

November 23, 2010

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive Southwest
P.O. Box 47250
Olympia, WA 98504-8002

Attention: David W. Danner
Executive Director and Secretary

**RE: In the Matter of WUTC v. PacifiCorp d/b/a Pacific Power
Docket UE-100749**

Dear Mr. Danner:

Pursuant to Washington Utilities and Transportation Commission Second Prehearing Conference Order 05 in the above referenced docket, enclosed please find supplemental testimony and revised pages to the testimony and exhibits of Company witness R. Bryce Dalley and supplemental testimony and exhibits of Company witness Ryan Fuller. Revised pages have been marked "REVISED 11/23/10". The revised and supplemental testimony and exhibits include the following:

Revised Testimony and Exhibits of Company Witness R. Bryce Dalley

- Exhibit No. __ (RBD-1T) – page 6
- Exhibit No. __ (RBD-1T) – page 24
- Exhibit No. __ (RBD-2) – pages 1 and 2 (all pages)
- Exhibit No. __ (RBD-3) – Tab 1 page 1.0 through 1.6 (all pages)
- Exhibit No. __ (RBD-3) – Tab 2 page 2.1 through 2.41 (all pages)
- Exhibit No. __ (RBD-3) – Tab 5 page 5.2.1
- Exhibit No. __ (RBD-3) – Tab 8 page 8.0 Restating
- Exhibit No. __ (RBD-3) – Tab 8 page 8.0.1 Restating
- Exhibit No. __ (RBD-3) – Tab 8 page 8.0 Pro forma
- Exhibit No. __ (RBD-3) – Tab 8 page 8.0.1 Pro forma
- Exhibit No. __ (RBD-3) – Tab 8 page 8.0 Total
- Exhibit No. __ (RBD-3) – Tab 8 page 8.0.1 Total
- Exhibit No. __ (RBD-3) – Tab 8 page 8.1
- Exhibit No. __ (RBD-3) – Tab 8 page 8.2
- Exhibit No. __ (RBD-3) – Tab 8 page 8.2.1
- Exhibit No. __ (RBD-3) – Tab 9 page 9.0 Restating
- Exhibit No. __ (RBD-3) – Tab 9 page 9.0 Pro forma
- Exhibit No. __ (RBD-3) – Tab 9 page 9.0 Total

Exhibit No. __ (RBD-3) – Tab 9 page 9.1

Exhibit No. __ (RBD-3) – Tab 9 page 9.1.1

Exhibit No. __ (RBD-3) – Tab 9 page 9.1.2

Exhibit No. __ (RBD-3) – Tab 9 page 9.1.3

Exhibit No. __ (RBD-3) – Tab 9 page 9.1.4

Exhibit No. __ (RBD-3) – Tab 11 page 11.1 through 11.30 (all pages)

Supplemental Exhibits of Company Witness R. Bryce Dalley

Exhibit No. __ (RBD-8T) – Supplemental Testimony of R. Bryce Dalley

Supplemental Exhibits of Company Witness Ryan Fuller

Exhibit No. __ (RF-11T) – Supplemental Testimony of Ryan Fuller

Exhibit No. __ (RF-12) – Summary of Per Books Adjustments—Full Normalization and Flow Through

Exhibit No. __ (RF-13) – Adjustments Revised for Flow Through Accounting

Also enclosed please find electronic copies of the revised and supplemental testimony and exhibits and supplemental work papers provided in support of the exhibits sponsored by Company witness R. Bryce Dalley and Ryan Fuller.

If you have any questions or require further information, please contact Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,



Andrea Kelly
Vice President, Regulation

Cc: Service List

CERTIFICATE OF SERVICE

I certify that I have cause to be served the foregoing document, via E-mail and Overnight Delivery, to the following:

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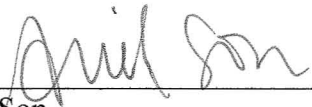
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DATED this 23rd day of November, 2010



Ariel Son
Coordinator, Regulatory Operations

1 Company's Washington results of operations report (Report). The historic period
2 for the Report is the twelve-months ended December 31, 2009. The Report
3 provides totals for revenue, expenses, depreciation, net power costs, taxes, rate
4 base and loads in the Test Period. The Report presents operating results for the
5 period in terms of both return on rate base and ROE. Within the Report, net
6 power costs are presented for the west control area and as allocated to the
7 Company's Washington jurisdiction.

8 **Q. Please describe how Exhibit No. ___(RBD-3) is organized.**

9 A. The Report is organized into sections marked with tabs as follows:

- 10 • Tab 1 Summary is the Washington-allocated results based on the WCA
11 allocation methodology. Column (1) Unadjusted Results on Page 1.0 is
12 the Washington results of operations and shows the unadjusted
13 Washington earnings of ~~6.2~~ 6.4 percent ROE. Column (2) Normalizing
14 Adjustments shows the impact of the Washington-allocated restating and
15 pro forma adjustments included in the filing. Column (3) Total
16 Normalized Results shows the Washington-allocated normalized results
17 for the Test Period with an ROE of 1.9 percent. Column (4) Price Change
18 reflects the necessary price increase of \$56.7 million to raise the ROE
19 from 1.9 percent to 10.6 percent in Washington. Column (5) Results with
20 Price Change reflects the Washington normalized results with the \$56.7
21 million price increase included.

22 Page 1.1 shows the restating and pro forma adjustments in separate
23 columns. Column (5) of page 1.1 is identical to Column (3) on page 1.0.

1 customer service deposits as a reduction to rate base. It also reflects the interest
2 paid on the customer service deposits. This adjustment was included in the
3 Company's rebuttal case and accepted by the Commission in its final order in
4 Docket UE-061546 and also is consistent with the Company's last two cases,
5 Dockets UE-080220 and UE-090205.

6 **Chehalis Regulatory Asset (page 8.10)** – The Chehalis regulatory asset was
7 created on the Company's books in December 2009 in accordance with the
8 Commission's final order in the 2009 Rate Case. This pro forma adjustment
9 replaces the regulatory asset amount in unadjusted results with the calendar year
10 2010 AMA balance and amortization.

11 **Tab 9 – Production Factor**

12 **Q. Please describe the adjustments included in Tab 9.**

13 A. **Production Factor (page 9.1)** – The production factor is a means of adjusting
14 generation-related components of the revenue requirement to Test Period expense
15 and balance levels. The production factor has been calculated by dividing
16 Washington's normalized historic retail load by the Washington pro forma load
17 for the rate effective period. This calculation is detailed on page 9.1.3 9.1.4
18 Revised 11/23/10 of the Report. This factor is then applied to all of the
19 generation-related components of the revenue requirement.

20 **Q. Does the Company agree that all generation related revenue requirement**
21 **items should be adjusted by the production factor, including costs and**
22 **balances already reflected at their historic Test Period levels?**

23 A. No. The Company does not agree that it is appropriate to apply the production

1 customer service deposits as a reduction to rate base. It also reflects the interest
2 paid on the customer service deposits. This adjustment was included in the
3 Company's rebuttal case and accepted by the Commission in its final order in
4 Docket UE-061546 and also is consistent with the Company's last two cases,
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16 Washington's normalized historic retail load by the Washington pro forma load
17 for the rate effective period. This calculation is detailed on page 9.1.3 9.1.4 –
18 Revised 11/23/10 of the Report. This factor is then applied to all of the
19 generation-related components of the revenue requirement.

20 **Q. Does the Company agree that all generation related revenue requirement**
21 **items should be adjusted by the production factor, including costs and**
22 **balances already reflected at their historic Test Period levels?**

23 A. No. The Company does not agree that it is appropriate to apply the production

1 **Q. Are you the same R. Bryce Dalley who previously filed testimony in this**
2 **case?**

3 A. Yes.

4 **Purpose and Summary of Testimony**

5 **Q. What is the purpose of your supplemental testimony?**

6 A. My supplemental testimony is being provided in response to the Second
7 Prehearing Conference Order 05 in this proceeding. In that order, the
8 Commission directs the Company and other parties to file revised testimony and
9 exhibits to comply with the requirements of WAC 480-07-510 and Order 04 as
10 discussed during the explanatory session held with the Commission advisors. I
11 also sponsor and describe supplemental workpapers.

12 **Q. Have you provided revised pages to your previously filed testimony and**
13 **exhibits?**

14 A. Yes. As I explain below, I have provided revised pages to all of prefiled Exhibit
15 No.__(RBD-2) and to portions of Exhibit No.__(RBD-3). I have also provided
16 revised pages to two pages of my direct testimony.

17 **Q. Please describe the revisions to Exhibit No.__(RBD-2).**

18 A. Exhibit No.__(RBD-2) is a two-page summary of the Washington results of
19 operations filed as an exhibit to my direct testimony. This exhibit is being
20 replaced in its entirety to reflect the specific revisions discussed below to revenue
21 requirement Exhibit No.__(RBD-3), the Company's Washington Results of
22 Operations. The pages of the revised Exhibit No.__(RBD-2) have been marked
23 "Revised 11/23/10".

1 **Q. Please describe the revisions to Exhibit No.__(RBD-3).**

2 A. Below is a list of the revisions to Exhibit No.__(RBD-3). Each of these items is
3 described in detail later in my testimony.

4 • The cash working capital (CWC) balances reflected in the per books data
5 have been removed.

6 • The CWC Adjustment 8.1 has been modified to reflect the addition of all
7 CWC to the Washington test period.

8 • The Company's presentations of the Jim Bridger Mine Adjustment (8.2)
9 and the associated impact to the presentation of the Production Factor
10 Adjustment (9.1) have been revised to itemize the components of the Jim
11 Bridger coal mine additions.

12 • The supporting worksheets associated with Net Power Cost Adjustment
13 (5.1 and 5.2), CWC Adjustment (8.1), and Production Factor Adjustment
14 (9.1) have been revised to more clearly present the calculations for each
15 adjustment.

16 **Q. Do any of these revisions impact your previously filed testimony?**

17 A. No, not in a substantive way. There are, however, two conforming changes to my
18 direct testimony, both of which are reflected in legislative format in the revised
19 pages. The first is on page 6, line 13, where I testify to the Company's return on
20 equity (ROE) reflected on its unadjusted results. The removal of CWC from these
21 results produces an ROE of 6.4 percent instead of 6.2 percent. Second, the
22 reference on page 24, line 17 to Tab 9 should be to page 9.1.4 instead of 9.1.3.

1 **Cash Working Capital**

2 **Q. Please describe the revisions the Company has made with respect to CWC**
 3 **balances.**

4 A. There is no account on the Company's balance sheet that reflects CWC. Instead,
 5 this amount is a calculated value that is determined by various CWC methods. In
 6 this proceeding the Company is proposing inclusion of CWC in the test period
 7 using the 1/8th of Operations and Maintenance (O&M) expenses method
 8 described in my direct testimony.

9 The Company's initial filing reflected CWC balances in the per books
 10 data. This amount was calculated by dividing the Washington per books O&M,
 11 less fuel and purchase power, by eight. This balance was subsequently adjusted
 12 to account for the changes of the other restating and pro forma normalizing
 13 adjustments included in the Company's filing. This treatment is summarized in
 14 the table below.

