

PacifiCorp
Washington General Rate Case December 2009
Revenue Normalization

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Revenue:							
Residential	440	RES	3,089,720	WA	Situs	3,089,720	3.1.1
Commercial	442	RES	(2,216,016)	WA	Situs	(2,216,016)	3.1.1
Industrial ¹	442	RES	(879,184)	WA	Situs	(879,184)	3.1.1
Public Street & Highway	444	RES	(27,641)	WA	Situs	(27,641)	3.1.1
Total			<u>(33,121)</u>			<u>(33,121)</u>	
Adjustment to Tax:							
Schedule M Addition-WA Hydro Def NPC	SCHMAT	RES	(1,653,038)	WA	Situs	(1,653,038)	3.2.1
Deferred Tax Expense-WA Hydro Def NPC	41110	RES	627,345	WA	Situs	627,345	3.2.1
Accum Def Inc Tax Bal-WA Hydro Def NPC	283	RES	2,257,541	WA	Situs	2,257,541	3.2.1
Accum Def Inc Tax Bal-BPA NW Pwr WA	283	RES	479,232	WA	Situs	479,232	3.2.1
Schedule M - WA Low Energy Program	SCHMDT	RES	(10,607)	WA	Situs	(10,607)	3.2.1
Def Tax Exp-WA Low Energy Program	41010	RES	(130,443)	WA	Situs	(130,443)	3.2.1
Def Tax Exp-WA Low Energy Program	41110	RES	126,418	WA	Situs	126,418	3.2.1
Accum Def Inc Tax Bal - WA Low Energy Prgm	283	RES	14,559	WA	Situs	14,559	3.2.1
Accum Def Inc Tax Bal - WA Low Energy Prgm	190	RES	52,970	OTHER	0.000%	-	3.2.1

¹ Includes Irrigation

Description of Adjustment

This restating adjustment removes revenue adjustment items that should not be included in regulatory results. The revenues for the 12 months ended December 2009 are normalized by removing Schedule 191 (System Benefits Charge)/Schedule 96 (Hydro) -\$7,317,257, tolerance and prior price change impacts \$242,558, Out-of-Period of -\$509,668, BPA removal \$8,025,121, SMUD -\$473,165, and Other -\$710. The associated tax impacts of these items are also removed through this adjustment.

**PacifiCorp
Washington General Rate Case December 2009
SO2 Emission Allowances**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Operating Revenues:							
Remove CY 09 Actual Allowance Revenues	4118	RES	3,790,891	SE	7.890%	299,113	3.4.3
Add CY 2010 Amortization	4118	RES	(537,064)	WA	Situs	(537,064)	3.4.3
			<u>3,253,827</u>			<u>(237,951)</u>	
Adjustment to Rate Base:							
Accum Deferred Income Taxes	190	RES	1,600,912	WA	Situs	1,600,912	3.4.3
Regulatory Deferred Sales (Unamort. Bal.)	25398	RES	(4,218,445)	WA	Situs	(4,218,445)	3.4.3
			<u>(2,617,533)</u>			<u>(2,617,533)</u>	
Adjustment to Tax:							
Schedule M Additions	SCHMAT	RES	28,799	WA	Situs	28,799	3.4.3
Schedule M Deduction	SCHMDT	RES	537,064	WA	Situs	537,064	3.4.3
DIT Expense	41110	RES	(10,930)	WA	Situs	(10,930)	3.4.3
DIT Expense	41010	RES	203,821	WA	Situs	203,821	3.4.3

**** NO CHANGE ****

Approved for normalized accounting by the Commission

Description of Adjustment

This restating adjustment removes the sales occurring in the historical period and includes amortization of sales over a fifteen-year period. This treatment was approved in Docket UE-940947. Washington's allocation of revenues is determined by allowances provided by the Jim Bridger Coal and Colstrip Coal Unit 4 generating resources. These revenues have been adjusted back to the Test Period using the production factor as outlined on adjustment page 9.1.

