				
	Customer Accounting Customer Service & Info	(103,271) (4,960,687)	•	•	-	-	•	-
	Sales	(4,500,007)						
	Administrative & General	(2,897,399)						
18	Total O&M Expense	9,409,960	-	-	-	•	-	-
19	Depreciation	(114,640)						
	Amortization	(355,722)						
	Taxes Other than Income Income Taxes: Federal	(373,487)	(77.152)	- (1.747.224)	4 044 411	(205 (02)	(270, (77)	- (0)
23	: State	(1,385,894)	(77,153) -	(1,367,234)	4,944,411 -	(395,602)	(279,677)	(0)
24	Deferred Income Taxes	(1,500,954)						(762,200)
	Investment Tax Credit Adj.							
26 27	Misc. Revenue & Expense Total Operating Expenses:	2,008,443 7,687,706	(77,153)	(1,367,234)	4,944,411	(395,602)	(279,677)	2,008,443 1,246,243
28		7,001,700	(7,100)	(1,501,254)	4,244,411	(373,002)	(215,011)	1,240,243
29	Net Operating Income:	1,984,715	(143,284)	(2,539,148)	9,182,478	(734,690)	(519,401)	(1,246,243)
30 31	Rate Base:							
32	Electric Plant in Service	14,046,368						
	Plant Held for Future Use Misc. Deferred Debits	(1,104,558)						
	Electric Plant Acq Adj	(1,101,550)						
	Nuclear Fuel							
	Prepayments Fuel Stock	(2,599,684) (2,516,964)						
	Material & Supplies	(6,970,931)						
40	Working Capital	4,368,386				•		
	Weatherization Loans	(2(8,097)						
43	Misc. Rate Base  Total Electric Plant:	(368,987) 4,853,630	-					
44		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						
45	Deductions: Accum, Prov. for Depreciation	14 770 045						
	Accum. Prov. for Depreciation	14,720,945 3,832						•
48	Accum. Deferred Income Tax	(10,445,855)						1,930,860
	Unamortized ITC	270,144			•		•	
	Customer Advances for Const. Customer Service Deposits	984,551 (2,001,969)						
	Miscellaneous Deductions	(2,333,878)						(3,388,448)
53	Tatal Dedications	1 107 220		+				(1.467.500)
54 55	Total Deductions:	1,197,770	<del>-</del>	<del>-</del>	<del> </del>		<del>-</del>	(1,457,588)
56	Total Rate Base:	6,051,400	-	-	-	•	-	(1,457,588)
57 58								
59		<del> </del>			=			
	TAX CALCULATION		State Income Tax I		0.00%			
61 62	Per Company		Federal Income Ta	x Rate	35.00%			
	Operating Revenue	(902,133)	(220,437)	(3,906,382)	14,126,889	(1,130,292)	(799,078)	(2,008,443)
64	Other Deductions	/	` , ',	· · · · · ·		,, , 7	, ,	, ,
	Interest (AFUDC)	-						
	Interest Schedule "M" additions	716,626 1,354,038						2,449,857
68	Schedule "M" deductions	1,897,669						441,415
69 70	Income Before Tax	(2,162,390)	(220,437)	(3,906,382)	14,126,889	(3 130 702)	(799,078)	/15
	State Income Tax	(2,102,390)	(220,437)	(3,300,362)	14,120,009	(1,130,292)	(810,841)	(1)
72	Taxable Income	(2,162,390)	(220,437)	(3,906,382)	14,126,889	(1,130,292)	(799,078)	(1)
	Adjustments to FIT Federal Income Tax	(629,057) (1,385,894)	(77 152)	(1,367,234)	4 944 411	(395,602)	(279 677)	(0)
/-	I COCH II I I COME LAX	(1,565,054)	(77,153)	(1,307,434)	4,944,411	(393,002)	(279,677)	(0)

	PacifiCorp						
	State of Washington		Revised by	Revised by	inc. Pac. Adj. 9.2 Revised by	Revised by	Revised by
		4.1	CAGW 4.2	CAGW 4.3	CAGW 4.4	CAGW 4.5	CAGW 4,6
		Green Tag	Miscellaneous	International	Out of	Property	Affiliate
	Operating Revenues:	Removal	Gen, Expense	Assignees	Period	Insurance	Management Fee Commitment
	General Business Revenues Interdepartmental	-	-	•	-	-	
	Special Sales						
4 5	Other operating revenues  Total Operating Revenues				-		
6		-	· · · · · ·		<del>-</del>	<u> </u>	<u> </u>
7	Operating Expenses: Steam Production						
	Nuclear Production						•
	Hydro Production	(41.141)					
	Other Power Supply Transmission	(41,141)					
	Distribution			(15,539)			
	Customer Accounting Customer Service & Info						
16	Sales		e e e e e e e e e e e e e e e e e e e	eric in each of the day	71 . <b>4</b> _4_		***
17 18	Administrative & General Total O&M Expense	(41,141)	(33,169) (33,169)	(130,659) (146,198)	(323,178)	167,099 167,099	(10,797)
	·	(,2,	(00,000)		(,,	,	(,,
	Depreciation Amortization						
	Taxes Other than Income						
22 23	Income Taxes: Federal	14,399	11,609	51,169	113,112	(58,485)	3,779
	Deferred Income Taxes		-	-	-	•	•
	Investment Tax Credit Adj.						
27	Misc. Revenue & Expense Total Operating Expenses:	(26,742)	(21,560)	(95,029)	(210,066)	108,614	(7,018)
28 29		26,742	21,560	95,029	210,066	(108,614)	7,018
30		20,142	21,300	93,029	210,000	(100,014)	7,010
31	Rate Base:			•			
	Electric Plant in Service Plant Held for Future Use						
34	Misc. Deferred Debits						
	Electric Plant Acq Adj Nuclear Fuel						
37	Prepayments	•				•	
	Fuel Stock Material & Supplies	=					
	Working Capital					•	
	Weatherization Loans Misc. Rate Base						
43	W * 0	÷	-		-	<u> </u>	-
44 45							
46	Accum. Prov. for Depreciation						
	Accum. Prov. for Amortization Accum. Deferred Income Tax						
	Unamortized ITC						
	Customer Advances for Const.		•				
	Customer Service Deposits Miscellaneous Deductions						
53							
54 55		•		<del>-</del>			
56 57		-	-	-	-	-	-
58							
59							
	TAX CALCULATION Per Company						
62			20.150	146 100	202.150	(1.67.000)	10.707
	Operating Revenue Other Deductions	41,141	33,169	146,198	323,178	(167,099)	10,797
65	Interest (AFUDC)	•					
	Interest Schedule "M" additions						
68	Schedule "M" deductions .						<del></del>
69 70	Income Before Tax	41,141	33,169	146,198	323,178	(167,099)	10,797
71	State Income Tax					•	
	Taxable Income Adjustments to FIT	41,141	33,169	146,198	323,178	(167,099)	10,797
	Federal Income Tax	14,399	11,609	51,169	113,112	(58,485)	3,779