Company's Original Filing					
<i>Washington-Allocated Basis</i>					
	(1)	(2)	(3)	(4)	(5)
			(1) + (2)		(3) + (4)
	Per Books	Restating	Restated	Pro forma	Normalized
	CWC	CWC	CWC	CWC	Test Period
		Adjustment		Adjustment	CWC
Cash Working Capital (CWC)	11,447,427	(618,622)	10,828,804	276,299	11,105,103

15 The Company has revised its approach by removing all CWC from the per
 16 books data and adding all CWC balances to test period normalized results though
 17 the restating and pro forma CWC adjustments (page 8.1). This revised treatment
 18 is summarized in the table below.

Company's Revised Filing <i>Washington-Allocated Basis</i>					
	(1)	(2)	(3)	(4)	(5)
			(1) + (2)		(3) + (4)
	Per Books CWC	Restating CWC Adjustment	Restated CWC	Pro forma CWC Adjustment	Normalized Test Period CWC
Cash Working Capital (CWC)	-	10,828,804	10,828,804	276,299	11,105,103

1 This modification requires revisions to the following sections/pages of
2 the exhibit, all of which have all been marked “Revised 11/23/10”.

- 3 • Tab 1 – SUMMARY (all pages).
4 • Tab 2 – RESULTS OF OPERATIONS (all pages).
5 • Tab 8 – RATE BASE (pages 8.0 through 8.1)
6 • Tab 11– HISTORICAL RATE BASE (all pages)

7 **Q. Referring to Page 1.0 - Revised 11/23/10, please explain why there is a per**
8 **books balance associated with the category “Working Capital” on line 41.**

9 A. This amount (\$2,159,291) reflects the per books balances associated with
10 miscellaneous current asset accounts shown on page 2.35 – Revised 11/23/10,
11 lines 2470 through 2490. These balances are removed from normalized test
12 period results through the Miscellaneous Rate Base restating adjustment 8.5.

13 **Q. Did the Commission render a decision on CWC in the Company’s last**
14 **litigated general rate case?**

15 A. Yes. In Docket UE-061546 the Commission rejected both Staff and the
16 Company’s proposals related to CWC. In its final order, no CWC balance was
17 included in the Washington revenue requirement calculation.

1 **Q. Has the Company provided support for its proposed change in treatment for**
2 **CWC?**

3 A. Yes. My previously filed testimony in this docket provides support for the
4 Company's proposed change in treatment for CWC.

5 **Q. In addition to CWC balances, has the Company included per books balances**
6 **associated with materials and supplies and fuel stock in Washington test**
7 **period results?**

8 A. Yes. The per books balances associated with materials and supplies and fuel
9 stock have been reflected in the Washington test period results. In Docket UE-
10 061546, the Commission removed all rate base balances associated with materials
11 and supplies and fuel stock along with the materials and supplies and pit
12 inventory included in the Jim Bridger mine normalizing adjustment. My
13 previously filed testimony provides support for the Company's proposed change
14 in treatment with respect to fuel stock and materials and supplies.

15 **Q. Please describe the file named "Supplemental Workpaper - Cash Working**
16 **Capital".**

17 A. This supplemental workpaper reflects the adjustments to the Company's per
18 books filing necessary to remove all CWC, fuel stock, and materials and supplies
19 balances, consistent with the Commission's order in Docket UE-061546. The
20 impact of these adjustments on Washington test period results is also reflected.

1 **Presentation of the Jim Bridger Mine and Production Factor Adjustments**

2 **Q. Please describe the revisions the Company has made to the presentation of**
 3 **the Jim Bridger Mine adjustment.**

4 A. The Company has two-thirds ownership in the Bridger Coal Company (BCC),
 5 which supplies coal to the Jim Bridger generating plant. However, the
 6 Company's investment in BCC is recorded on the books of Pacific Minerals Inc.
 7 (PMI), a wholly owned subsidiary. Because the investment is recorded on the
 8 books of PMI, it is not reflected in the Company's per books electric plant in
 9 service balances. As a result, a restating adjustment is necessary to add the
 10 Company's investment in BCC to the Washington test period results.

11 In the Company's original filing, this restating adjustment was done on a
 12 consolidated basis. In other words, the net plant investment in the mine, including
 13 gross plant, pit inventory, materials and supplies, deferred long wall costs,
 14 accumulated depreciation and lease payables were combined and added to Federal
 15 Energy Regulatory Commission (FERC) account 399 – Other Tangible Property.
 16 The Company's revised filing separates the components of the mine into separate
 17 FERC accounts as shown in the table below.

Jim Bridger Mine Components	FERC Account Used in Revised Filing
Gross Plant	399
Materials and Supplies	154
Pit Inventory	151
Deferred Long Wall Costs	186
Accumulated Depreciation	108
Bonus Bid/Lease Payable	186

18 This change in presentation requires revisions to pages 8.2 and 8.2.1 of the
 19 exhibit, both of which have been marked "Revised 11/23/10".

1 **Q. Please describe the revisions the Company has made to the presentation of**
2 **the Production Factor adjustment.**

3 A. Associated with the change in the presentation of the Jim Bridger Mine
4 adjustment discussed above, the Company has revised the presentation of the
5 Production Factor adjustment. In the Company's original filing, the production
6 factor was applied to the consolidated Jim Bridger Mine net plant addition
7 included in FERC account 399 - Other Tangible Property. In the revised
8 adjustment, the Company has itemized the production factor application for each
9 of the separate components of the Jim Bridger Mine adjustment. This change in
10 presentation requires revisions to pages 9.0 through 9.1.4 of the exhibit, all of
11 which have been marked "Revised 11/23/10".

12 **Revisions to Supporting Worksheets**

13 **Q. Please describe the revisions the Company has made to the supporting**
14 **worksheets included in Exhibit No.____(RBD-3).**

15 A. The Company has revised the supporting worksheets associated with the Net
16 Power Costs Adjustments 5.1 and 5.2, the Cash Working Capital Adjustment 8.1,
17 and the Production Factor Adjustment 9.1. All of these changes are to present the
18 calculations of each adjustment more clearly.

19 **Q. Please describe the changes to the Net Power Cost Adjustments 5.1 and 5.2.**

20 A. Supporting page 5.2.1 of the exhibit has been revised to show more clearly the per
21 books, normalized, and pro forma net power costs included in the Company's
22 filing. This page, marked "Revised – 11/23/10", reflects all three net power cost

1 amounts, along with the associated restating and pro forma adjustments, on both a
2 west control area and Washington-allocated basis.

3 **Q. Please describe the changes to the CWC adjustment 8.1.**

4 A. In addition to the changes in the CWC approach discussed above, supporting
5 workpaper 8.1 of the exhibit has been updated to show more clearly the
6 development of both the restated and pro forma CWC amounts. As mentioned
7 above, this page has been marked “Revised – 11/23/10”.

8 **Q. Please describe the changes to the Production Factor Adjustment 9.1.**

9 A. The presentation of the production factor has been modified to show the
10 development of the adjustment beginning with the per books Washington-
11 allocated amounts. All of the normalizing adjustments that impact the production
12 factor are then itemized in separate columns. As discussed above, revised pages
13 9.1 through 9.1.4 have been marked “Revised – 11/23/10”.

14 **Supplemental Workpapers**

15 **Q. Have you provided additional workpapers with your supplemental**
16 **testimony?**

17 A. Yes. In addition to the CWC supplemental workpaper described above, my
18 supplemental testimony includes an additional workpaper named “Supplemental
19 Revenue Requirement Summary”. This file is a simplified version of the more
20 sophisticated revenue requirement models used to produce Exhibit No.__(RBD-
21 2) and Exhibit No.__(RBD-3). The summary file also contains direct links to
22 the formulas and calculations underlying each of the Company’s adjustments to
23 its per books data, as requested by the Commission in Bench Request 1.

1 This file begins with a summary sheet that shows the Washington-
2 allocated unadjusted (per books) data in column (1). Column (2) Restating
3 Adjustments shows the combined Washington-allocated impact of the Company's
4 proposed restating adjustments. Column (3) Total Restated Actual Results
5 reflects the Washington-allocated restated results. Column (4) Pro forma
6 Adjustments shows the combined Washington-allocated impact of the Company's
7 proposed pro forma adjustments. Column (5) Total Normalized Results shows
8 the Washington-allocated normalized test year results. Column (6) Price Change
9 reflects the revenue increase of \$56.7 million necessary to raise the ROE to 10.6
10 percent. Column (7) Results with Price Change shows the Washington
11 normalized results with the \$56.7 million price increase included. This summary
12 sheet is consistent with Pages 1.0 and 1.1 – Revised 11/23/10 of Exhibit
13 No.____(RBD-3).

14 The worksheets named "Restating Adj." and "Pro forma Adj." show each
15 of the Company's proposed restating and pro forma adjustments on a
16 Washington-allocated basis. Each adjustment is shown in a separate column with
17 a reference to the corresponding page of Exhibit No.____(RBD-3). For ease in
18 following the calculations, the Washington-allocated adjustment values are each
19 linked back to a supporting file that provides the calculations and development of
20 the adjustment. The supporting files are also provided as part of my workpapers
21 and are organized consistent with the presentation of the adjustments in Exhibit
22 No.____(RBD-3). The sum of the Restating Adj. and Pro forma Adj. sheets are
23 then carried forward to the Summary sheet columns (2) and (4) respectively.

1 The sheets named “CWC Calc” and “Interest Calc” show the calculations
2 of cash working capital and interest expense respectively, as described in my
3 direct testimony. These calculations are consistent with the presentations
4 reflected on pages 8.1 – Revised 11/23/10 Cash Working Capital and 7.1 Interest
5 True Up of Exhibit No.____(RBD-3).

6 The sheet named “Variables” reflects the capital structure and costs
7 proposed by the Company in this proceeding as described by Company witnesses
8 Mr. Bruce N. Williams and Mr. Samuel C. Hadaway. It also shows the
9 development of the revenue requirement gross-up factor consistent with the
10 presentation on page 1.3 – Revised 11/23/10 of Exhibit No.____(RBD-3).

11 The sheet named “Check Sheet” is provided to ensure that the summary
12 file produces results that are identical to the Company’s full revenue requirement
13 models.

14 **Q. Does this conclude your supplemental testimony?**

15 A. Yes.

1 **Q. Are you the same Ryan Fuller who previously filed testimony in this case?**

2 A. Yes.

3 **Q. What is the purpose of your supplemental testimony?**

4 A. The purpose of my supplemental testimony is to demonstrate the adjustments to
5 the Company's per books data necessary to reflect income tax on 1) a normalized
6 basis as the Company has proposed in this general rate case or 2) a flow-through
7 basis as proposed in the testimony of Washington Utilities and Transportation
8 Commission (Commission) Staff witness Ms. Kathryn H. Breda. My testimony
9 responds to the discussion of this specific issue at the second prehearing
10 conference on November 17, 2010.