**PacifiCorp
Washington General Rate Case December 2009
Pension Curtailment**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense:							
Remove amortization in unadjusted results	920	PRO	237,141	WA	Situs	237,141	4.4.1
Proforma amortization	920	PRO	(1,013,713)	WA	Situs	(1,013,713)	4.4.2
			<u>(776,573)</u>			<u>(776,573)</u>	
Adjustment to Tax:							
Schedule M Deduction	SCHMDT	PRO	1,013,713	WA	Situs	1,013,713	4.4.2
Deferred Income Tax Expense	41010	PRO	384,714	WA	Situs	384,714	4.4.2

Description of Adjustment:

Order No. 09 of Docket UE-090205 permits deferral and amortization of the Pension Curtailment Gain resulting from employee participation in the 401(k) retirement plan option. Amortization began on the Company's books effective January 1, 2009, but the Commission order calls for the amortization to begin on January 1, 2010. This pro forma adjustment removes the actual amortization in the base period and replaces it with the amortization for the twelve-months ending December 2010.

PacifiCorp
Washington General Rate Case December 2009
DSM Removal Adjustment

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense:							
Customer Assistance	908	RES	(816,551)	CA	Situs	-	
Customer Assistance	908	RES	(5,010,486)	ID	Situs	-	
Customer Assistance	908	RES	(8,579,678)	OR	Situs	-	
Customer Assistance	908	RES	(36,046,587)	UT	Situs	-	
Customer Assistance	908	RES	(4,858,459)	WA	Situs	(4,858,459)	
Customer Assistance	908	RES	(1,403,092)	WY-All	Situs	-	
			<u>(56,714,853)</u>			<u>(4,858,459)</u>	4.6.1
Adjustment to Tax:							
Schedule M Deduction	SCHMDT	RES	(18,706,576)	SO	7.408%	(1,385,852)	
Def Inc Tax Expense	41010	RES	(7,099,332)	SO	7.408%	(525,945)	
Accum Def Inc Tax Balance	283	RES	6,376,651	SO	7.408%	472,406	

Description of Adjustment

This restating adjustment removes Demand Side Management ("DSM") expenses from regulated results since they are recovered through a separate tariff rider (Schedule 191). Actual DSM revenues for Washington are included in retail revenues and are removed from the results in the Revenue Normalization adjustment, page 3.2.

PacifiCorp
Washington General Rate Case December 2009
Remove MEHC Severance

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense:							
Remove CY 2009 amortization	920	PRO	(637,047)	WA	Situs	(637,047)	4.8.1
Adjustment to Rate Base:							
Remove CY 2009 average rate base	182M	PRO	(637,047)	WA	Situs	(637,047)	4.8.1
Adjustments to Tax:							
Schedule M Addition- Mar 06 Transition Plan	SCHMAT	PRO	(637,047)	WA	Situs	(637,047)	4.8.2
Deferred Inc Tax Expense	41110	PRO	241,766	WA	Situs	241,766	4.8.2
Accumulated Def Inc Tax Bal	283	PRO	352,575	WA	Situs	352,575	4.8.2
Sched M Deduction-Accrued CIC Severance	SCHMDT	PRO	(839,908)	SO	7.408%	(62,223)	4.8.2
Deferred Inc Tax Expense	41010	PRO	(318,753)	SO	7.408%	(23,614)	4.8.2
Accumulated Def Inc Tax Bal	190	PRO	(295,666)	SO	7.408%	(21,994)	4.8.2

Description of Adjustment

MEHC severance cost is being amortized to expense in unadjusted results in accordance with Docket UE-060546. This amortization expires June 30, 2010. This pro forma adjustment removes the base period amortization expense and associated rate base balance.