	PacifiCorp						
	State of Washington				Pac. Adj. 9.3		
			Revised by		Revised by		Revised by
		4.7	CAGW 4.8	4.9	CAGW	5.1	CAGW 5.2
	•	DSM Amort	Corporate Cost	A&G	Pro Forma	BPA	James River
		Removal	ProForma	Expense	Wages	Exchange	Royalty Offset
,	Operating Revenues: General Business Revenues		Commitment	Commitment	•		
	Interdepartmental	•	-	-	-	-	
	Special Sales						
	Other operating revenues						1,601,721
5	<del></del>	<del></del>		•	-	<u> </u>	1,601,721
6 7						•	
	Steam Production						
	Nuclear Production						
	Hydro Production				•		
	Other Power Supply					20,052,696	
	Transmission Distribution						
	Customer Accounting						
	Customer Service & Info	(4,960,687)					
	Sales	,,,,,,,					
	Administrative & General		(81,190)	•	1,059,785		
18	Total O&M Expense	(4,960,687)	(81,190)	-	1,059,785	20,052,696	-
19	Depreciation					*	
	Amortization						
21	Taxes Other than Income	*					
	Income Taxes: Federal	1,736,240	28,417	-	(370,925)	(7,018,444)	560,602
23	: State Deferred Income Taxes	-	•	•	-	•	-
	Investment Tax Credit Adi.						
	Misc. Revenue & Expense						
27		(3,224,447)	(52,774)	-	688,860	13,034,252	560,602
28					(400.040)	/\	
29 26		3,224,447	52,774		(688,860)	(13,034,252)	1,041,119
30 31	Rate Base:						
	Electric Plant in Service						
33	Plant Held for Future Use						
	Misc. Deferred Debits						
	Electric Plant Acq Adj Nuclear Fuel						
	Prepayments						
	Fuel Stock						
39	Material & Supplies						
	Working Capital						
	Weatherization Loans Misc. Rate Base						
43					-	_	
44			•				
45	Deductions:						
	Accum. Prov. for Depreciation						
	Accum. Prov. for Amortization Accum. Deferred Income Tax						
	Unamortized ITC						
	Customer Advances for Const.						
	Customer Service Deposits						
	Miscellaneous Deductions		•				•
53 54	Total Deductions:	<u>-</u>					
55							
56		-	-	-	-	-	
57							
58 59							
	TAX CALCULATION						•
	Per Company						
62			•				
	Other Professional	4,960,687	81,190	•	(1,059,785)	(20,052,696)	1,601,721
	Other Deductions Interest (AFUDC)						
	Interest						
67	Schedule "M" additions				•		·
	Schedule "M" deductions						
69 70	Income Before Tax	4 050 597	91 100		(1.050.795)	(20,052,505)	1 601 721
	State Income Tax	4,960,687 -	81,190	-	(1,059,785) -	(20,052,696)	1,601,721
	Taxable Income	4,960,687	81,190		(1,059,785)	(20,052,696)	1,601,721
	Taxable Income					(=,,	
73	Adjustments to FIT Federal Income Tax	1,736,240	28,417		(370,925)	(7,018,444)	560,602

PacifiCorp							
State of Washington							
	Revised by		INCLUDED in		Updated on		
	CAGW	Pac. Adj. 9.8	RESULTS		Rebuttal		
	5.3	5.4	5.5	5.6	7.1	7.2	7.3
	Colstrip #3	Misc	Revised CAGW	Water Year	Interest	Utah Gross	Deferred Income
	Removal	Power Supply	& SO Allocators	Adjustment	True-up	Receipts Tax	Tax Reclass
Operating Revenues:					(calculated)		
General Business Revenues		-	-	-	· -	-	-
Interdepartmental							
Special Sales							
Other operating revenues		· · · · · · · · · · · · · · · · · · ·					
Total Operating Revenues			•	•	<del></del>	<del></del>	-
Operating Expenses:							
Steam Production	_						
Nuclear Production	-						
Hydro Production							
Other Power Supply		(1,527,176)		(1,540,683)			•
Transmission		(-,,,,		(-,,,			
Distribution							
Customer Accounting							
Customer Service & Info							
Sales							
Administrative & General							
Total O&M Expense	-	(1,527,176)	•	(1,540,683)	-		-
Depreciation	(770,243)					•	
Amortization							
Taxes Other than Income	(36,638)					(300,180)	
Income Taxes: Federal	20,080	534,512	-	539,239	(250,819)	105,063	
: State	-	-	-	-	-	-	
Deferred Income Taxes	121,095						
Investment Tax Credit Adj.							
Misc Revenue & Expense	(667.704)	(0.05 (4.4)		(1.001.411)	(050.010)	(106.112)	
Total Operating Expenses:	(665,706)	(992,664)	-	(1,001,444)	(250,819)	(195,117)	
N (O # 1	CCF 50C	003 (64		1 001 444	250 910	105 117	
Net Operating Income:	665,706	992,664		1,001,444	250,819	195,117	
Rate Base:							
Misc. Deferred Debits Electric Plant Acq Adj							
Nuclear Fuel							
Prepayments							
Fuel Stock							
Material & Supplies							
Working Capital							
Weatherization Loans							
Misc. Rate Base							
Total Electric Plant:	(25,559,616)		•	<u> </u>	-	•	-
- ·							
Deductions:	15.050.010						
Accum. Prov. for Depreciation	15,253,013						
Accum. Prov. for Amortization	ECC 765						(16,4
Accum. Deferred Income Tax	566,765 245,000						(10,
Unamortized ITC	245,000						
Customer Advances for Const.  Customer Service Deposits							
Miscellaneous Deductions	•						
Trascumicons Dendendus							
Total Deductions:	16,064,778			·	-	_	(16,4
rom bedactions,	, 0,001,770						,
Total Rate Base:	(9,494,838)	· <u>-</u>	•	-	_	-	(16,4
							,
TAX CALCULATION							
Per Company							
Operating Revenue	806,881	1,527,176	•	1,540,683	-	300,180	
Other Deductions							
Interest (AFUDC)							
Interest					716,626		
Schedule "M" additions	(770,243)						
Schedule "M" deductions	(20,733)						
					/m1 * ** **		•
Income Before Tax	57,371	1,527,176	•	1,540,683	(716,626)	300,180	
State Income Tax			-	1.540.500	(710.000	200 100	
Taxable Income	57,371	1,527,176	<u> </u>	1,540,683	(716,626)	300,180	<u>.</u>
Adjustments to FIT	****	50 · 51 -		700 0C-	(050.010)	100.000	
Federal Income Tax	20,080	534,512	-	539,239	(250,819)	105,063	
<del></del>						<del></del>	