11 **Q. Please explain how this testimony relates to your previously filed testimony.**

12 A. In my direct testimony, I present the Company's proposal to normalize all
13 temporary book-tax differences with the single exception of the temporary book-
14 tax difference associated with the equity allowance for funds used during
15 construction. Additionally, Exhibit No.__(RF-6) to my direct testimony, titled
16 "Revenue Requirement Impact of Normalization vs. Flow-Through," presents a
17 detailed computation of the impact of removing the adjustment for full
18 normalization. My direct testimony thus provides narrative support for the change
19 in methodology and an alternate calculation of income tax expense without the
20 change in methodology. This testimony supplements my previous testimony on
21 one issue only, by showing the alternate calculation of income tax expense
22 without full normalization from a per books basis. This supplemental testimony
23 does not change or revise any aspect of my previously filed testimony.

1 **Q. As background, please explain the difference between how income taxes are**
 2 **reported for ratemaking on a normalized basis as compared to a flow-**
 3 **through basis.**

4 A. When income taxes are reported on a normalized basis, the Company's income
 5 taxes include a provision for 1) current income taxes and 2) deferred income
 6 taxes. Additionally, the Company's rate base includes an adjustment for
 7 accumulated deferred income taxes.

8 When income taxes are reported on a flow-through basis, the Company's
 9 income taxes include a provision for current income taxes only. Additionally, no
 10 adjustment is made to the Company's rate base for accumulated deferred income
 11 taxes.

12 The differences between the two methods of accounting for income taxes
 13 are illustrated in the following table:

Ratemaking Component	Method of Accounting	
	Normalization	Flow-Through
Provision for Current Income Tax	X	X
Provision for Deferred Income Tax	X	N/A
Rate Base Adjustment for Accumulated Deferred Income Tax	X	N/A

14 **Q. How does the Company's per books data report income taxes?**

15 A. The answer depends on whether the income taxes are tracked in the Company's
 16 tax fixed asset system, PowerTax, which tracks the income taxes associated with
 17 the Company's fixed assets.

18 **Q. Please explain how the Company's per books data is reported for income**
 19 **taxes tracked in PowerTax.**

20 A. Because PowerTax is a sophisticated tax accounting system, income taxes can be
 21 tracked and reported on a jurisdictional basis in accordance with the required
 22

1 method of accounting by the respective regulatory commission. In Washington,
2 this means that fixed asset related income taxes are reported on a normalized basis
3 to the extent required by the Internal Revenue Code or specifically approved by
4 the Commission and are reported on a flow-through basis otherwise. For this
5 reason, no restating adjustment is necessary to the Washington per books data to
6 report the fixed asset related income taxes on the basis currently approved by the
7 Commission.¹

8 With respect to these income taxes, the Company made a restating
9 adjustment to the per books data in this case to reflect its proposal to move to full
10 normalization. This restating adjustment is adjustment 7.9.

11 **Q. Please explain how the Company's per books data is reported for income**
12 **taxes that are not tracked in PowerTax.**

13 A. All other income taxes are tracked in an Excel spreadsheet based model that is
14 capable of tracking the income tax components of each individual book-tax
15 difference using only one method of accounting. With the exception of
16 Washington, all of the Company's regulatory jurisdictions require the use of
17 normalized accounting for this portion of the Company's income taxes. For this
18 reason, at the book-tax difference level of detail, income taxes not tracked in
19 PowerTax are reported in the Company's per books data on a normalized basis.²

¹ A restating adjustment is necessary to report the total company fixed asset accumulated deferred income tax on a jurisdictional basis. This adjustment is necessary whether using normalized or flow-through accounting. This restating adjustment was made by the Company in adjustment 7.11.

² The Company's per books data for deferred income tax expense does include a single discrete contra account for Washington flow-through associated with income taxes not tracked in PowerTax to reflect flow-through accounting in the state of Washington. The contra account accounts for the impact of Washington flow-through for the unadjusted test year on a non-normalized basis. A restating adjustment is

1 Accordingly, a restating adjustment is necessary to reflect these income taxes on
2 the basis currently approved by the Commission. The necessary restating
3 adjustment removes the provision for deferred income tax and accumulated
4 deferred income tax balances.

5 **Q. The Company makes an adjustment for state income taxes in adjustment 7.8.**
6 **Why is this adjustment necessary?**

7 A. The Company's provision for deferred income tax and the balance for
8 accumulated deferred income tax are computed using the Company's blended
9 federal and state statutory tax rate. State income taxes are a system cost that is
10 not recoverable in Washington. Accordingly, after all adjustments are made to
11 income taxes, a final adjustment is made to remove state income tax from the
12 adjusted test year. This adjustment is necessary whether using normalized or
13 flow-through accounting. The necessary restating adjustment was made by the
14 Company in adjustment 7.8.

15 **Q. Were any other adjustments in the Company's filing impacted by its**
16 **proposal to fully normalize income taxes?**

17 A. Yes. As previously mentioned, normalized accounting includes a provision for
18 deferred income taxes and an adjustment to rate base for accumulated deferred
19 income tax. Accordingly, the following adjustments in Tabs 3-8 include
20 adjustments to deferred income tax and accumulated deferred income tax, where
21 under flow-through accounting they would not.

22 > Adjustment 3.2: Revenue Normalization

necessary to remove this account whether using normalized or flow-through accounting. This restating adjustment was made by the Company in adjustment 7.5.

- 1 > Adjustment 4.4: Pension Curtailment
- 2 > Adjustment 4.6: DSM Removal Adjustment
- 3 > Adjustment 4.8: Remove MEHC Severance
- 4 > Adjustment 5.6: Removal of Colstrip #3³
- 5 > Adjustment 7.2: Accumulated Deferred Income Tax Factor Correction
- 6 > Adjustment 7.10: Medicare Deferred Income Tax Expense
- 7 > Adjustment 8.3: Environmental Remediation
- 8 > Adjustment 8.5: Miscellaneous Rate Base
- 9 > Adjustment 8.7: Powerdale Hydro Removal
- 10 > Adjustment 8.8: Trojan Unrecovered Plant Adjustment
- 11 > Adjustment 8.10: Chehalis Reg Asset – WA

12 **Q. Please summarize the adjustments made to the per books data by the**
 13 **Company to reflect income tax on a fully normalized basis.**

14 A. The summary is provided in Exhibit No.__(RF-12). The provision for deferred
 15 income taxes and rate base reduction for accumulated deferred income tax under
 16 the Company's proposal are provided on page 3 of 6 and page 6 of 6,
 17 respectively. These schedules demonstrate the adjustments to the per books data
 18 reported in Exhibit No.__(RBD-3), Tab B7⁴ and Tab B19⁵ in the Company's
 19 filing. The schedules are subtotaled between those taxes that are 1) tracked in
 20 PowerTax, required to be normalized, or previously approved for normalized

³ As noted in Exhibit No.__(RF-13), page 6 of 19, the portion of the adjustment attributable to depreciation would be the same under flow-through or normalized accounting.

⁴ The per books data in Exhibit No.__(RBD-3), Tab B7 is summarized by allocation factor in Exhibit No.__(RBD-3), page 2.20, lines 1339-1357 and page 2.21, lines 1361-1381.

⁵ The per books data in Exhibit No.__(RBD-3), Tab B19 is summarized by allocation factor in Exhibit No.__(RBD-3), page 2.37, lines 2565-2637.

1 accounting by the Commission, and 2) not tracked in PowerTax and not required
2 to be normalized.

3 **Q. Please summarize the adjustments to per books data required to retain flow-**
4 **through accounting, as proposed by Commission Staff witness Ms. Breda.**

5 A. The summary is also provided in Exhibit No.__(RF-12). The provision for
6 deferred income taxes and rate base reduction for accumulated deferred income
7 tax under Staff's proposal are provided on page 2 of 6 and page 5 of 6,
8 respectively. A variance analysis between the Company's proposal and Staff's
9 proposal is also provided in Exhibit No.__(RF-12). The variance analysis for the
10 provision for deferred income tax is provided on page 1 of 6 and the variance
11 analysis for the rate base reduction for accumulated deferred income is provided
12 on page 4 of 6.

13 A copy of the Company's adjustments impacted by Staff's proposal have
14 been provided in Exhibit No.__(RF-13), with the necessary adjustments red-
15 lined or modified as necessary.

16 In addition to these modifications, a new adjustment would be required to
17 reflect the income taxes not tracked in PowerTax on a flow-through basis. As
18 quantified in Exhibit No.__(RF-12), page 2 of 6, an adjustment would need to be
19 made to increase the provision for deferred income tax expense by \$284,920 and
20 as quantified in Exhibit No.__(RF-12), page 5 of 6, and an adjustment would
21 need to be made to increase the rate base reduction for accumulated deferred
22 income tax by \$4,573,495.

1 **Q. Does making the adjustments illustrated in Exhibit No. ___(RF-12) and**
 2 **Exhibit No. ___(RF-13) to reflect the Company’s filing on a flow-through**
 3 **basis impact revenue requirement by the amount described in Exhibit**
 4 **No. ___(RF-1T), and computed in Exhibit No. ___(RF-6)?**

5 A. Yes, as compared to the Company’s proposal, in total these adjustments will
 6 decrease the provision for deferred income tax by \$80,881 and decrease the rate
 7 base reduction for accumulated deferred tax by \$1,331,928. This will increase the
 8 Company’s revenue requirement by \$25,891, as calculated in the following
 9 table:

Revenue Requirement Impact of Staff's Proposal			
	Exhibit No. ___(RF-12), Pg. 1	Exhibit No. ___(RF-12), Pg. 4	
Item	Deferred Income Tax (Benefit) / Expense	Accum. Deferred Income Tax Asset / (Liability)	Total
PowerTax/Normalized Income Tax	(484,695)	242,348	
Other Income Tax	403,815	1,089,578	
Total Adjustments	(80,880)	1,331,926	
Net-to-Gross Bump-Up / Pre-tax Return on Rate Base	1,613,218	0,117,400	
Increase / (Decrease) to Revenue Requirement	(130,477)	156,368	25,891