**PacifiCorp
Washington General Rate Case December 2009
Removal of Colstrip #3**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense:							
Pre-merger Depreciation Expense	403SP	RES	(1,676,302)	CAGW	22.087%	(370,246)	5.6.2
Post-merger Depreciation Expense	403SP	RES	(122,180)	CAGW	22.087%	(26,986)	5.6.2
Taxes Other	408	RES	(568,606)	GPS	7.408%	(42,124)	5.6.1
Tax Depreciation Expense - Sch M	SCHMDT	RES	(409,271)	CAGW	22.087%	(90,396)	5.6.2
Pre-merger Book Depr Exp - Sch M	SCHMAT	RES	(1,676,302)	CAGW	22.087%	(370,246)	Above
Post-merger Book Depr Exp - Sch M	SCHMAT	RES	(122,180)	CAGW	22.087%	(26,986)	Above
Deferred Income Tax Expense	41110	RES	527,219	CAGW	22.087%	* 116,447	5.6.2
Adjustment to Rate Base:							
Pre-merger Plant	310	RES	(110,283,000)	CAGW	22.087%	(24,358,296)	5.6.2
Post-merger Plant	310	RES	(8,003,013)	CAGW	22.087%	(1,767,632)	5.6.2
Pre-merger Depreciation Reserve	108SP	RES	71,055,042	CAGW	22.087%	15,693,985	5.6.2
Post-merger Depreciation Reserve	108SP	RES	1,434,220	CAGW	22.087%	316,777	5.6.2
Deferred Income Tax Balance	282	RES	7,117,928	CAGW	22.087%	*1,572,142	Below
Deferred ITC	255	RES	1,018,236	ITC84	14.180%	144,386	5.6.2
Remove Base Data:							
Schedule M Addition	SCHMAT	RES	(52,188)	WA	Situs	(52,188)	5.6.3
Deferred Income Tax Expense	41110	RES	19,806	WA	Situs	19,806	5.6.3
Deferred Income Tax Balance	283	RES	238,507	WA	Situs	238,507	5.6.3
Calculation of Deferred Income Tax Balance :							
Beginning Balance			7,381,537				
Ending Balance			6,854,318				
Average Balance			7,117,928				Above

** Depreciation related - normalization required by IRC*

Description of Adjustment

As directed by the Commission in Cause U-83-57, this restating adjustment removes the costs and balances of the Colstrip Unit No. 3 resource from the results of operations.

PacifiCorp
Washington General Rate Case December 2009
Accumulated Deferred Income Tax Factor Correction

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense							
Accumulated Deferred Income Tax	190	RES	(4,716,314)	SO	7.4084%	(349,402)	7.2.1
Accumulated Deferred Income Tax	190	RES	4,716,314	NUTIL	0.0000%	-	
Accumulated Deferred Income Tax	190	RES	30,347	SE	7.8903%	2,394	7.2.1
Accumulated Deferred Income Tax	190	RES	(30,437)	JBE	21.3575%	(6,501)	7.2.1
Accumulated Deferred Income Tax	190	RES	1,038,799	SO	7.4084%	76,958	7.2.1
Accumulated Deferred Income Tax	190	RES	(1,038,799)	OTHER	0.0000%	-	
Accumulated Deferred Income Tax	283	RES	(9,589,576)	SO	7.4084%	(710,431)	7.2.1
Accumulated Deferred Income Tax	283	RES	9,589,576	OTHER	0.0000%	-	
Accumulated Deferred Income Tax	283	RES	(19,721,700)	JBE	21.3575%	(4,212,054)	7.2.1
Accumulated Deferred Income Tax	283	RES	19,721,700	NUTIL	0.0000%	-	

Description of Adjustment

This adjustment corrects allocation factors on certain accumulated deferred tax balances in the historical period so that deferred tax balances are reflected appropriately in the Test Period. See page 7.2.1 for additional details.

PacifiCorp
Washington General Rate Case December 2009
Malin Midpoint Adjustment

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense:							
Deferred Income Tax - Federal	41110	RES	(1,320,531)	CAGW	22.0871%	(291,667)	7.4.2
Adjustment to Rate Base:							
Accumulated DIT	282	RES	(2,310,931)	CAGW	22.0871%	(510,417)	7.4.2

*** NO CHANGE ** Accounting approved by the Commission*

Description of Adjustment

In 1981, the Company built and placed in service the Malin-Midpoint transmission line. The Company was eligible for investment tax credits and accelerated tax depreciation associated with this investment. The Company entered into a safe harbor lease transaction to transfer these tax benefits to an unrelated third party. As ordered in Docket UE-050684, the Company has treated this transaction as a sale of part of the benefits associated with the property and is amortizing the cash receipts over the life of the assets. The gain is being amortized over 30 years (composite book life of the plant) with a rate base deduction for the unamortized balance. In 1988, the substation was sold to Amoco and therefore the only amortization remaining is on the transmission line which is reflected in this restating adjustment.