	Operating Revenues:	Revised by CAGW 7.4 Malin Midpoint	. 7.5 Flow-through Deferred Tax	7.6 IRS Settlement	7.7 Year-end Deferred Tax Adj.	7.8 Renewable Energy Tax Credit	7.9 Low Income Tax Credit	Pac. Adj. 9.5 7.10 Production Activity Deduction
2 3	General Business Revenues Interdepartmental Special Sales	-	-	-	•.	-	-	-
5	Other operating revenues  Total Operating Revenues	•		-	-	-		<del></del>
6 7 8 9	Operating Expenses: Steam Production Nuclear Production Hydro Production	•	-	•		•	-	<del>.</del>
12 13 14 15 16	Other Power Supply Transmission Distribution Customer Accounting Customer Service & Info Sales Administrative & General							
18	Total O&M Expense							<del></del>
19 20 21 22 23 24 25	Depreciation Amerization Taxes Other than Income Income Taxes: Federal : State Deferred Income Taxes Investment Tax Credit Adj.	- (292,603)	(1,217,863)	-	- -	(629,057)	(36,669) 12,834 -	(184,798)
.26	Misc. Revenue & Expense  Total Operating Expenses:	(292,603)	(1,217,863)	•		(629,057)	(23,835)	(184,798)
28 29		292,603	1,217,863	<u>-</u>	- -	629,057	23,835	184,798
33 34 35 36 37 38 39 40 41 42	Electric Plant in Service Plant Held for Future Use Misc. Deferred Debits Electric Plant Acq Adj Nuclear Fuel Prepayments Fuel Stock Material & Supplies Working Capital Weatherization Loans Misc. Rate Base							
43 44			-	•	<u>-</u>	-		
45 46 47 48 49 50 51	Deductions: Accum, Prov. for Depreciation Accum. Prov. for Amortization Accum. Deferred Income Tax Unamortized ITC Customer Advances for Const. Customer Service Deposits Miscellaneous Deductions	(1,463,017)	(10,531,719)		(498,669) 120,750	•	-	
54		(1,463,017)	(10,531,719)		(377,919)	<u> </u>	<del></del>	
55 56 57 58	Total Rate Base:	(1,463,017)	(10,531,719)	-	(377,919)	•	•	
61 62 63 64 65 66	TAX CALCULATION Per Company  Operating Revenue Other Deductions Interest (AFUDC) Interest	-	•	-	-		36,669	
	Schedule "M" additions Schedule "M" deductions		-					527,994
69 70	Income Before Tax	-	-	-	-	-	36,669	(527,994)
	State Income Tax Taxable Income			<del></del>	<u> </u>	<u> </u>	36,669	(527,994)
73	Adjustments to FIT Federal Income Tax	•	·	-		(629,057) (629,057)	12,834	(184,798)
			<u> </u>					

State of Washington	g •	Revised by CAGW	Revised by	Revised by	Revised by CAGW	0.6	· o -
	8.1 Update Cash Working Capital	8,2 Remove Deferred Debits	8,3 JimBridger Mine Rate Base	8,4 Grid West Loan	8.5 North Umpqua Relicensing	8.6 Yakama Sale	8.7 Customer Advances
Operating Revenues:  1 General Business Revenues  2 Interdepartmental  3 Special Sales	-	-	-	-	-	-	-
4 Other operating revenues							
5 Total Operating Revenues 6			•	•	-	<del></del>	<del></del>
7 Operating Expenses; 8 Steam Production							
9 Nuclear Production 0 Hydro Production 1 Other Power Supply							
2 Transmission 3 Distribution							
4 Customer Accounting 5 Customer Service & Info 6 Sales				(103,271)			
o Sales 7 Administrative & General							
8 Total O&M Expense	*	•	*	(103,271)	-	-	-
9 Depreciation 0 Amortization 1 Taxes Other than Income				47,337	(119,987)	(9,369)	
2 Income Taxes: Federal 3 : State	-	- 	-	140,586	41,995	3,279	-
4 Deferred Income Taxes 5 Investment Tax Credit Adj.							
6 Misc. Revenue & Expense 7 Total Operating Expenses:				84,652	(77,992)	(6,090)	-
Net Operating Income:			•	(84,652)	77,992	6,090	
1 Rate Base: 2 Electric Plant in Service	•		18,327,771		(132,036)	(532,097)	
3 Plant Held for Future Use 4 Misc. Deferred Debits 5 Electric Plant Acq Adj 6 Nuclear Fuel 7 Prepayments		(2,809,600)		112,424		-	
8 Fuel Stock 9 Material & Supplies 0 Working Capital 1 Weatherization Loans 2 Misc. Rate Base							
Total Electric Plant:	-	(2,809,600)	18,327,771	112,424	(132,036)	(532,097)	
5 Deductions: 6 Accum. Prov. for Depreciation 7 Accum. Prov. for Amortization 8 Accum. Deferred Income Tax					3,832	90,231	
9 Unamortized ITC 0 Customer Advances for Const. 1 Customer Service Deposits 2 Miscellaneous Deductions 3							984,551
4 Total Deductions:			•	-	3,832	90,231	984,551
5 6 Total Rate Base: 7 8	-	(2,809,600)	18,327,771	112,424	(128,204)	(441,866)	984,551
9 0 TAX CALCULATION 1 Per Company					· · · · · · · · · · · · · · · · · · ·		
2 3 Operating Revenue 4 Other Deductions	•	•	•	55,934	119,987	9,369	-
5 Interest (AFUDC) 6 Interest 7 Schedule "M" additions				(257,810)			
8 Schedule "M" deductions 9 0 Income Before Tax			•	(603,549) 401,673	119,987	9,369	<del></del>
1 State Income Tax	<del>-</del>	<del></del> .		-	<del>-</del>		-
2 Taxable Income 3 Adjustments to FIT	<u> </u>			401,673	119,987	9,369	
4 Federal Income Tax	_	-	-	140,586	41,995	3,279	-