10

11 **Q. Does this conclude your supplemental testimony?**

12 A. Yes.

Exhibit No. (RBD-3)
Tab B7

Exhibit No. (RF-6)
Page 3 of 6

FERC Account	#	Book-Tax Difference	Allocation Factor	A		B		C = A + B		D = -(C * X)		E = C + D	
				Unadjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Remove State Tax	Adjusted	Adjusted		
4111000	105100	30% Capitalized Labor Costs	SO	0	0	0	0	0	0	0	0	0	0
4101000	1051156	Flow-Through-WA	WA	0	7.9	(525,562)	0	(525,562)	0	40,867	0	(484,695)	0
4111000	1051156	Depreciation Flow-Through - WA	WA	0	0	0	0	0	0	0	0	0	0
4111000	105120	Book Depreciation	SCHMDEXP	0	0	0	0	0	0	0	0	0	0
4111000	105121	282DIT PMIDepreciation-Book	JBE	0	0	0	0	0	0	0	0	0	0
4101000	105122	Repair Deduction	SG	0	0	0	0	0	0	0	0	0	0
4101000	105123	Sec 481a Adj - Repair Deduction	SG	0	0	0	0	0	0	0	0	0	0
4111000	105123	Sec 481a Adj - Repair Deduction	SG	0	0	0	0	0	0	0	0	0	0
4101000	105125	Tax Depreciation	TAXDEPR	0	0	0	0	0	0	0	0	0	0
4101000	105126	282DIT PMIDepreciation-Tax	JBE	0	0	0	0	0	0	0	0	0	0
4111000	105130	CIAC	CIAC	0	0	0	0	0	0	0	0	0	0
4101000	105137	Capitalized Depreciator	SO	0	0	0	0	0	0	0	0	0	0
4111000	105140	Reimbursements/Highway Relocation	SNPD	0	0	0	0	0	0	0	0	0	0
4101000	105141	AFUDC Debt	SNP	0	0	0	0	0	0	0	0	0	0
4111000	105142	Avoided Costs	SNP	0	0	0	0	0	0	0	0	0	0
4111000	105146	Capitalization of Test Energy	SG	0	0	0	0	0	0	0	0	0	0
4101000	105152	Gain / (Loss) on Prop. Disposition	GPS	0	0	0	0	0	0	0	0	0	0
4111000	105152	Gain/Loss on Disposition	GPS	0	0	0	0	0	0	0	0	0	0
4101000	105165	Coal Mine Development	SE	0	0	0	0	0	0	0	0	0	0
4111000	105165	Coal Mine Development	SE	0	0	0	0	0	0	0	0	0	0
4101000	105170	Coal Mine Extension	SE	0	0	0	0	0	0	0	0	0	0
4111000	105170	Coal Mine Receding Face (Extension)	SE	0	0	0	0	0	0	0	0	0	0
4101000	105175	Removal Costs	GPS	0	0	0	0	0	0	0	0	0	0
4101000	105470	Book Gain/Loss on Land Sale	GPS	0	0	0	0	0	0	0	0	0	0
4101000	320210	190R&E Expense Sect174 Deduction	SO	0	0	0	0	0	0	0	0	0	0
4101000	-----	SO2 Emission Allowances	WA	0	3.4	0	0	3.4	0	0	0	0	0
4111000	-----	SO2 Emission Allowances	WA	0	3.4	0	0	3.4	0	0	0	0	0
4111000	-----	Removal of Colstrip #3	WA	0	5.6	0	0	5.6	0	0	0	0	0
4111000	-----	Malin Midpoint Adjustment	CAGW	0	7.4	0	0	7.4	0	0	0	0	0
Provision for Deferred Income Tax: PowerTax/Normalized				0		(525,562)		(525,562)		40,867		(484,695)	
4111000	100105	283FAS 109 Def Tax Liab WA-NUTIL	WA	0	7.5	0	0	7.5	0	0	0	0	0
4101000	105143	262Basis Intangible Difference	SO	0	0	0	0	0	0	0	0	0	0
4101000	105171	PMI Coal Mine Extension Costs	JBE	0	0	0	0	0	0	0	0	0	0
4111000	120105	Willow Wind Account Receivable	WA	0	0	0	0	0	0	0	0	0	0
4111000	145030	190Distribution O&M	SNPD	0	0	0	0	0	0	0	0	0	0
4101000	205411	190PMISec263A	JBE	0	0	0	0	0	0	0	0	0	0
4101000	210105	Self Insured Health Benefits	SO	0	8.5	19,880	19,880	19,880	(1,546)	18,334	0	18,334	0
4101000	210180	283Prepaid Membership Fees-EEI WSCC	SO	0	8.5	52,800	52,800	52,800	(4,106)	48,694	0	48,694	0
4101000	210200	283Prepaid Taxes-Property Taxes	GPS	0	8.5	131,605	131,605	131,605	(10,233)	121,373	0	121,373	0
4101000	220100	190Bad Debt Allowance	BADDEBT	0	0	0	0	0	0	0	0	0	0
4101000	320115	283INTERIM PROVISION_TOTAL REG ASSETS_LI	SO	0	0	0	0	0	0	0	0	0	0
4111000	320115	283INTERIM PROVISION_TOTAL REG ASSET_LIA	SO	0	0	0	0	0	0	0	0	0	0
4101000	320116	190REG LIABILITY	SO	0	0	0	0	0	0	0	0	0	0
4111000	320116	190REG LIABILITY	SO	0	0	0	0	0	0	0	0	0	0
4101000	415110	190DEF REG ASSET-TRANSM SVC DEPOSIT	SG	0	0	0	0	0	0	0	0	0	0
4111000	415300	283Hazardous Waste/Envir. Cleanup	SO	0	8.3	(5,933)	(5,933)	(5,933)	461	(5,472)	0	(5,472)	0
4101000	415301	283Hazardous Waste/Environmental-WA	WA	0	8.3	208,010	208,010	208,010	(16,174)	191,836	0	191,836	0
4111000	415301	190Hazardous Waste/Environmental-WA	WA	0	8.3	(224,611)	(224,611)	(224,611)	17,465	(207,146)	0	(207,146)	0
4111000	415510	283WA DISALLOWED COLSTRIP #3 WRITE-OFF	WA	0	5.6	(19,806)	(19,806)	(19,806)	1,540	(18,266)	0	(18,266)	0
4101000	415801	190CONTRA RTO GRID WEST N/R ALLOWANCE	CAGW	0	0	0	0	0	0	0	0	0	0
4111000	415803	RTO Grid West N/R Writeoff WA	WA	0	0	0	0	0	0	0	0	0	0
4111000	415850	Unrecovered Plant-Powerdale	CAGW	0	8.7	(118,651)	(118,651)	(118,651)	9,226	(109,425)	0	(109,425)	0
4111000	415873	Deferred Excess Net Power Costs - WA Hyd	WA	0	3.2	(627,345)	(627,345)	(627,345)	48,781	(578,564)	0	(578,564)	0
4101000	425110	190Tenant Lease Allow-PSU Call Cntr	CN	0	0	0	0	0	0	0	0	0	0
4101000	425215	283Unearned Joint Use Pole Contact Revnu	SNPD	0	0	0	0	0	0	0	0	0	0
4101000	425225	Duke/Hermiston Contract Renegotiation	CAGW	0	0	0	0	0	0	0	0	0	0
4111000	425260	283LAKEVIEW BUYOUT-SG	CAGW	0	8.5	(302)	(302)	(302)	23	(279)	0	(279)	0
4111000	425260	283JONES SETTLEMENT-SG	CAGW	0	8.5	(11,516)	(11,516)	(11,516)	895	(10,621)	0	(10,621)	0
4111000	425360	190Hermiston Swap	CAGW	0	8.5	(14,392)	(14,392)	(14,392)	1,119	(13,273)	0	(13,273)	0
4101000	430100	283Weatherization	SO	0	4.6	525,945	525,945	525,945	(40,897)	485,048	0	485,048	0
4101000	430110	Req Asset Balance Reclass	SO	0	0	0	0	0	0	0	0	0	0
4101000	505145	Misc. Non-Current Accrued Liability	SO	0	0	0	0	0	0	0	0	0	0
4101000	505150	190Misc Current and Accrued Liability-SO	SO	0	0	0	0	0	0	0	0	0	0
4111000	505400	190Bonus Liability	SO	0	0	0	0	0	0	0	0	0	0
4111000	505510	190PMIVacation Bonus	JBE	0	0	0	0	0	0	0	0	0	0
4101000	505600	190Vacation Sickleave & PT Accrual	SO	0	0	0	0	0	0	0	0	0	0
4101000	605100	190trojan Decommissioning Amort	TROJD	0	8.8	162,776	162,776	162,776	(12,657)	150,119	0	150,119	0
4111000	605100	283TROJAN DECOMMISSIONING AMORT	TROJD	0	8.8	(294,743)	(294,743)	(294,743)	22,919	(271,824)	0	(271,824)	0
4111000	610000	283PMI Development Costs	JBE	0	0	0	0	0	0	0	0	0	0
4101000	610100	283PMI AMORT DEVELOPMENT	JBE	0	0	0	0	0	0	0	0	0	0
4101000	6101001	190NOPA 103-99-00 RAR	SO	0	0	0	0	0	0	0	0	0	0
4101000	610111	283PMI SALE OF ASSETS	JBE	0	0	0	0	0	0	0	0	0	0
4101000	610114	PMI EITF Pre stripping Cost	JBE	0	0	0	0	0	0	0	0	0	0
4101000	610143	283Reg Liability-WA Low Energy Program	WA	0	3.2	130,443	130,443	130,443	(10,143)	120,300	0	120,300	0
4111000	610143	283Reg Liability-WA Low Energy Program	WA	0	3.2	(126,418)	(126,418)	(126,418)	9,830	(116,588)	0	(116,588)	0
4111000	705210	190Property Insurance	SO	0	0	0	0	0	0	0	0	0	0
4111000	705260	MEHC Transition Costs-WA	WA	0	4.8	(241,766)	(241,766)	(241,766)	18,799	(222,967)	0	(222,967)	0
4101000	715001	MCI Fogwire	SG	0	0	0	0	0	0	0	0	0	0
4101000	715800	190Redding Contract	CAGW	0	0	0	0	0	0	0	0	0	0
4101000	720200	190Deferred Compensation Payout	SO	0	0	0	0	0	0	0	0	0	0
4111000	720300	190Pension/Retirement (Accrued/Prepaid)	SO	0	0	0	0	0	0	0	0	0	0
4101000	720400	190SERP	SO	0	0	0	0	0	0	0	0	0	0
4111000	720400	190SERP - Cash Basis	SO	0	0	0	0	0	0	0	0	0	0
4101000	720500	190Severance	SO	0	0	0	0	0	0	0	0	0	0
4101000	720550	190Accrued CIC Severance	SO	0	4.8	23,614	23,614	23,614	(1,836)	21,778	0	21,778	0
4111000	740100	283Post Merger Debt Loss	SNP	0	0	0	0	0	0	0	0	0	0
4101000	910530	190Injuries & Damages	SO	0	0	0	0	0	0	0	0	0	0
4101000	910580	190Wasatch workers comp reserve	SO	0	0	0	0	0	0	0	0	0	0
4101000	910905	283PMI BCC Underground Mine Cost Deplet	JBE	0	0	0	0	0	0	0	0	0	0
4111000	910910	190PMISec 471 Adjustment	JBE	0	0	0	0	0	0	0	0	0	0
4101000	920100	BRIDGER COAL COMPANY EXTRACTION TAXES PA	JBE	0	0	0	0	0	0	0	0	0	0
4111000	920150	190FAS112 Book Reserve Postretirement Be	SO	0									