PacifiCorp
Washington General Rate Case December 2009
WA - FAS 109 Flow-Through

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Rate Base:							
Def Inc Tax Expense	41110	RES	5,532,834	WA	Situs	5,532,834	7.5.1

**** NO CHANGE ****

Description of Adjustment

As described in the testimony and exhibits of Company witness Ryan Fuller, the income taxes in this case have been presented on a fully normalized basis. Accordingly, this adjustment removes base period Washington allocated income tax flow-through associated with non-property related book-tax differences.

PacifiCorp
Washington General Rate Case December 2009
Remove Deferred State Tax Expense

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Tax:							
Def Inc Tax Expense	41110	RES	(2,199,228)	WA	Situs	(2,199,228) ^(2,192,410)	7.8.1
ADIT	283	RES	1,099,614	WA	Situs	1,099,614 ^{1,096,205}	7.8.1

**** REVISE ****

Description of Adjustment

The Company's base period accumulated deferred income taxes and deferred income tax expense are computed using the Company's federal and state blended statutory income tax rate of 37.951%. Since state income taxes are excluded under the WCA allocation methodology, this adjustment removes state deferred income tax expense from the Washington allocated deferred income tax expense and a corresponding amount from the accumulated deferred income taxes.

PacifiCorp
Washington General Rate Case December 2009
Current Year Def Inc Tax Normalization

Adjustment to Expense	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Deferred Income Tax Expense	41010	RES	525,562	WA	Situs	525,562	7.9.1
Accum Def Income Tax Balance	282	RES	(262,781)	WA	Situs	(262,781)	7.9.1

Description of Adjustment

As described in the testimony and exhibits of Company witness Ryan Fuller, the income taxes in this case have been presented on a fully normalized basis. Accordingly, this adjustment removes base period Washington allocated income tax flow-through associated with property related book-tax differences.

**PacifiCorp
Washington General Rate Case December 2009
Medicare Deferred Tax Expense**

Adjustment to Expense	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Deferred Income Tax Expense	41010	RES	2,300,969	SO	7.4084%	170,464	7.10.1

Description of Adjustment

On March 23, 2010, the Patient Protection and Affordable Care Act was signed into law. The Act, including a subsequent amendment to the Act (the amendment is known as the Health Care and Education Reconciliation Act signed into law March 30, 2010), changes the deductibility of certain costs incurred for post-retirement prescription drug coverage.

Designed to encourage employers to continue providing high quality prescription drug coverage, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 contains provisions for a federal subsidy for employers offering post-retirement prescription drug coverage to its retirees that is at least as valuable as the Medicare Part D standard drug benefit. Under the current rules, employers are permitted to deduct the entire cost of providing the coverage, even though a portion is offset by the subsidy.

For taxable years beginning after December 31, 2012, the Act repeals the current rule permitting deduction of the portion of the expense that is offset by the subsidy.

The employer's promise to provide post-retirement prescription drug coverage is recorded as a component of the other post-employment benefit ("OPEB") obligation reflecting this future liability. On a gross basis, the OPEB obligation includes a pre-subsidy liability for the future benefits to retirees, which is offset by a subsidy receivable from the federal government to arrive at the net OPEB obligations. The net amount is actuarially determined.

For ratemaking purposes, the Company does not include the OPEB obligation (liability) in rate base. However, the actuarially determined level of OPEB expense is included in the Company's annual expenses in the results of operations, and the Company has treated the OPEB expense as deductible for income tax purposes, including the portion that is offset by the federal subsidy.

With the change in law, the subsidy receivable will remain not taxable, but a corresponding amount of OPEB related costs will become non-deductible for income tax purposes. This restating adjustment increases deferred income tax expense associated with this change in law.