State of Washington		Revised by	•		Revised by CAGW	Revised by CAGW	
Operating Revenues:	8,8 Centralia Transmission Line Sale	8.9 Leaning Juniper	8.10 Misc. Rate Base	8.11 Colstrip #4 AFUDC	8.12 Trojan Removal	8.13 MEHC Transition Savings	8.14 Remove per books working capital
General Business Revenues     Interdepartmental		-	-	-	-	Savings -	-
3 Special Sales 4 Other operating revenues							
5 Total Operating Revenues 6	<del></del>	<del></del>	-	<del></del>	· · · · · · · ·		•
7 Operating Expenses: 8 Steam Production 9 Nuclear Production							•
9 Nuclear Production 10 Hydro Production 11 Other Power Supply		443,160				4	
11 Other Fower Supply 12 Transmission 13 Distribution		*** 443,160					
14 Customer Accounting							
15 Customer Service & Info 16 Sales						/·	
17 Administrative & General 18 Total O&M Expense	-	443,160	(657,375) (6 <b>57,375</b> )	-	-	(2,891,698) (2,891,698)	
19 Depreciation 20 Amortization	(1,114)	699,086		(33,000)	(283,072)		•
21 Taxes Other than Income 22 Income Taxes: Federal	390	(858,725)	230,081	- ·	2,456	1,012,094	-
23 : State 24 Deferred Income Taxes	-	650,617	-	<u>.</u> .	-	-	-
25 Investment Tax Credit Adj.		030,017				,	
26 Misc. Revenue & Expense 27 Total Operating Expenses:	(724)	934,138	(427,294)	(33,000)	(280,616)	(1,879,604)	
Net Operating Income:	724	(934,138)	427,294	33,000	280,616	1,879,604	•
Rate Base:	(56.760)	22 400 045 **		(491 920)	•		
32 Electric Plant in Service 33 Plant Held for Future Use	(66,760)	22,490,945		(481,839)		1,592,618	
34 Misc. Deferred Debits 35 Electric Plant Acq Adj						1,392,616	
36 Nuclear Fuel 37 Prepayments 38 Fuel Stock							
39 Material & Supplies							::-: (3,952,812)
40 Working Capital 41 Weatherization Loans			-	,a	(368,987)		(3,932,612)
12 Misc. Rate Base Total Electric Plant:	(66,760)	22,490,945		(481,839)	(368,987)	1,592,618	(3,952,812)
14 15 Deductions:		4535 (558)					
6 Accum. Prov. for Depreciation 17 Accum. Prov. for Amortization	26,852	(649,151)			4		
48 Accum. Deferred Income Tax 49 Unamortized ITC	977	(451,358)					
50 Customer Advances for Const. 51 Customer Service Deposits				-			
52 Miscellaneous Deductions 53					1,054,570		
Total Deductions:	27,829	(1,100,509)	-	-	1,054,570	-	-
56 Total Rate Base: 57 58	(38,931)	21,390,436	•	(481,839)	685,583	1,592,618	(3,952,812)
59 60 TAX CALCULATION 61 Per Company				· · · · · · · · · · · · · · · · · · ·			
62 Governing Revenue Government of Other Deductions Government (AFUDC)	1,114	(1,142,246)	657,375	33,000	283,072	2,891,698	-
66 Interest 57 Schedule "M" additions 58 Schedule "M" deductions		241,288		(33,000)	(276,054)		
58 Schedule "M" deductions 59 70 Income Before Tax	1,114	1,552,542 (2,453,500)	657,375	· · · · · · · · · · · · · · · · · · ·	7,018	2,891,698	
70 Income Before Tax 71 State Income Tax 72 Taxable Income	1,114		-	<del>-</del>	7,018	-	<u> </u>
73 Adjustments to FIT		(2,453,500)	657,375			2,891,698	<u> </u>
74 Federal Income Tax	390	(858,725)	230,081		2,456	1,012,094	-