Exhibit No. (RBD-3)
 Tab B7

Exhibit No. (RF-6)
 Page 3 of 6

FERC Account	#	Book-Tax Difference Description	Allocation Factor	A		B		C = A + B		D = -(C * X)		E = C + D	
				Unadjusted	Adjustment	Adjusted	Remove State Tax	Adjusted	Adjusted				
4111000	105100	30% Capitalized Labor Costs	SO	(578,588)	0	(578,588)	44,990	(533,598)					
4110000	1051156	Flow-through-WA	WA	329,757	0	329,757	(25,641)	304,116					
4111000	1051156	Depreciation Flow-Through - WA	WA	(69,888)	0	(69,888)	5,434	(64,454)					
4111000	105120	Book Depreciation	SCHMDEXP	(16,085,130)	0	(16,085,130)	1,250,750	(14,834,380)					
4111000	105121	282DIT PMIDepreciation-Book	JBE	(1,240,064)	0	(1,240,064)	96,425	(1,143,639)					
4101000	105122	Repair Deduction	SG	3,900,673	0	3,900,673	(303,309)	3,597,364					
4101000	105123	Sec 481a Adj - Repair Deduction	SG	(200,062)	0	(200,062)	15,558	(184,524)					
4111000	105123	Sec 481a Adj - Repair Deduction	SG	(313,359)	0	(313,359)	24,366	(288,993)					
4101000	105125	Tax Depreciation	TAXDEPR	38,857,657	0	38,857,657	(3,021,500)	35,836,157					
4101000	105126	282DIT PMIDepreciation-Tax	JBE	2,039,389	0	2,039,389	(158,579)	1,880,810					
4111000	105130	CIAC	CIAC	(1,351,601)	0	(1,351,601)	105,098	(1,246,503)					
4101000	105137	Capitalized Depreciator	SO	140,296	0	140,296	(10,909)	129,387					
4111000	105140	Reimbursements/Highway Relocation	SNPD	(129,554)	0	(129,554)	10,074	(119,480)					
4101000	105141	AFUDC Debt	SNP	2,578,374	0	2,578,374	(200,490)	2,377,884					
4111000	105142	Avoided Costs	SNP	(2,197,929)	0	(2,197,929)	170,907	(2,027,022)					
4111000	105146	Capitalization of Test Energy	SG	(5,888)	0	(5,888)	458	(5,430)					
4101000	105152	Gain / (Loss) on Prop. Disposition	GPS	1,013,789	0	1,013,789	(78,830)	934,959					
4111000	105152	Gain/Loss on Disposition	GPS	(310,604)	0	(310,604)	24,152	(286,452)					
4101000	105165	Coal Mine Development	SE	13,131	0	13,131	(1,021)	12,110					
4111000	105165	Coal Mine Development	SE	(159)	0	(159)	12	(147)					
4101000	105170	Coal Mine Extension	SE	78,349	0	78,349	(6,092)	72,257					
4111000	105170	Coal Mine Receding Face (Extension)	SE	(29,180)	0	(29,180)	2,269	(26,911)					
4101000	105175	Removal Costs	GPS	1,451,241	0	1,451,241	(112,846)	1,338,395					
4101000	105470	Book Gain/Loss on Land Sale	GPS	30,301	0	30,301	(2,356)	27,945					
4101000	320210	190R&E Expense Sec174 Deduction	SO	256,623	0	256,623	(19,955)	236,668					
4101000	-----	SO2 Emission Allowances	WA	0	3.4	203,821	(15,849)	187,972					
4111000	-----	SO2 Emission Allowances	WA	0	3.4	(10,930)	850	(10,080)					
4111000	-----	Removal of Colstrip #3	WA	0	5.6	116,447	(9,055)	107,392					
4111000	-----	Main Midpoint Adjustment	CAGW	0	7.4	(291,667)	22,679	(268,988)					
Provision for Deferred Income Tax: PowerTax/Normalized				28,177,554	17,671	28,195,225	(2,192,410)	26,002,815					
4111000	100105	283FAS 109 Def Tax Liab WA-NUTIL	WA	(5,532,834)	7.5	5,532,834	0	1					
4101000	105143	262Basis Intangible Difference	SO	130,619	0	130,619	(10,157)	120,462					
4101000	105171	PMI Coal Mine Extension Costs	JBE	59,267	0	59,267	(4,600)	54,667					
4111000	120105	Willow Wind Account Receivable	WA	(39,930)	0	(39,930)	3,105	(36,825)					
4111000	145030	190Distribution O&M	SNPD	(17)	0	(17)	1	(16)					
4101000	205411	190PMISec263A	JBE	24,955	0	24,955	(1,940)	23,015					
4101000	210105	Self Insured Health Benefits	SO	19,880	0	19,880	(1,546)	18,334					
4101000	210180	283Prepaid Membership Fees-EEI WSSC	SO	52,800	0	52,800	(4,106)	48,694					
4101000	210200	283Prepaid Taxes-Property Taxes	GPS	131,606	0	131,606	(10,233)	121,373					
4101000	220100	190Bad Debt Allowance	BADDEBT	55,534	0	55,534	(4,318)	51,216					
4101000	320115	283INTERIM PROVISION_TOTAL REG ASSETS_LI	SO	1,382,606	0	1,382,606	(107,509)	1,275,097					
4111000	320115	283INTERIM PROVISION_TOTAL REG ASSET_LIA	SO	(1,028,154)	0	(1,028,154)	79,947	(948,207)					
4101000	320116	190REG LIABILITY	SO	42,391	0	42,391	(3,296)	39,095					
4111000	320116	190REG LIABILITY	SO	(396,845)	0	(396,845)	30,858	(365,987)					
4101000	415110	190DEF REG ASSET-TRANSM SVC DEPOSIT	SG	51,536	0	51,536	(4,007)	47,529					
4111000	415300	283Hazardous Waste/Envir. Cleanup	SO	(15,595)	0	(15,595)	1,213	(14,382)					
4101000	415301	283Hazardous Waste/Environmental-WA	WA	208,010	0	208,010	(16,174)	191,836					
4111000	415301	190Hazardous Waste/Environmental-WA	WA	(224,611)	0	(224,611)	17,465	(207,146)					
4111000	415510	283WA DISALLOWED COLSTRIP #3 WRITE-OFF	WA	(19,806)	0	(19,806)	1,540	(18,266)					
4101000	415801	190CONTRA RTO GRID WEST N/R ALLOWANCE	CAGW	4,457	0	4,457	(347)	4,110					
4111000	415803	RTO Grid West N/R Writeoff WA	WA	(17,815)	0	(17,815)	1,385	(16,430)					
4111000	415850	Unrecovered Plant-Powerdale	CAGW	(341,172)	0	(341,172)	26,529	(314,643)					
4111000	415873	Deferred Excess Net Power Costs - WA Hyd	WA	(627,345)	0	(627,345)	48,781	(578,564)					
4101000	425110	190Tenant Lease Allow-PSU Call Cntr	CN	1,624	0	1,624	(126)	1,498					
4101000	425215	283Unearned Joint Use Pole Contact Revnu	SNPD	4,519	0	4,519	(351)	4,168					
4101000	425225	Duke/Hermiston Contract Renegotiation	CAGW	63,273	0	63,273	(4,920)	58,353					
4111000	425260	283LAKEVIEW BUYOUT-SG	CAGW	(502)	0	(502)	23	(479)					
4111000	425260	283JONESTOWN SETTLEMENT-SG	CAGW	(11,516)	0	(11,516)	935	(10,621)					
4111000	425360	190Hermiston Swap	CAGW	(14,392)	0	(14,392)	1,119	(13,273)					
4101000	430100	283Weatherization	SO	525,945	0	525,945	(40,897)	485,048					
4101000	430110	Reg Asset Balance Reclass	SO	73,638	0	73,638	(5,726)	67,912					
4101000	505145	Misc. Non-Current Accrued Liability	SO	23,441	0	23,441	(1,823)	21,618					
4101000	505150	190Misc Current and Accrued Liability-SO	SO	51,898	0	51,898	(4,035)	47,863					
4111000	505400	190Bonus Liability	SO	(1,079)	0	(1,079)	84	(995)					
4111000	505510	190PMIVacation Bonus	JBE	(5,460)	0	(5,460)	425	(5,035)					
4101000	505600	190Vacation Sickleave & PT Accrual	SO	14,971	0	14,971	(1,164)	13,807					
4101000	605100	190Trojan Decommissioning Amort	TROJD	162,776	0	162,776	(12,657)	150,119					
4111000	605100	283TROJAN DECOMMISSIONING AMORT	TROJD	(294,743)	0	(294,743)	22,919	(271,824)					
4111000	610000	283PMI Development Costs	JBE	(360,218)	0	(360,218)	28,010	(332,208)					
4101000	610100	283PMI AMORT DEVELOPMENT	JBE	284,326	0	284,326	(22,109)	262,217					
4101000	6101001	190NOPA 103-99-00 RAR	SO	1,643	0	1,643	(128)	1,515					
4101000	610111	283PMI SALE OF ASSETS	JBE	150	0	150	(12)	138					
4101000	610114	PMI EITF Pre stripping Cost	JBE	17,925	0	17,925	(1,394)	16,531					
4101000	610143	283Reg Liability-WA Low Energy Program	WA	130,443	0	130,443	(10,143)	120,300					
4111000	610143	283Reg Liability-WA Low Energy Program	WA	(126,418)	0	(126,418)	9,830	(116,588)					
4111000	705210	190Property Insurance	SO	(3,080)	0	(3,080)	239	(2,841)					
4111000	705260	MEHC Transition Costs-WA	WA	(241,766)	0	(241,766)	18,799	(222,967)					
4101000	7151001	MCI Fogwire	SG	10	0	10	(1)	9					
4101000	715800	190Redding Contract	CAGW	46,102	0	46,102	(3,585)	42,517					
4101000	720200	190Deferred Compensation Payout	SO	4,778	0	4,778	(372)	4,406					
4111000	720300	190Pension/Retirement (Accrued/Prepaid)	SO	(1,797)	0	(1,797)	140	(1,657)					
4101000	720400	190SERP	SO	14,024	0	14,024	(1,090)	12,934					
4111000	720400	190SERP - Cash Basis	SO	(14,024)	0	(14,024)	1,090	(12,934)					
4101000	720500	190Severance	SO	6,552	0	6,552	(509)	6,043					
4101000	720500	190Accrued CIC Severance	SO	23,614	0	23,614	(1,836)	21,778					
4111000	740100	283Post Merger Debt Loss	SNP	(76,020)	0	(76,020)	5,911	(70,109)					
4101000	910530	190Injuries & Damages	SO	28,501	0	28,501	(2,216)	26,285					
4101000	910580	190Wasatch workers comp reserve	SO	7,195	0	7,195	(559)	6,636					
4101000	910905	283PMI BCC Underground Mine Cost Deplet	JBE	10,931	0	10,931	(850)	10,081					
4111000	910910	190PMISec 471 Adjustment	JBE	(42,239)	0								