PacifiCorp
Washington General Rate Case December 2009
Avg Balance for Accum Def Inc Tax - Property

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL</u> <u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON</u> <u>ALLOCATED</u>	<u>REF#</u>
Adjustment to Tax:							
ADIT Balance	282	RES	3,885,432	CAEE	0.0000%	-	7.11.1
ADIT Balance	190	RES	(34,770,206)	CAGE	0.0000%	-	7.11.1
ADIT Balance	282	RES	1,845,519,345	DITBAL	6.9317%	127,926,774	7.11.1
ADIT Balance	282	RES	4,059,471	SG	8.2916%	336,597	7.11.1
ADIT Balance	282	RES	(48,678,619)	CA	Situs	-	7.11.1
ADIT Balance	282	RES	1,359,850	FERC	Situs	-	7.11.1
ADIT Balance	282	RES	(119,069,703)	ID	Situs	-	7.11.1
ADIT Balance	282	RES	(553,267,407)	OR	Situs	-	7.11.1
ADIT Balance	282	RES	161,714	OTHER	0.0000%	-	7.11.1
ADIT Balance	282	RES	(847,583,899)	UT	Situs	-	7.11.1
ADIT Balance	282	RES	(138,136,570)	WA	Situs	(138,136,570)	7.11.1
ADIT Balance	282	RES	(252,021,215)	WYE	Situs	-	7.11.1
			<u>(138,541,807)</u>			<u>(9,873,199)</u>	

**** NO CHANGE ****

Description of Adjustment

This adjustment allocates on a jurisdictional basis the base period property-related accumulated deferred income tax liability. The net increase to the accumulated deferred income tax liability is primarily attributable to the use of a beginning-ending average as opposed to a the AMA methodology used in reporting the base period data.

**PacifiCorp
Washington General Rate Case December 2009
Environmental Remediation**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense:							
Remove Environ. Cost Amort. as Booked	925	RES	(1,364,157)	SO	7.408%	(101,062)	8.3.1
Add back Third West Amortization	925	RES	343,657	SO	7.408%	25,459	8.3.1
Add back Minor Remed. Projects Cost	925	RES	1,753,502	SO	7.408%	129,906	8.3.1
Total Adjustment to Expense			<u>733,003</u>			<u>54,304</u>	8.3.1
Adjustment to Rate Base:							
Remove Environ. Reg. Asset as Booked	182M	RES	(7,188,267)	SO	7.408%	(532,533)	8.3.1
Remove Environ. Reg. Asset as Booked	182M	RES	564,548	WA	Situs	564,548	8.3.1
Add back Third West Regulatory Asset	182M	RES	1,667,731	SO	7.408%	123,552	8.3.1
Adjustment to Tax:							
Schedule M Addition	SCHMAT	RES	(554,665)	SO	7.408%	(41,092)	8.3.4
Deferred Tax Expense	41110	RES	210,501	SO	7.408%	15,595	8.3.4
Accum Def Inc Tax Balance	283	RES	4,360,220	SG	8.292%	361,534	8.3.4
Schedule M Addition	SCHMAT	RES	(43,743)	WA	Situs	(43,743)	8.3.4
Deferred Tax Expense	41110	RES	224,611	WA	Situs	224,611	8.3.4
Deferred Tax Expense	41010	RES	(208,010)	WA	Situs	(208,010)	8.3.4
Accum Def Inc Tax Balance	190	RES	(43,335)	WA	Situs	(43,335)	8.3.4
Accum Def Inc Tax Balance	283	RES	(165,366)	WA	Situs	(165,366)	8.3.4
Schedule M Addition	SCHMAT	RES	343,657	SO	7.408%	25,459	
Deferred Tax Expense	41110	RES	(130,416)	SO	7.408%	(9,662)	
Accum Def Inc Tax Balance	283	RES	(632,938)	SO	7.408%	(46,890)	

Description of Adjustment

On April 27, 2005, the Commission granted a request by the Company for an accounting order relating to the treatment of environmental remediation costs in Docket UE-031658. The Commission authorized the Company to record and defer costs prudently incurred in connection with its environmental remediation program. Costs of projects in excess of \$3 million system-wide, incurred from October 2003 through March 2005, are to be deferred and amortized over a ten-year period. Only one project, the Third West Substation Cleanup, qualifies for this treatment. This restating adjustment removes the balance and amortization from FERC accounts 182.391 and 925, except for the Third West Substation Cleanup, and adds the cost for small remediation projects that cannot be deferred, per the Commission's 2005 order.