CAGW   Pas. Adj. 50	State	or washington	Revised by				
Operating Revenues		·	Remove per books		Customer	Pac. Adj. 9.1 EEI Dues	Pac. Adj. 9.9 13-Month
Interdepartmental   Special Space   Special Special Revenues   Special Space		Operating Revenues:	current assets	·	Deposits	Removes	Average Drii
Special Sales   College			-	-	-	-	-
A College Production   Produc		•					
8 Steam Production 10 Pixfor Production 11 Pixfor Production 12 Customer Service St. Info 13 Customer Service & Info 15 Customer Service 15 Investment Tax Credit Adj 16 Customer Service 15 Investment Tax Credit Adj 16 Mise. Revenue & Expresses 16 Investment Tax Credit Adj 17 Customer Service 18 Customer Service 19 Customer Service 19 Customer Service 19 Customer Service 19 Customer Service 10 Customer Service 11 Customer Service 11 Customer Service 11 Customer Service 12 Customer Service 13 Customer Service 14 Customer Service 15 Customer Service 16 Customer Service 16 Customer Service 17 Customer Service 18 Customer Service 18 Customer Service 19 Customer Service 19 Customer Service 10 Customer Service 11 Customer Service 11 Customer Service 11 Customer Service 12 Customer Service 13 Customer Service 15 Customer Service 15 Customer Service 16 Customer Service 17 Customer Service 18 Customer Service 18 Customer Service 19 Customer Service 19 Customer Service 10 Customer Service 10 Customer Service 10 Customer Service 10 Customer Service 1							
Silean Production   Sile		Total Operating Revenues	•			······································	-
8 Steam Production 10 Hydro Production 10 Hydro Production 11 Other Power Supply 12 Transmission 13 Distribution 14 Customer Accounting 15 Customer Supply 16 State 17 Administrative & General 18 Total O&M Expense 19 Depreciation 20 Amortization 21 Traves Other than Income 22 Income Taxees 23 State 24 Deferred Income Taxees 25 Investment Tax Credit Agi 26 Miss. Revenue & Expense 27 Total Operating Expenses 28 Total Operating Expenses 29 Total Operating Expenses 20 Income Taxees 20 Income Taxees 21 Income Taxees 22 Income Taxees 23 State 24 Deferred Income Taxees 25 Income Taxees 26 Total Operating Expenses 26 Miss. Revenue & Expenses 27 Total Operating Expenses 28 Net Operating Incomes: 29 Income Taxees 29 Income Taxees 20 Income Taxees 21 Income Taxees 22 Income Taxees 23 Plant Hold for Fourt Use 24 Justice Plant in Service 25 Income Taxees 26 Income Taxees 27 Income Taxees 28 Income Taxees 29 Income Taxees 20 Income Taxees 21 Income Taxees 22 Income Taxees 24 Justice Transmission 25 Income Taxees 26 Income Taxees 27 Income Taxees 28 Income Taxees 29 Income Taxees 20 Income Taxees 20 Income Taxees 20 Income Taxees 20 Income Taxees 21 Income Taxees 21 Income Taxees 22 Income Taxees 23 Plant Hold for Fourt Use 24 Justice Taxee Taxees 25 Income Taxees 26 Income Taxees 27 Income Taxees 28 Income Taxees 29 Income Taxees 20 Income Taxees 21 Income Taxees 21 Income Taxees 21 Income Taxees 22 Income Taxees 23 Income Taxees 24 Income Taxees 25 Income Taxees 26 Income Taxees 27 Income Taxees 27 Income Taxees 28 Income Taxees 29 Income Taxees 20 Income Taxees 20 Income Taxees 20 Income Taxees 20 Income Taxees 21 Income Ta		Onerating Rynanses					
10 Hydro Production   10 Char Power Supply   12 Transmission   13 Distribution   14 Customer Accounting   15 Customer Service & Info   16 Customer Service & Info   16 Customer Service & Info   17 Administrative & Genard   37,483   (33,709)   17 Administrative & Genard   37,483   (33,709)   18							
10 Oher Power Supply							•
12 Transmission   13 Distribution   14 Customer Accounting   15 Customer Severior & Info   16 Customer Severior & Info   16 Customer Severior & Info   17 Administrative & General   37,483   (33,700)   37,485   (33,700)   37,							
14 Custome Accounting   15 Custome Service & Info   15 C							
15 Calco   15 Calco   16 Calco   17 Calco   18 Calco							
16   Sales							
18		mer service & tinto					
19   Depreciation   20   Amortization   21   Taxes Other than Income   22   Income Taxes: Federal   (13,119)   11,795							····
20 Amortization 2 I Taxes Other than Income 2 I Income Taxes. Federal	·18	Total O&M Expense	-	-	37,483	(33,700)	-
20 Amortization 2 I Taxes Other than Income 2 I Income Taxes. Federal	. 19 Depre	ciation					
22   Income Taxes   Federal	20 Amort	tization					
State					(10.110)	11 705	
24   Deferred Income Taxes			-	· -	(13,119)	11,795	-
26 Mise. Revenue & Expenses							
Total Operating Expenses:   24,364   (21,905)							
Net Operating Income:   C4,364    21,905			<u> </u>		24.364	(21 905)	
Net Operating Income:   C4,364  21,905		Total Operating Expenses.	<del>-</del>		24,304	(21,503)	
Rate Base		Net Operating Income:		-	(24,364)	21,905	-
32 Electric Plant in Service 33 Plant Held for Future Use 34 Mise, Deferred Debits 35 Electric Plant Acq Adj 36 Nicelaer Fuel 37 Prepayments			•		<del>-</del>		
33 Plant Helid for Future Use 34 Mise, Deferred Debits 35 Electric Plant Acq Adj 36 Nuclear Fuel 37 Prepayments (2,599,684) 38 Fuel Stock (2,516,964) 39 Material & Supplies (6,970,931) 40 Working Capital (8,321,198							
35 Electric Plant Acq Adj 36 Nuclear Fuel 37 Prepayments (2,599,684) 38 Fuel Stock (2,516,964) 39 Material & Supplies (6,970,931) 40 Working Capital (8,970,931) 40 Working Capital (8,321,198) 41 Weatherization Loans 42 Misc. Rate Base 43 Total Electric Plant; (12,087,579) (8,321,198) 45 Deductions: 46 Accum. Prov. for Depreciation 47 Accum. Prov. for Amortization 48 Accum. Prov. for Amortization 49 Unamortized ITC (95,606) 50 Customer Advances for Const. 51 Customer Service Deposits 52 Miscellaneous Deductions 53 Total Deductions: 54 Total Deductions 55 Total Rate Base: (12,087,579) (8,321,198) (2,001,969) 56 Total Rate Base: (12,087,579) (78,865) 57 Total Rate Base: (12,087,579) (78,865) 58 Total Rate Base: (12,087,579) (78,865) 59 Total Rate Base: (12,087,579) (78,865) 50 Total Rate Base: (12,087,579) (78,865) 51 Customer Service Deposits (12,087,579) (78,865) 52 Total Rate Base: (12,087,579) (78,865) 53 Total Rate Base: (12,087,579) (78,865) 54 Total Rate Base: (12,087,579) (78,865) 55 Total Rate Base: (12,087,579) (78,865) 56 Total Rate Base: (12,087,579) (78,865) 57 Stockedule My deductions 58 Schedule My deductions 59 Total Rate Rate Rate Rate Rate Rate Rate Rate							
36 Nuclear Fuel 37 Prepayments (2,599,684) 38 Fuel Stock (2,516,964) 39 Material & Supplies (6,970,931) (6,970,931) 8,321,198							
37 Prepayments   2,599,684   38 Puel Stock   2,516,964   39 Material & Supplies   6,970,931   8,321,198							
38 Fuel Stock			(2,599,684)	•			
40 Working Capital   8,321,198	38 Fuel S	stock	(2,516,964)				
41 Weatherization Loans 42 Misc, Rate Base  Total Electric Plant: (12,087,579) 8,321,198			(6,970,931)	9 221 100			
Misc. Rate Base   Total Electric Plant: (12,087,579) 8,321,198   -     -				0,321,190			
44							
1		Total Electric Plant:	(12,087,579)	8,321,198	<u>-</u>		•
46 Accum. Prov. for Depreciation 47 Accum. Prov. for Amortization 48 Accum. Prov. for Amortization 48 Accum. Deferred Income Tax 49 Unamortized ITC 50 Customer Advances for Const. 51 Customer Service Deposits 52 Miscellaneous Deductions 53 54 Total Deductions: 55 Total Rate Base: (12,087,579) 8,321,198 (2,001,969) - (78,865) 56 TOTAL RATE Base: (12,087,579) 8,321,198 (2,001,969) - (78,865) 57 58 59 60 TAX CALCULATION 61 Per Company 62 TOTAL CALCULATION 61 Per Company 64 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax 7 1 State Income Tax 7 2 Taxable Income 70 Adjustments to FIT		. Deductions:					
16,741   49   Unamortized ITC   (95,606)							
49 Unamortized ITC (95,606) 50 Customer Advances for Const. 51 Customer Service Deposits (2,001,969) 52 Miscellaneous Deductions 53 54 Total Deductions: (2,001,969) - (78,865) 55 6 Total Rate Base: (12,087,579) 8,321,198 (2,001,969) - (78,865) 57 58 60 TAX CALCULATION 61 Per Company 62 63 Operating Revenue - (37,483) 33,700 - 64 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax - (37,483) 33,700 - 71 State Income Tax							
50 Customer Advances for Const. 51 Customer Service Deposits 52 Miscellaneous Deductions 53 54 Total Deductions: 55 56 Total Rate Base: (12,087,579) 8,321,198 (2,001,969) - (78,865) 57 58 59 60 TAX CALCULATION 61 Per Company 62 63 Operating Revenue - (37,483) 33,700 - 64 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax - (37,483) 33,700 - 71 State Income Tax - (37,483) 33,700 - 72 Taxable Income Tax - (37,483) 33,700 - 73 Adjustments to FIT							-
State   Miscellaneous Deductions   1,087,579   1,087							(33,533)
53					(2,001,969)		
Total Deductions:		llaneous Deductions					
55 56		Total Deductions:			(2,001,969)		(78,865)
57 58 60 TAX CALCULATION 61 Per Company 62 63 Operating Revenue (37,483) 33,700 - 64 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax - (37,483) 33,700 - 71 State Income Tax	55						
58 59 60 TAX CALCULATION 61 Per Company 62 63 Operating Revenue 64 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax 9 1 (37,483) 93,700 97 11 State Income Tax 9 1 (37,483) 93,700 97 12 Taxable Income 13 Adjustments to FIT		Total Rate Base:	(12,087,579)	8,321,198	(2,001,969)	-	(78,865)
59 60 TAX CALCULATION 61 Per Company 62 63 Operating Revenue - (37,483) 33,700 - 64 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax - (37,483) 33,700 - 71 State Income Tax 72 Taxable Income 73 Adjustments to FIT							
61 Per Company 62 63 Operating Revenue 6 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" deductions 69 To Income Before Tax 70 Income Before Tax 9	59						
62 63 Operating Revenue 64 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax 71 State Income Tax 72 Taxable Income 73 Adjustments to FIT							
63 Operating Revenue - (37,483) 33,700 - 64 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax - (37,483) 33,700 - 71 State Income Tax 72 Taxable Income - (37,483) 33,700 - 73 Adjustments to FIT		ompany					
64 Other Deductions 65 Interest (AFUDC) 66 Interest 67 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax (37,483) 33,700 - 71 State Income Tax 72 Taxable Income (37,483) 33,700 - 73 Adjustments to FIT		ting Revenue	-	-	(37,483)	33,700	
66 Interest 67 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax - (37,483) 33,700 - 71 State Income Tax 72 Taxable Income - (37,483) 33,700 - 73 Adjustments to FIT	64 Other	Deductions					
67 Schedule "M" additions 68 Schedule "M" deductions 69 70 Income Before Tax - (37,483) 33,700 - 1 State Income Tax 2 Taxable Income - (37,483) 33,700 - 3 Adjustments to FIT							
68 Schedule "M" deductions  69  70 Income Before Tax							
70 Income Before Tax (37,483) 33,700	68 Sched						
71 State Income Tax		D.C T			(27.402)	22 700	
72 Taxable Income (37,483) 33,700 73 Adjustments to FIT			-		(31,483)	33,700	-
			<u> </u>		(37,483)	33,700	-
14 recetal income tax - (13,119) 11,795 -				·	(12.110)	11 705	
	/4 Feder	at income 1ax	-	<u> </u>	(13,119)	11,/95	