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FERC Account	#	Book-Tax Difference	Allocation Factor	A		B		C = A + B		D = - (C * X)		E = C + D	
				Unadjusted	Adjusted	Unadjusted	Adjusted	Remove State Tax	Adjusted				
4111000	105100	30% Capitalized Labor Costs	SO	(578,588)	0	(578,588)	0	44,990	(533,598)				
4111000	1051156	Flow-Through-WA	WA	329,757	7.9	525,562	0	(66,508)	788,811				
4111000	1051156	Depreciation Flow-Through - WA	WA	(69,888)	0	(69,888)	0	5,434	(64,454)				
4111000	105120	Book Depreciation	SCHMDEXP	(16,085,130)	0	(16,085,130)	0	1,250,750	(14,834,380)				
4111000	105121	282DIT PMIDepreciation-Book	JBE	(1,240,064)	0	(1,240,064)	0	96,425	(1,143,639)				
4101000	105122	Repair Deduction	SG	3,900,673	0	3,900,673	0	(303,309)	3,597,364				
4101000	105123	Sec 481a Adj - Repair Deduction	SG	(200,062)	0	(200,062)	0	15,558	(184,524)				
4111000	105123	Sec 481a Adj - Repair Deduction	SG	(313,359)	0	(313,359)	0	24,366	(288,993)				
4101000	105125	Tax Depreciation	TAXDEPR	38,857,657	0	38,857,657	0	(3,021,500)	35,836,157				
4101000	105126	282DIT PMIDepreciation-Tax	JBE	2,039,389	0	2,039,389	0	(158,579)	1,880,810				
4111000	105130	CIAC	CIAC	(1,351,601)	0	(1,351,601)	0	105,098	(1,246,503)				
4101000	105137	Capitalized Depreciator	SO	140,296	0	140,296	0	(10,909)	129,387				
4111000	105140	Reimbursements/Highway Relocation	SNPD	(129,554)	0	(129,554)	0	10,074	(119,480)				
4101000	105141	AFUDC Debt	SNP	2,578,374	0	2,578,374	0	(200,490)	2,377,884				
4111000	105142	Avoided Costs	SNP	(2,197,929)	0	(2,197,929)	0	170,907	(2,027,022)				
4111000	105146	Capitalization of Test Energy	SG	(5,888)	0	(5,888)	0	458	(5,430)				
4101000	105152	Gain / (Loss) on Prop. Disposition	GPS	1,013,789	0	1,013,789	0	(78,830)	934,959				
4111000	105152	Gain/Loss on Disposition	GPS	(310,604)	0	(310,604)	0	24,152	(286,452)				
4101000	105165	Coal Mine Development	SE	13,131	0	13,131	0	(1,021)	12,110				
4111000	105165	Coal Mine Development	SE	(159)	0	(159)	0	12	(147)				
4101000	105170	Coal Mine Extension	SE	78,349	0	78,349	0	(6,092)	72,257				
4111000	105170	Coal Mine Receding Face (Extension)	SE	(29,180)	0	(29,180)	0	2,269	(26,911)				
4101000	105175	Removal Costs	GPS	1,451,241	0	1,451,241	0	(112,846)	1,338,395				
4101000	105470	Book Gain/Loss on Land Sale	GPS	30,301	0	30,301	0	(2,356)	27,945				
4101000	320210	190R&E Expense Sec174 Deduction	SO	296,623	0	296,623	0	(19,955)	276,668				
4101000	-----	SO2 Emission Allowances	WA	0	3.4	203,821	0	(15,849)	187,972				
4111000	-----	SO2 Emission Allowances	WA	0	3.4	(10,930)	0	850	(10,080)				
4111000	-----	Removal of Colstrip #3	WA	0	5.6	116,447	0	(9,055)	107,392				
4111000	-----	Main Midpoint Adjustment	CAGW	0	7.4	(291,667)	0	22,679	(268,988)				
Provision for Deferred Income Tax: PowerTax/Normalized					28,177,554	543,233	28,720,787	(2,233,277)	26,487,510				
4111000	100105	283FAS 109 Def Tax Liab WA-NUTIL	WA	(5,532,834)	7.5	5,532,834	0	0	0				
4101000	105143	282Basis Intangible Difference	SO	130,619	0	130,619	0	(10,157)	120,462				
4101000	105171	PMI Coal Mine Extension Costs	JBE	59,267	0	59,267	0	(4,608)	54,659				
4111000	120105	Willow Wind Account Receivable	WA	(39,930)	0	(39,930)	0	3,105	(36,825)				
4111000	145030	190Distribution O&M	SNPD	(17)	0	(17)	0	1	(16)				
4101000	205411	190PMISec263A	JBE	24,955	0	24,955	0	(1,940)	23,015				
4101000	210105	Self Insured Health Benefits	SO	19,880	8.5	(19,880)	0	0	0				
4101000	210180	283Prepaid Membership Fees-EEI WSSC	SO	52,800	8.5	(52,800)	0	0	0				
4101000	210200	283Prepaid Taxes-Property Taxes	GPS	131,606	8.5	(131,606)	0	0	0				
4101000	220100	190Bad Debt Allowance	BADDEBT	55,534	0	55,534	0	(4,318)	51,216				
4101000	320105	283INTERIM PROVISION_TOTAL REG ASSETS_LI	SO	1,382,606	0	1,382,606	0	(107,509)	1,275,097				
4111000	320115	283INTERIM PROVISION_TOTAL REG ASSET_LIA	SO	(1,028,154)	0	(1,028,154)	0	79,947	(948,207)				
4101000	320116	190REG LIABILITY	SO	42,391	0	42,391	0	(3,296)	39,095				
4111000	320116	190REG LIABILITY	SO	(396,845)	0	(396,845)	0	30,858	(365,987)				
4101000	415110	190DEF REG ASSET-TRANSM SVC DEPOSIT	SG	51,536	0	51,536	0	(4,007)	47,529				
4111000	415300	283Hazardous Waste/Envir. Cleanup	SO	(15,595)	8.3	5,933	0	(9,662)	751				
4101000	415301	283Hazardous Waste/Environmental-WA	WA	208,010	8.3	(208,010)	0	0	0				
4111000	415301	190Hazardous Waste/Environmental-WA	WA	(224,611)	8.3	224,611	0	0	0				
4111000	415510	283WA DISALLOWED COLSTRIP #3 WRITE-OFF	WA	(19,806)	5.6	19,806	0	0	0				
4101000	415801	190CONTRA RTO GRID WEST N/R ALLOWANCE	CAGW	4,457	0	4,457	0	(347)	4,110				
4111000	415803	RTO Grid West N/R Writeoff WA	WA	(17,815)	0	(17,815)	0	1,385	(16,430)				
4111000	415850	Unrecovered Plant-Powerdale	CAGW	(341,172)	8.7	118,651	0	(222,521)	17,303				
4111000	415873	Deferred Excess Net Power Costs - WA Hyd	WA	(627,345)	3.2	627,345	0	0	0				
4101000	425110	190Tenant Lease Allow-PSU Call Cntr	CN	1,624	0	1,624	0	(126)	1,498				
4101000	425215	283Unearned Joint Use Pole Contact Revnu	SNPD	4,519	0	4,519	0	(351)	4,168				
4101000	425225	Duke/Hermiston Contract Renegotiation	CAGW	63,273	0	63,273	0	(4,920)	58,353				
4111000	425260	283LAKEVIEW BUYOUT-SG	CAGW	(302)	8.5	302	0	0	0				
4111000	425260	283JONAS SETTLEMENT-SG	CAGW	(11,516)	8.5	11,516	0	0	0				
4111000	425360	190Hermiston Swap	CAGW	(14,392)	8.5	14,392	0	0	0				
4101000	430100	283Weatherization	SO	525,945	4.6	(525,945)	0	0	0				
4101000	430110	Reg Asset Balance Reclss	SO	73,638	0	73,638	0	(5,726)	67,912				
4101000	505145	Misc. Non-Current Accrued Liability	SO	23,441	0	23,441	0	(1,823)	21,618				
4101000	505150	190Misc Current and Accrued Liability-SO	SO	51,898	0	51,898	0	(4,035)	47,863				
4111000	505400	190Bonus Liability	SO	(1,079)	0	(1,079)	0	84	(995)				
4111000	505510	190PMIVacation Bonus	JBE	(5,460)	0	(5,460)	0	425	(5,035)				
4101000	505600	190Vacation Sickleave & PT Accrual	SO	14,971	0	14,971	0	(1,164)	13,807				
4101000	605100	190Trojan Decommissioning Amort	TROJD	162,776	8.8	(162,776)	0	0	0				
4111000	605100	283TROJAN DECOMMISSIONING AMORT	TROJD	(294,743)	8.8	294,743	0	0	0				
4111000	610000	283PMI Development Costs	JBE	(360,218)	0	(360,218)	0	28,010	(332,208)				
4101000	610100	283PMI AMORT DEVELOPMENT	JBE	284,326	0	284,326	0	(22,109)	262,217				
4101000	6101001	190NOPA 103-99-00 RAR	SO	1,643	0	1,643	0	(128)	1,515				
4101000	610111	283PMI SALE OF ASSETS	JBE	150	0	150	0	(12)	138				
4101000	610114	PMI EITF Pre stripping Cost	JBE	17,925	0	17,925	0	(1,394)	16,531				
4101000	610143	283Reg Liability-WA Low Energy Program	WA	130,443	3.2	(130,443)	0	0	0				
4111000	610143	283Reg Liability-WA Low Energy Program	WA	(125,418)	3.2	126,418	0	0	0				
4111000	705210	190Property Insurance	SO	(3,080)	0	(3,080)	0	239	(2,841)				
4111000	705260	MEHC Transition Costs-WA	WA	(241,766)	4.8	241,766	0	0	0				
4101000	7151001	MCI Fogwire	SG	10	0	10	0	(1)	9				
4101000	715800	190Redding Contract	CAGW	46,102	0	46,102	0	(3,585)	42,517				
4101000	720200	190Deferred Compensation Payout	SO	4,778	0	4,778	0	(372)	4,406				
4111000	720300	190Pension/Retirement (Accrued/Prepaid)	SO	(1,797)	0	(1,797)	0	140	(1,657)				
4101000	720400	190SERP	SO	14,024	0	14,024	0	(1,090)	12,934				
4111000	720400	190SERP - Cash Basis	SO	(14,024)	0	(14,024)	0	1,090	(12,934)				
4101000	720500	190Severance	SO	6,552	0	6,552	0	(509)	6,043				
4101000	720550	190Accrued CIC Severance	SO	23,614	4.8	(23,614)	0	0	0				
4111000	740100	283Post Merger Debt Loss	SNP	(76,020)	0	(76,020)	0	5,911	(70,109)				
4101000	910530	190Injuries & Damages	SO	28,501	0	28,501	0	(2,216)	26,285				
4101000	910580	190Wasatch workers comp reserve	SO	7,195	0	7,195	0	(559)	6,636				
4101000	910905	283PMI BCC Underground Mine Cost Deplet	JBE	10,931	0	10,931	0	(850)	10,081				
4111000	910910	190PMISec 471 Adjustment	JBE	(42,239)	0								