PacifiCorp
Washington General Rate Case December 2009
(Cont) Miscellaneous Rate Base

Adjustments to Tax:	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Schedule M Add - Joseph Settlement	SCHMAT	RES	(137,381)	CAGW	22.087%	(30,343)	8.5.3
Def Tax Exp	41110	RES	52,137	CAGW	22.087%	11,516	8.5.3
AMA ADIT Balance	283	RES	471,409	CAGW	22.087%	104,120	8.5.3
Schedule M Add - Hermiston	SCHMAT	RES	(171,693)	CAGW	22.087%	(37,922)	8.5.3
Def Tax Exp	41110	RES	65,159	CAGW	22.087%	14,392	8.5.3
AMA ADIT Balance	283	RES	1,794,595	CAGW	22.087%	396,374	8.5.3
Schedule M Deduct - Prepaid Property taxes	SCHMDT	RES	(4,680,901)	GPS	7.408%	(346,778)	8.5.3
Def Tax Exp	41010	RES	(1,776,449)	GPS	7.408%	(131,606)	8.5.3
AMA ADIT Balance	283	RES	15,492,973	GPS	7.408%	1,147,777	8.5.3
Schedule M Deduct - Other Prepays	SCHMDT	RES	(1,877,954)	SO	7.408%	(139,126)	8.5.3
Def Tax Exp	41010	RES	(712,702)	SO	7.408%	(52,800)	8.5.3
AMA ADIT Balance	283	RES	916,943	SO	7.408%	67,931	8.5.3
Schedule M Deduct - Self Insured Benefits	SCHMDT	RES	(707,070)	SO	7.408%	(52,382)	8.5.3
Def Tax Exp	41010	RES	(268,340)	SO	7.408%	(19,880)	8.5.3
AMA ADIT Balance	190	RES	(257,159)	SO	7.408%	(19,051)	8.5.3
Schedule M Add - Lakeview	SCHMAT	RES	(3,606)	CAGW	22.087%	(796)	8.5.3
Def Tax Exp	41110	RES	1,369	CAGW	22.087%	302	8.5.3
AMA ADIT Balance	283	RES	1,312	CAGW	22.087%	290	8.5.3

Description of Adjustment

This restating adjustment removes prepayments and other miscellaneous rate base balances from the Test Period. The associated tax impacts related to these balances are also removed in this adjustment.

**PacifiCorp
Washington General Rate Case December 2009
Removal of Colstrip #4 AFUDC**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense:							
Depreciation	403GP	RES	(17,991)	WA	Situs	(17,991)	8.6.2
Adjustment to Tax:							
Schedule M Adjustment	SCHMAT	RES	(17,991)	WA	Situs	(17,991)	8.6.2
Adjustment to Rate Base:							
Remove Unamortized AMA Balance	310	RES	(441,006)	WA	Situs	(441,006)	8.6.2

**** NO CHANGE ****

Description of Adjustment

This restating adjustment removes AFUDC from electric plant in service for the period that Colstrip construction work in progress (CWIP) was allowed in rate base. This treatment was authorized in Cause U-81-17 and has been included in all the Company's rate case filings since its inception in July 1984.

**PacifiCorp
Washington General Rate Case December 2009
Powerdale Hydro Removal**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense:							
Remove Booked Amortization	407	PRO	(3,479,961)	CAGW	22.087%	(768,622)	8.7.1
Unrecovered Plant Amortization	407	PRO	2,654,642	CAGW	22.087%	586,333	8.7.2
Unrecovered Plant Regulatory Asset:							
Adjust Reg Asset to AMA Dec 2010	182M	PRO	(2,654,642)	CAGW	22.087%	(586,333)	8.7.3
Decommissioning Reg Asset:							
Powerdale Decommissioning Reg Asset	182M	PRO	4,819,040	CAGW	22.087%	1,064,385	8.7.4
Regulatory Offset	182M	PRO	(1,820,494)	CAGW	22.087%	(402,094)	8.7.4
Schedule M Addition							
Deferred Tax Expense	41110	PRO	1,544,666	CAGW	22.087%	341,172	8.7.6
AMA ADIT Def Inc Tax Balance	283	PRO	2,255,291	CAGW	22.087%	498,128	8.7.6
Schedule M Addition							
Deferred Tax Expense	41110	PRO	(1,007,473)	CAGW	22.087%	(222,621)	8.7.4
AMA ADIT Def Inc Tax Balance	283	PRO	(503,742)	CAGW	22.087%	(111,262)	8.7.4