#### **Summary of Adjustments**

	Adj. No.	NOI Impact	Net Rate Base Impact	Impact	PacifiCorp's Revenue Requirement Impact per Rebuttal	Difference	footnote
A 1 Per Books	В	C	D \$500 000 055	E 14.752.040	F \$ 16,070,564	G \$ (1,317,716)	H 1*
2 Adjustments		\$32,647,342	\$528,823,255	14,752,848	\$ 16,070,564	\$ (1,317,710)	1"
3 REVENUE			_				
4 Temperature Normalization (u)	3.1	(143,284)	_	230,940	230,940		
5 ProForma Reduction in Load (u)	3.2	(2,539,148)	_	4,092,509	4,092,509	_	
6 Revenue Normalizing (u)	3.3	9,182,478	_	(14,799,993)	(14,799,993)	_	
7 Centralia Gain (u)	3.4	(734,690)	-	1,184,147	1,184,147	_	
8 Pole Attachment Revenue (u)	3.5	(519,401)	_	837,152	837,152	_	
9 SO2 Emission Allowances (u)	3.6	(1,246,243)		1,822,951	1,819,319	3,632	1*
10			(,,,,,			,	
11 O&M							
12 Green Tag Removal (u)	4.1	26,742	•	(43,101)	(43,101)	-	
13 Miscellaneous General Expense (u)	4.2	21,560	-	(34,749)	(34,749)	-	•
14 International Assignees (u)	4.3	95,029	-	(153,164)	(153,164)	-	
15 Out of Period Expense Adj.(u)	4.4	210,066	-	(338,576)	(338,577)	1	
16 Propety Insurance (u)	4.5	(108,614)	-	175,061	175,061	-	
17 Affiliate Fee Commitment (u)	4.6	7,018	-	(11,311)	(11,311)	-	
18 DSM Amortization Removal (u)	4.7	3,224,447	, - <del>-</del>	(5,197,049)	(5,197,049)	-	
19 Corporate Cost Commitment (u)	4.8	52,774	-	(85,058)	(85,058)		
20 A&G Expense Commitment (u)	4.9	-	-	<del>-</del>	(488,408)	488,408	4*
21 Proforma Wage Adjustment (u)	4.10	(688,860)	-	1,110,281	1,110,281	-	
22					*		
23							
24 POWER COSTS		(12.024.050)		21 000 147	21 000 147		
25 BPA Exchange (u)	5.1	(13,034,252)		21,008,147	21,008,147	-	
26 James River Royalty Offset (u)	5.2 5.3	1,041,119	(9,494,838)	(1,678,038)	(1,678,038) (2,306,274)	23,659	1*
27 Removal of Colstrip #3 (u) 28 Misc. Power Supply (u)	5.4	665,706 992,664	(9,494,030)	(2,282,615) (1,599,941)	(1,599,938)	23,039	
29 Revised CAGW & SO Factors (u)	5.5	992,004	- -	(1,399,941)	(1,355,530)	(5)	
30 Water Year Adjustment	5.6	1,001,444	_	(1,614,092)	-	(1,614,092)	3*
31	5.0	1,001,777		(1,0,14,052)		(1,014,022)	
32							
33 TAX ADJUSTMENTS							
34 Interest True Up	7.1	250,819	_	(404,261)	238,255	(642,516)	2*
35 Utah Gross Receipts Tax (u)	7.2	195,117	_	(314,483)	(314,483)	-	
36 Reclass Deferred Income Tax (u)	7.3	, -	(16,435)	(2,094)		41	1*
37 Malin Midpoint (u)	7.4	292,603	(1,463,017)	(657,997)	(661,643)	3,646	1*
38 Flow-through Deferred Tax Adj. (u)	7.5	1,217,863	(10,531,719)	(3,304,661)	(3,330,904)	26,243	1*
39 IRS Settlement Amortization	7.6	-	-	-	796,787	(796,787)	3*
40 Year-end Deferred Tax (u)	7.7	-	(377,919)	(48,147)	(49,089)	942	1*
41 Renewable Energy Tax Credit (u)	7.8	629,057	-	(1,013,892)	(1,013,892)	-	
42 Low Income Tax Credit (u)	7.9	23,835	-	(38,416)	(38,416)	-	
43 Production Activity Deduction (u)	7.10	184,798	-	(297,851)	(297,849)	(2)	
44							
45 RATE BASE							
46 Cash Working Capital	8.1	-	-		22,842	(22,842)	
47 Remove Deferred Debits (u)	8.2	-	(2,809,600)	(357,946)	(364,947)	7,001	
48 Bridger Mine Rate Base	8.3	-	18,327,771	2,334,979	2,638,383	(303,404)	
49 Grid West Loan (u)	8.4	(84,652)		150,761	151,041	(280)	
50 North Umpqua Relicensing (u)	8.5	77,992	(128,204)	(142,037)	(142,357)	320	
51 Yakama Sale (u)	8.6	6,090	(441,866)	(66,110)	(67,211)	1,101	
52 Customer Advances (u)	8.7	- 724	984,551	125,433	127,886	(2,453)	
53 Centralia Transmission Line Sale (u)	8.8	724	(38,931)		(6,121) 4 284 077		]* . 1*
54 Leaning Juniper (u) 55 Miscellaneous Rate Base Adj. (u)	8.9 8.10	(934,138) 427,294	21,390,436	4,230,776 (688,697)	4,284,077 (688,697)	(53,301)	4.
56 Colstrip 4 AFUDC Adj. (u)	8.10	33,000	(481,839)	(114,575)	(115,776)	- 1,201	1*
57 Trojan Removal (u)	8.12	280,616	685,583	(364,942)	1 1 1	(1,708)	
58 MEHC Transition Savings	8.13	1,879,604	1,592,618	(2,826,577)	(1,760,534)	(1,066,043)	
59 Remove Working Capital	8.14	-,075,004	(3,952,812)	(503,593)		(503,593)	
22 22200 to thomas Cuptur	0,17		(2,752,012)	(505,055)		(505,575)	-