FERC Account	Book-Tax Difference		Allocation Factor	A		B		C = A + B
	#	Description		Unadjusted	Adjustments	Adjusted	Adjusted	
2821000	287008	ADIT - FEDERAL - PROPERTY, PLANT & EQUIP	SG	0	7.11	0	0	
2821000	287605	DTL PP&E Powertax	DITBAL	0	7.11	0	0	
1901000	287726	DTL PMI PP&E	JBE	0	0	0	0	
2831000	287726	DTL PMI PP&E	JBE	0	0	0	0	
2821000	-----	Accumulated Deferred Income Taxes - Property (WA)	WA	0	7.11	0	0	
2821000	-----	SO2 Emission Allowances	WA	0	3.4	0	0	
2821000	-----	Removal of Colstrip #3	CAGW	0	5.6	0	0	
2821000	-----	Malin Midpoint Adjustment	CAGW	0	7.4	0	0	
2821000	-----	Eliminate State Income Tax Expense	WA	0	7.8	0	0	
2821000	-----	Washington Flow-Through: Eliminate State Income Tax Exp.	WA	0	7.8	(20,433)	(20,433)	
2821000	-----	Washington Flow-Through	WA	0		262,781	262,781	
Rate Base Reduction for Accumulated Deferred Income Tax: PowerTax/Normalized				0	242,348	242,348	242,348	
1901000	287203	DTA for AMT Tax	SO	0	7.2	349,402	349,402	
1901000	287289	DTA 425.130 Rogue River-Habitat Enhancem	CAGW	0	0	0	0	
1901000	287290	DTA 425.150 Lewis River- LWD Fund Liabil	CAGW	0	0	0	0	
1901000	287302	DTA-610.114 PMI EITF 04-06 PRE STRIPPING	JBE	0	0	0	0	
1901000	287310	DTA 705.210 Property Insurance(Injuries	SO	0	0	0	0	
1901000	287323	DTA 505.400 Bonus Liab. Elec.-Cash Basis	SO	0	0	0	0	
1901000	287324	DTA 720.200 Deferred Comp. Accrual - Cas	SO	0	0	0	0	
1901000	287326	DTA 720.500 Severance Accrual - Cash Ba	SO	0	0	0	0	
1901000	287327	DTA 720.300 Pension/Retirement Accrual -	SO	0	0	0	0	
1901000	287329	DTA 720.400 SERP Accrual - Cash Basis	SO	0	0	0	0	
1901000	287332	DTA 505.600 Vacation Accrual-Cash Basis	SO	0	0	0	0	
1901000	287337	DTA 715.100 MCI F.O.G. WIRE LEASE	SG	0	0	0	0	
1901000	287338	DTA415.110 Def Reg Asset-Transmission Sr	SG	0	0	0	0	
1901000	287340	DTA 220.100 Bad Debts Allowance - Cash B	BADDEBT	0	0	0	0	
1901000	287341	DTA 910.530 Injuries & Damages Accrual -	SO	0	0	0	0	
1901000	287344	DTA 715.800 Redding Contract - Prepaid	CAGW	0	0	0	0	
1901000	287345	DTA 145.030 Distribution O&M Amort of Wr	SNPD	0	0	0	0	
1901000	287354	DTA 505.140 MISC CURRENT & ACCRUED LIAB	SO	0	0	0	0	
1901000	287357	DTA 715.350 OTHER ENVIRONMENTAL LIABILI	SO	0	0	0	0	
1901000	287360	DTA 425.700 Special Assessment - DOE	TROJD	0	0	0	0	
1901000	287364	DTA 910.670 Merger Cost Amort	SO	0	0	0	0	
1901000	287373	DTA 910.580 Wasach workers comp reserve	SO	0	0	0	0	
1901000	287393	DTA 425.110 TENANT LEASE ALLOW - PSU CAL	CN	0	0	0	0	
1901000	287396	DTA425.110 Tenant Lease Allowances	SO	0	7.2	(76,958)	(76,958)	
1901000	287399	DTA 920.150 FAS 112	SO	0	0	0	0	
1901000	287402	DTA 415.801 CONTRA G	SG	0	0	0	0	
1901000	287413	DTA 720.550 ACCRUED CIC SEVERANCE	SO	0	4.8	21,904	21,904	
1901000	287415	DTA 205.200 M&S INV	SE	0	0	0	0	
1901000	287429	DTA 425.225 Duke Contract Novation	CAGW	0	0	0	0	
1901000	287433	DTA 425.295 BPA CONSERVATION DISCOUNT	CAEW	0	0	0	0	
1901000	287441	DTA 605.100 Trojan Decom Cost-Regulatory	TROJD	0	8.8	134,363	134,363	
1901000	287454	DTA 415.310 ENVN WA	WA	0	8.3	43,335	43,335	
1901000	287456	DTA 920.160 STOCK INCENTIVE PLAN	SO	0	0	0	0	
1901000	287457	DTA 920.170 EXEC STOCK OPTION PLAN	SO	0	0	0	0	
1901000	287467	DTA 210.105 Self Ins	SO	0	8.5	19,051	19,051	
1901000	287483	DTA 120.105 Willow Wind Account Receivab	WA	0	0	0	0	
1901000	287499	DTA - PMI Def Tax	SE	0	0	0	0	
2831000	287573	DTL 415.873 Deferred Excess NPC-WA Hydro	WA	0	3.2	(2,257,541)	(2,257,541)	
2831000	287576	DTL 415.822 RgAst UT	SO	0	0	0	0	
2831000	287582	DTL 415.825 Contra Pensn Req Asset CTG_W	WA	0	0	0	0	
2831000	287591	DTL 415.301 Environmental Clean-up Accr	WA	0	8.3	165,366	165,366	
2831000	287613	DTL 605.100 Trojan Decommissioning Costs	TROJD	0	8.8	33,912	33,912	
2831000	287614	DTL 430.100 Weatherization	SO	0	4.6	(472,406)	(472,406)	
2831000	287616	DTL Interim provision reg assets/Liabil	SO	0	7.2	710,431	710,431	
2831000	287634	DTL 415.300 Environmental Clean-up Accru	SG	0	8.3	(314,644)	(314,644)	
2831000	287639	DTL 415.510 WA Disallowed Colstrip 3-Wri	WA	0	5.6	(238,507)	(238,507)	
2831000	287650	DTL 205.100 Coal Pile Inventory Adjustme	SE	0	0	0	0	
2831000	287654	DTL 425.260 Lakeview Buyout	CAGW	0	8.5	(290)	(290)	
2831000	287656	DTL 425.280 Joseph Settlement	CAGW	0	8.5	(104,120)	(104,120)	
2831000	287661	DTL 425.360 Hermiston Swap	CAGW	0	8.5	(396,374)	(396,374)	
2831000	287669	DTL 210.180 PRE MEM	SO	0	8.5	(67,931)	(67,931)	
2831000	287675	DTL 740.100 Post Merger Loss-Reacq Debt	SNP	0	0	0	0	
1901000	287681	DTL 920.110 BRIDGER EXTRACTION TAXES PAY	JBE	0	0	0	0	
2831000	287681	DTL 920.110 Bridger Extraction Taxes Pay	JBE	0	0	0	0	
2821000	287692	DTL 610.005N Sec 17	SO	0	0	0	0	
2820000	287704	DTL 105.143/165 Basis Diff - Intangibles	SO	0	0	0	0	
1901000	287706	DTL 610.100 COAL MINE DEVT PMI	JBE	0	0	0	0	
2831000	287706	DTL 610.100 COAL MINE DEVT PMI	JBE	0	0	0	0	
2831000	287708	DTL 210.200 PREPAID PROPERTY TAXES	GPS	0	8.5	(1,147,777)	(1,147,777)	
1901000	287719	DTL 910.910 PMI Sec. 471 Inv Adj	SE	0	7.2	(2,402)	(2,402)	
2831000	287719	DTL 910.910 PMI SEC. 471 INV ADJ	JBE	0	0	0	0	
1901000	287720	DTL 610.100 PMI DEVT COST AMORT	JBE	0	0	0	0	
2831000	287720	DTL 610.100 PMI DEVT COST AMORT	JBE	0	0	0	0	
1901000	287721	DTL 610.115 PMI OVERBURDEN REMOVAL	JBE	0	0	0	0	
2831000	287721	DTL 610.115 PMI OVERBURDEN REMOVAL	JBE	0	0	0	0	
1901000	287722	DTL 505.510 PMI VAC ACCRUAL	JBE	0	0	0	0	
2831000	287722	DTL 505.510 PMI VAC ACCRUAL	JBE	0	0	0	0	
1901000	287723	DTL 205.411 PMI SEC. 263A	JBE	0	0	0	0	
2831000	287723	DTL 205.411 PMI SEC. 263A	JBE	0	0	0	0	
1901000	287725	DTL 920.100 PMI RECLAMATION TRUST EARN	JBE	0	0	0	0	
2831000	287725	DTL 920.100 PMI RECLAMATION TRUST EARN	JBE	0	7.2	4,212,054	4,212,054	
2831000	287728	DTL 415.800 GRID WST	SG	0	0	0	0	
2831000	287730	DTL 610.143 WA LOW ENERGY PROGRAM	WA	0	3.2	(14,559)	(14,559)	
1901000	287735	DTL 910.905 PMI COST DEPLETION	JBE	0	0	0	0	
2831000	287735	DTL 910.905 PMI Cost Depletion	JBE	0	0	0	0	
2831000	287737	DTL 415.803 RTO Grid West N/R-W/O-WA	WA	0	0	0	0	
2831000	287762	DTL 705.260 Reg Asset	WA	0	4.8	(352,575)	(352,575)	
2831000	287763	DTL 715.720 NW Power	WA	0	3.2	(479,232)	(479,232)	
2821000	287765	DTL 610.095N Roll	SO	0	0	0	0	
2821000	287766	DTL 610.100N Amort	SO	0	0	0	0	
2831000	287779	DTL 415.850 Unrec Pitt	CAGW	0	8.7	(386,866)	(386,866)	
2821000	287785	DTL 105.144 Sec 1031 Exchange - CWIP	SO	0	0	0	0	
2831000	287990	DTL - PMI Def Tax	SE	0	0	0	0	
1901000	-----	DTL 910.910 PMI Sec. 471 Inv Adj	JBE	0	7.2	6,501	6,501	
2831000	-----	Chehalis Reg Asset	WA	0	8.10	6,261,915	6,261,915	
2831000	-----	Eliminate State Income Tax Expense	WA	0	7.8	17,023	17,023	
2831000	-----	Washington Flow-Through	WA	0	NEW	(4,573,495)	(4,573,495)	
Rate Base Reduction for Accumulated Deferred Income Tax: Other				0	1,089,580	1,089,580	1,089,580	
Total Rate Base Reduction for Accumulated Deferred Income Tax				0	1,331,928	1,331,928	1,331,928	