Description of Adjustment

Powerdale is a hydroelectric generating facility located on the Hood River in Oregon. This facility was scheduled to be decommissioned in 2010; however, in 2006 a flash flood washed out a major section of the flow line. The Company determined that the cost to repair this facility was not economical and determined it was in the customers' best interest to cease operation of the facility. This restating and pro forma adjustment reflects the treatment approved by the Commission in Docket UE-070624. During 2007, the net book value (including an offset for insurance proceeds) of the assets to be retired was transferred to the unrecovered plant regulatory asset. In addition, future decommissioning costs are deferred in a regulatory asset, offset by a credit reflecting the pro forma amounts not yet incurred through December 2010. The Company proposes to begin amortizing the decommissioning costs once included in rates.

**PacifiCorp
Washington General Rate Case December 2009
Trojan Unrecovered Plant Adjustment**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Expense:							
Trojan Amort of Unrecovered Plant	407	RES	(2,013,725)	TROJP	22.115%	(445,334)	8.8.1
Trojan Amort of Unrecovered Plant	407	RES	275,765	WA	Situs	275,765	
Total Adjustment to Expense			<u>(1,737,960)</u>			<u>(169,569)</u>	
Adjustment to Rate Base:							
Trojan Unrecovered Plant	18222	RES	436,629	WA	Situs	436,629	8.8.1
Trojan Unrecovered Plant	18222	RES	(1,894,550)	TROJD	22.120%	(419,072)	8.8.1
Trojan Unrecovered Plant	18222	RES	(1,293,849)	TROJP	22.115%	(286,134)	8.8.1
Accum Prov for Decommissioning	22842	RES	-	TROJD	22.120%	-	8.8.1
Asset Retirement Obligations	230	RES	2,014,213	TROJP	22.115%	445,442	8.8.1
FAS 143 ARO Regulatory Liability	254105	RES	3,344,645	TROJP	22.115%	739,667	8.8.1
Total Adjustment to Rate Base			<u>2,607,089</u>			<u>916,532</u>	
Adjustment to Tax:							
Schedule M Addition	SCHMAT	RES	(1,572,028)	TROJD	22.120%	(347,731)	
Deferred Tax Expense	41010	RES	(735,881)	TROJD	22.120%	(162,776)	
Deferred Tax Expense	41110	RES	1,332,481	TROJD	22.120%	294,743	
Accum Def Income Tax Balance	190	RES	(607,431)	TROJD	22.120%	(134,363)	
Accum Def Income Tax Balance	283	RES	(153,308)	TROJD	22.120%	(33,912)	

Description of Adjustment

This restating adjustment removes the Trojan amortization expense, balances, and tax impacts from the Test Period as ordered by the Commission in the Third Supplemental Order, Docket UE-991832.

**PacifiCorp
Washington General Rate Case December 2009
Chehalis Reg Asset - WA**

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Revenue:							
CY 2010 Amortization	456	PRO	(3,000,000)	WA	Situs	(3,000,000)	8.10.1
Adjustment to Rate Base:							
Remove Unadjusted Reg Asset Balance	182M	PRO	(750,000)	WA	Situs	(750,000)	8.10.1
Add CY 2010 AMA Balance	182M	PRO	16,500,000	WA	Situs	16,500,000	8.10.1
Adjustment to Tax:							
Sch Schedule M Deduction	SCHMAT	PRO	3,000,000	WA	Situs	3,000,000	8.10.1
Deferred Tax Expense	41110	PRO	(1,138,530)	WA	Situs	(1,138,530)	8.10.1
Add CY 2010 AMA Balance	283	PRO	(6,261,915)	WA	Situs	(6,261,915)	8.10.1

Description of Adjustment

The Chehalis regulatory asset was created on the Company's books in December 2009 in accordance with Docket UE-090205. This pro forma adjustment replaces the regulatory asset amount in unadjusted results with the calendar year 2010 AMA balance and amortization.