#### **Summary of Adjustments**

	Adj.	NOI	Net Rate Base	Staff's Revenue Requirement	PacifiCorp's Revenue Requirement		
	No.	Impact	Impact	Impact	Impact per Rebuttal	Difference	footnote
Α	В	С	D	E	F	G	H
60 Remove Current Assets	8.15	-	(12,087,579)	(1,539,971)	• -	(1,539,971)	
61 ISWC	8.16	-	8,321,198	1,060,130	-	1,060,130	
62 Customer Deposits (u)	8.17	(24,364)	(2,001,969)	(215,784)	(220,773)	4,989	1*
63 Remove EEI Dues (u)	<b>9</b> .1.	21,905	-	(35,306)	(35,306)	-	
64 13-Month average ADFIT (u)	9.9	-	(78,865)	(10,047)	(10,244)	197	1*
65 Total	·	34,632,057	534,874,655	12,324,914	18,568,120	(6,243,206)	<u> </u>
66 Conversion Factor				0.620438	0.621670		_
67 Percentage Increase in Revenues				5.4%	10.2%		
68							
69			ē				
70							
71 Capital Structure		Staff	Staff		Company	Company	
72 Long-term Debt / Cost		54.00%	6.34%		50.00%	6.34%	,
73 Short term Debt / Cost		3.00%	4,50%		3.00%	4.50%	)
74 Preferred Stock / Cost		1.00%	6.46%		1,00%	6.46%	,
75 Common Stock / Cost		42.00%	10.20%		46.00%	10,20%	,
76 Weighted Average Cost of Capital	-		7.90%	•		8.06%	- >
77 78							

<sup>1\*</sup> 

79 Footnotes:

Differences between Staff and Company are due to different rates of return. This difference is due to both the difference in rate base and different amounts of 2\*

debt in the capital structure.

<sup>3\*</sup> These are the contested adjustments.

Staff's adjustments bring total A&G expenses below the threshold that triggers the MECH Commitment. The cap on A&G expense still in force for the Company.

PacifiCorp General Rate Case
Appendix to Exhibit No (TES-2)
Mechanics of the Exhibit
The following is a description of how to navigate Exhibit No(TES-2) and how it compares to Exhibit No (PMW-4).
Starting at Exhibit No(TES-2), page 1, Column 1; this is the same as Exhibit No(PMW-4), page 2.2, Washington unadjusted results, also known as "per books" results. Column 2 is the sum of the adjustments presented in pages 7 – 14. Column 3 is the sum of columns 1 and 2. Column 4 retrieves the revenue requirement from page 3 and shows the revenue related expenses. Finally Column 5 shows the total results after Staff's revenue requirement recommendation.
Page 3 of Exhibit TES-2 shows the calculation of the revenue requirement similar to the top portion of the Company's page 1.2, Exhibit No(PMW-4).
Page 4 shows Staff's recommended conversion factor which may be compared to the Company's Exhibit No(PMW-4), page 1.3.
Page 5 of Exhibit No(TES-2) calculates the recommended cost of capital and return on rate base.
Page 6 shows the calculation of Adjustment 7.1, Interest True-up.
Pages 7-14 present Staff's adjustments to the unadjusted results of operations. The format of these pages follows the format of the first page of tabs 3, 4, 5, etc., in Exhibit No (PMW-4). In Exhibit No (PMW-4) the first page of the adjustment tabs is the sum of the Company's Types 1, 2, and 3. Staff does not distinguish between the "types" of adjustments presented by PacifiCorp and has combined them in each adjustment. Each column is one adjustment with the tax consequences of revenue or expense calculated in the lower section of the column beginning at line 60. Note that Adjustment 7.1, interest true-up, is automatically recalculated with changes in rate base or debt cost. This recalculation is shown at page 6.
Pages 15 and 16 are a summary of the adjustments showing the net operating income impact, net rate base impact, and revenue requirement impact of each adjustment. A comparison to the revenue requirement impact of each of PacifiCorp's adjustments is included.
Pages 18-23 are summary tables of the components of revenue requirements as requested in the last PacifiCorp general rate case.

Table 1
Net Operating Income Impacts

		Adjustment		Staff
		No.	1	NOI Impact
1 2	Net Operating Income "Unadjusted" REVENUES		\$	32,647,342
	Temperature Normalization (u)	3.1	\$	(143,284)
	ProForma Reduction in Load (u)	3.2	\$	(2,539,148)
	Revenue Normalizing (u)	3.3	\$	9,182,478
	Centralia Gain (u)	3.4	\$	(734,690)
	Pole Attachment Revenue (u)	3.5	\$	(519,401)
	SO2 Emission Allowances (u)	3.6	\$	(1,246,243)
9	`,			, , ,
10	O & M			
11	Green Tag Removal (u)	4.1	\$	26,742
12	Miscellaneous General Expense (u)	4.2	\$	21,560
13	International Assignees (u)	4.3	\$	95,029
14	Out of Period Expense Adj.(u)	4.4	\$	210,066
15	Propety Insurance (u)	4.5	\$	(108,614)
16	Affiliate Fee Commitment (u)	4.6	\$	7,018
17	DSM Amortization Removal (u)	4.7	\$	3,224,447
18	Corporate Cost Commitment (u)	4.8	\$	52,774
19	A&G Expense Commitment (u)	4.9	\$	-
20	Proforma Wage Adjustment (u)	4.10	\$	(688,860)
21				
22	POWER COSTS			
23	BPA Exchange (u)	5.1	\$	(13,034,252)
24	James River Royalty Offset (u)	5.2	\$	1,041,119
25	Removal of Colstrip #3 (u)	5.3	\$	665,706
26	Misc. Power Supply (u)	5.4	\$	992,664
27	Revised CAGW & SO Factors (u)	5.5	\$	-
28	Water Year Adjustment	5.6	\$	1,001,444
29				
30	TAX ADJUSTMENTS			
31	Interest True Up	7.1	\$	250,819
32	Utah Gross Receipts Tax (u)	7.2	\$	195,117
33	Reclass Deferred Income Tax (u)	7.3	\$	<del>-</del>
34	Malin Midpoint (u)	7.4	\$	292,603
35	Flow-through Deferred Tax Adj. (u)	7.5	\$	1,217,863
	IRS Settlement Amortization	7.6	\$	-
37	Year-end Deferred Tax (u)	7.7	\$	-

Table 1
Net Operating Income Impacts

		Adjustment		Staff
		No.	N	OI Impact
38 Renewable	Energy Tax Credit (u)	7.8	\$	629,057
39 Low Income	e Tax Credit (u)	7.9	\$	23,835
40 Production	Activity Deduction (u)	7.10	\$	184,798
41				
42	RATE BASE			
43 Cash Worki	ng Capital	8.1	\$	-
44 Remove De	ferred Debits (u)	8.2	\$	-
45 Bridger Mir	ne Rate Base	8.3	\$	<b>-</b>
46 Grid West I	Loan (u)	8.4	\$	(84,652)
47 North Umpe	qua Relicensing (u)	8.5	\$	77,992
48 Yakama Sal	le (u)	8.6	\$	6,090
49 Customer A	dvances (u)	8.7	\$.	-
50 Centralia Tr	ansmission Line Sale (u)	8.8	\$	724
51 Leaning Jun	iiper (u)	8.9	\$	(934,138)
52 Miscellaneo	ous Rate Base Adj. (u)	8.10	\$	427,294
53 Colstrip 4 A	AFUDC Adj. (u)	8.11	\$	33,000
54 Trojan Rem	oval (u)	8.12	\$	280,616
55 MEHC Trai	nsition Savings	8.13	\$	1,879,604
56 Remove Wo	orking Capital	8.14	\$	-
57 Remove Cu	rrent Assets	8.15	\$	-
58 ISWC		8.16	\$	-
59 Customer D	eposits (u)	8.17	\$	(24,364)
60 Remove EE	I Dues (u)	9.1	\$	21,905
61 13-Month a	verage ADFIT (u)	9.9	\$	•
62	Total	· _	\$	34,632,057

Table 2
Net Rate Base Impacts

	Adjustment	Adjustment Adj. Staff		
	·	No.	Ra	te Base Impact
1	Net Rate Base "Unadjusted"		\$	528,823,255
2	REVENUES			
3	Temperature Normalization (u)	3.1	\$	-
	ProForma Reduction in Load (u)	3.2	\$	-
	Revenue Normalizing (u)	3.3	\$	_
	Centralia Gain (u)	3.4	\$	-
	Pole Attachment Revenue (u)	3.5	\$	-
	SO2 Emission Allowances (u)	3.6	\$	(1,457,588)
9	and a series of the series of	0.0	Ψ	(1,101,000)
10	O & M			
	Green Tag Removal (u)	4.1	\$	_
	Miscellaneous General Expense (u)	4.2	\$	. ••
	International Assignees (u)	4.3	\$	_
	Out of Period Expense Adj.(u)	4.4	\$	-
	Propety Insurance (u)	4.5	\$	_
	Affiliate Fee Commitment (u)	4.6	\$	_
	DSM Amortization Removal (u)	4.7	\$	_
	Corporate Cost Commitment (u)	4.8	\$	_
	A&G Expense Commitment (u)	4.9	\$	-
	- ' '	4.10	\$	•
21	Proforma Wage Adjustment (u)	4.10	Ф	-
22	POWER COSTS			
		5.1	¢	
	BPA Exchange (u)	5.2	\$	-
	James River Royalty Offset (u)		\$	· (0 404 929)
	Removal of Colstrip #3 (u)	5.3	\$	(9,494,838)
	Misc. Power Supply (u)	5.4	\$	-
	Revised CAGW & SO Factors (u)	5.5	\$	-
	Water Year Adjustment	5.6	\$	-
29	max an intermetalization			
30	TAX ADJUSTMENTS		Φ.	
	Interest True Up	7.1	\$	-
	Utah Gross Receipts Tax (u)	7.2	\$	-
	Reclass Deferred Income Tax (u)	7.3	\$	(16,435)
	Malin Midpoint (u)	7.4	\$	(1,463,017)
	Flow-through Deferred Tax Adj. (u)	7.5	\$	(10,531,719)
	IRS Settlement Amortization	7.6	\$	
	Year-end Deferred Tax (u)	7.7	\$	(377,919)
	Renewable Energy Tax Credit (u)	7.8	\$	-
	Low Income Tax Credit (u)	7.9	\$	-
	Production Activity Deduction (u)	7.10	\$	
41				
42	RATE BASE			
43	Cash Working Capital	8.1	\$	-
	Remove Deferred Debits (u)	8.2	\$	(2,809,600)
45	Bridger Mine Rate Base	8.3	\$	18,327,771

Table 2
Net Rate Base Impacts

Net Nate Dase Impacts							
Adjustment	Ādj.		Staff				
<u></u>	No.	Rate Base Impact					
46 Grid West Loan (u)	8.4	\$	112,424				
47 North Umpqua Relicensing (u)	8.5	\$	(128,204)				
48 Yakama Sale (u)	8.6	\$	(441,866)				
49 Customer Advances (u)	8.7	\$	984,551				
50 Centralia Transmission Line Sale (u)	8.8	\$	(38,931)				
51 Leaning Juniper (u)	8.9	\$	21,390,436				
52 Miscellaneous Rate Base Adj. (u)	8.10	\$	-				
53 Colstrip 4 AFUDC Adj. (u)	8.11	\$	(481,839)				
54 Trojan Removal (u)	8.12	\$	685,583				
55 MEHC Transition Savings	8.13	\$	1,592,618				
56 Remove Working Capital	8.14	\$	(3,952,812)				
57 Remove Current Assets	8.15	\$	(12,087,579)				
58 ISWC	8.16	\$	8,321,198				
59 Customer Deposits (u)	8.17	\$	(2,001,969)				
60 Remove EEI Dues (u)	9.1	\$	-				
61 13-Month average ADFIT (u)	9.9	\$	(78,865)				
62 Total		\$	534,874,655				

# Table 3 Rate of Return

#### Staff Recommended Weighted Average Cost of Capital with a PCAM

	Capital	Interest		Weighted
Type of Capital	Structure	Rate	Weighted Cost	Debt Rate
1 Long-term Debt	54.00%	6.3350%	3.42090%	4.4
2 Short term Debt	3.00%	4.5000%	0.13500%	3.55590%
3 Preferred Stock	1.00%	6.4550%	0.06455%	
4 Common Stock	42.00%	10.2000%	4.28400%	
5 Weighted Average Cost of Capital	100.00%	_	7.90%	

# Table 4 Conversion Factor

Operating Revenue     Operating Revenue Deductions:		100.0000%	Nominal Tax Rate
3	Uncollectible Accounts	0.4850%	
4	Franchise Tax	0.0000%	
5	WA Revenue Tax	3.8730%	
6	WUTC Fee	0.1900%	
7 Sub-Total		95.4520%	
8	State Income Tax	0.0000%	-
9 Sub-Total		95.4520%	
10	Federal Income Tax @ 35%	33.4082%	35%
11 Net Operating Income Conversion	Factor	62.0438%	
12 Company uses inverse know	n as "Net to Gross Bump-up".	161.17646%	

# Table 5 Staff Recommended Increase in Net Operating Income

#### With PCAM

1	Net Rate Base - Washington Jurisdiction	\$	534,874,655
2	Proposed Rate of Return		7.90%
3	Net Operating Income Requirement	\$	42,278,900
4	Proforma Net Operating Income	\$	34,632,057
5	Recommended Increase (Decrease) in Net Operating Income	\$ -	7,646,843

#### Sources:

Line 1: From Table 2, line 60 Line 2: From Table 3, line 5 Line 3: Line 1 times line 2 Line 4: From Table 1, line 60 Line 5: Line 3 less line 4

# Table 6 Staff Recommended Increase to Revenue Requirements

	Revenue Requirement Calculation	Notes	With PCAM
1	Net Operating Income Excess	1*	\$ 7,646,843
3	NOI > Revenue Conversion Factor	2*	62.0438%
5	Revenue Requirement Increase (Decrease)	3*	\$ 12,324,911
6 .7 8	Adjusted Revenues at Present Rates	4*	\$ 226,563,996
	Percentage increase	5*	5.4%

#### Sources:

- 1\* From Table 5, line 5
- 2\* From Table 4, line 11
- 3\* Line 1 divided by line 3
- 4\* Exhibit \_\_\_(TES-2) at 1, line 1, column 3
- 5\* Line 5 divided by line 7.