FERC Account	Book-Tax Difference		Allocation Factor	C = A + B		
	#	Description		A Unadjusted	B Adjustments	A + B Adjusted
2821000	287008	ADIT - FEDERAL - PROPERTY, PLANT & EQUIP	SG	(336,597)	7.11 336,597	0
2821000	287605	DTL PP&E Powertax	DITBAL	(127,926,774)	7.11 127,926,774	0
1901000	287726	DTL PMI PP&E	JBE	(242,470)		(242,470)
2831000	287726	DTL PMI PP&E	JBE	(4,637,234)		(4,637,234)
2821000	-----	Accumulated Deferred Income Taxes - Property (WA)	WA	0	7.11 (138,136,570)	(138,136,570)
2821000	-----	SO2 Emission Allowances	WA	0	3.4 1,600,912	1,600,912
2821000	-----	Removal of Colstrip #3	CAGW	0	5.6 1,572,142	1,572,142
2821000	-----	Malin Midpoint Adjustment	CAGW	0	7.4 (510,417)	(510,417)
2821000	-----	Eliminate State Income Tax Expense	WA	0	7.8 1,096,205	1,096,205
2821000	-----	Washington Flow-Through: Eliminate State Income Tax Exp.	WA	0		0
2821000	-----	Washington Flow-Through	WA	0		0
Rate Base Reduction for Accumulated Deferred Income Tax: PowerTax/Normalized				(133,143,075)	(6,114,357)	(139,257,432)
1901000	287203	DTA for AMT Tax	SO	349,402		349,402
1901000	287289	DTA 425.130 Rogue River-Habitat Enhancem	CAGW	1,763		1,763
1901000	287290	DTA 425.150 Lewis River- LWD Fund Liabil	CAGW	12,283		12,283
1901000	287302	DTA-610.114 PMI EITF 04-06 PRE STRIPPING	JBE	60,968		60,968
1901000	287310	DTA 705.210 Property Insurance(Injuries)	SO	128		128
1901000	287323	DTA 505.400 Bonus Liab. Elec.-Cash Basis	SO	115,247		115,247
1901000	287324	DTA 720.200 Deferred Comp. Accrual - Cas	SO	328,309		328,309
1901000	287326	DTA 720.500 Severance Accrual - Cash Ba	SO	21,769		21,769
1901000	287327	DTA 720.300 Pension/Retirement Accrual -	SO	67,645		67,645
1901000	287329	DTA 720.400 SERP Accrual - Cash Basis	SO	(6,687)		(6,687)
1901000	287332	DTA 505.600 Vacation Accrual-Cash Basis	SO	1,030,739		1,030,739
1901000	287337	DTA 715.100 MCI F.O.G. WIRE LEASE	SG	17,562		17,562
1901000	287338	DTA415.110 Def Reg Asset-Transmission Sr	SG	108,969		108,969
1901000	287340	DTA 220.100 Bad Debts Allowance - Cash B	BADDEBT	398,515		398,515
1901000	287341	DTA 910.530 Injuries & Damages Accrual -	SO	237,847		237,847
1901000	287344	DTA 715.800 Redding Contract - Prepaid	CAGW	320,802		320,802
1901000	287345	DTA 145.030 Distribution O&M Amort of Wr	SNPD	46,748		46,748
1901000	287354	DTA 505.140 MISC CURRENT & ACCRUED LIAB	SO	555,303		555,303
1901000	287357	DTA 715.350 OTHER ENVIRONMENTAL LIABILI	SO	161,473		161,473
1901000	287360	DTA 425.700 Special Assessment - DOE	TROJD	6		6
1901000	287364	DTA 910.670 Merger Cost Amort	SO	28,884		28,884
1901000	287373	DTA 910.580 Wasach workers comp reserve	SO	127,380		127,380
1901000	287393	DTA 425.110 TENANT LEASE ALLOW - PSU CAL	CN	6,201		6,201
1901000	287396	DTA425.110 Tenant Lease Allowances	SO	(76,958)		(76,958)
1901000	287399	DTA 920.150 FAS 112	SO	264,622		264,622
1901000	287402	DTA 415.801 CONTRA G	SG	1,603		1,603
1901000	287413	DTA 720.550 ACCRUED CIC SEVERANCE	SO	21,904		21,904
1901000	287415	DTA 205.200 M&S INV	SE	281,830		281,830
1901000	287429	DTA 425.225 Duke Contract Novation	CAGW	158,181		158,181
1901000	287433	DTA 425.295 BPA CONSERVATION DISCOUNT	CAEW	58,496		58,496
1901000	287441	DTA 605.100 Trojan Decom Cost-Regulatory	TROJD	134,363		134,363
1901000	287454	DTA 415.310 ENVN WA	WA	43,335		43,335
1901000	287456	DTA 920.160 STOCK INCENTIVE PLAN	SO	75,104		75,104
1901000	287457	DTA 920.170 EXEC STOCK OPTION PLAN	SO	52,318		52,318
1901000	287467	DTA 210.105 Self Ins	SO	19,051		19,051
1901000	287483	DTA 120.105 Willow Wind Account Receivab	WA	1,664		1,664
1901000	287499	DTA - PMI Def Tax	SE	163,316		163,316
2831000	287573	DTL 415.873 Deferred Excess NPC-WA Hydro	WA	(2,257,541)		(2,257,541)
2831000	287576	DTL 415.822 RgAst UT	SO	(57,865)		(57,865)
2831000	287582	DTL 415.825 Contra Pensn Req Asset CTG_W	WA	1,187,206		1,187,206
2831000	287591	DTL 415.301 Environmental Clean-up Acrrl	WA	165,366		165,366
2831000	287613	DTL 605.100 Trojan Decommissioning Costs	TROJD	33,912		33,912
2831000	287614	DTL 430.100 Weatherization	SO	(472,406)		(472,406)
2831000	287616	DTL Interim provision reg assets/Liabil	SO	710,431		710,431
2831000	287634	DTL 415.300 Environmental Clean-up Accru	SG	(361,534)		(361,534)
2831000	287639	DTL 415.510 WA Disallowed Colstrip 3-Wri	WA	(238,507)		(238,507)
2831000	287650	DTL 205.100 Coal Pile Inventory Adjustme	SE	(56,228)		(56,228)
2831000	287654	DTL 425.260 Lakeview Buyout	CAGW	(290)		(290)
2831000	287656	DTL 425.280 Joseph Settlement	CAGW	(104,120)		(104,120)
2831000	287661	DTL 425.360 Hermiston Swap	CAGW	(396,374)		(396,374)
2831000	287669	DTL 210.180 PRE MEM	SO	(67,930)		(67,930)
2831000	287675	DTL 740.100 Post Merger Loss-Reacq Debt	SNP	(452,731)		(452,731)
1901000	287681	DTL 920.110 BRIDGER EXTRACTION TAXES PAY	JBE	19,301		19,301
2831000	287681	DTL 920.110 Bridger Extraction Taxes Pay	JBE	451,294		451,294
2821000	287692	DTL 610.005N Sec 17	SO	58,730		58,730
2820000	287704	DTL 105.143/165 Basis Diff - Intangibles	SO	(409,536)		(409,536)
1901000	287706	DTL 610.100 COAL MINE DEVT PMI	JBE	16,312		16,312
2831000	287706	DTL 610.100 COAL MINE DEVT PMI	JBE	16,401		16,401
2831000	287708	DTL 210.200 PREPAID PROPERTY TAXES	GPS	(1,147,777)		(1,147,777)
1901000	287719	DTL 910.910 PMI Sec. 471 Inv Adj	SE	(2,402)		(2,402)
2831000	287719	DTL 910.910 PMI SEC. 471 INV ADJ	JBE	(104,731)		(104,731)
1901000	287720	DTL 610.100 PMI DEVT COST AMORT	JBE	(12,734)		(12,734)
2831000	287720	DTL 610.100 PMI DEVT COST AMORT	JBE	(3,010)		(3,010)
1901000	287721	DTL 610.115 PMI OVERBURDEN REMOVAL	JBE	1,863		1,863
2831000	287721	DTL 610.115 PMI OVERBURDEN REMOVAL	JBE	42,857		42,857
1901000	287722	DTL 505.510 PMI VAC ACCRUAL	JBE	2,701		2,701
2831000	287722	DTL 505.510 PMI VAC ACCRUAL	JBE	57,914		57,914
1901000	287723	DTL 205.411 PMI SEC. 263A	JBE	18,032		18,032
2831000	287723	DTL 205.411 PMI SEC. 263A	JBE	354,365		354,365
1901000	287725	DTL 920.100 PMI RECLAMATION TRUST EARN	JBE	176,229		176,229
2831000	287725	DTL 920.100 PMI RECLAMATION TRUST EARN	JBE	4,212,054		4,212,054
2831000	287728	DTL 415.800 GRID WST	SG	8,555		8,555
2831000	287730	DTL 610.143 WA LOW ENERGY PROGRAM	WA	(14,559)		(14,559)
1901000	287735	DTL 910.905 PMI COST DEPLETION	JBE	(1,747)		(1,747)
2831000	287735	DTL 910.905 PMI Cost Depletion	JBE	(29,955)		(29,955)
2831000	287737	DTL 415.803 RTO Grid West N/R-W/O-WA	WA	(43,794)		(43,794)
2831000	287762	DTL 705.260 Reg Asset	WA	(352,575)		(352,575)
2831000	287763	DTL 715.720 NW Power	WA	(479,232)		(479,232)
2821000	287765	DTL 610.095N Roll	SO	(434,249)		(434,249)
2821000	287766	DTL 610.100N Amort	SO	16,253		16,253
2831000	287779	DTL 415.850 Unrec Pitt	CAGW	(498,128)		(498,128)
2821000	287785	DTL 105.144 Sec 1031 Exchange - CWIP	SO	(3,095)		(3,095)
2831000	287990	DTL - PMI Def Tax	SE	(163,316)		(163,316)
1901000	-----	DTL 910.910 PMI Sec. 471 Inv Adj	JBE	0		0
2831000	-----	Chehalis Reg Asset	WA	0		0
2831000	-----	Eliminate State Income Tax Expense	WA	0		0
2831000	-----	Washington Flow-Through	WA	0	NEW (4,573,495)	(4,573,495)
Rate Base Reduction for Accumulated Deferred Income Tax: Other				4,573,495	(4,573,495)	0
Total Rate Base Reduction for Accumulated Deferred Income Tax				(128,569,580)	(10,687,852)	(139,257,432)

FERC Account	Book-Tax Difference		Allocation Factor	C = A + B		
	#	Description		A	B	Adjusted
2821000	287008	ADIT - FEDERAL - PROPERTY, PLANT & EQUIP	SG	(336,597)	7.11	336,597
2821000	287605	DTL PP&E Powertax	DITBAL	(127,926,774)	7.11	127,926,774
1901000	287726	DTL PMI PP&E	JBE	(242,470)		(242,470)
2831000	287726	DTL PMI PP&E	JBE	(4,637,234)		(4,637,234)
2821000	-----	Accumulated Deferred Income Taxes - Property (WA)	WA	0	7.11	(138,136,570)
2821000	-----	SO2 Emission Allowances	WA	0	3.4	1,600,912
2821000	-----	Removal of Colstrip #3	CAGW	0	5.6	1,572,142
2821000	-----	Malin Midpoint Adjustment	CAGW	0	7.4	(510,417)
2821000	-----	Eliminate State Income Tax Expense	WA	0	7.8	1,096,205
2821000	-----	Washington Flow-Through: Eliminate State Income Tax Exp.	WA	0	7.8	20,433
2821000	-----	Washington Flow-Through	WA	0	7.9	(262,781)
Rate Base Reduction for Accumulated Deferred Income Tax: PowerTax/Normalized				(133,143,075)		(6,356,705)
1901000	287203	DTA for AMT Tax	SO	349,402	7.2	(349,402)
1901000	287289	DTA 425.130 Rogue River-Habitat Enhancem	CAGW	1,763		1,763
1901000	287290	DTA 425.150 Lewis River- LWD Fund Liabil	CAGW	12,283		12,283
1901000	287302	DTA-610.114 PMI EITF 04-06 PRE STRIPPING	JBE	60,968		60,968
1901000	287310	DTA 705.210 Property Insurance/Injuries	SO	128		128
1901000	287323	DTA 505.400 Bonus Liab. Elec.-Cash Basis	SO	115,247		115,247
1901000	287324	DTA 720.200 Deferred Comp. Accrual - Cas	SO	328,309		328,309
1901000	287326	DTA 720.500 Severance Accrual - Cash Ba	SO	21,769		21,769
1901000	287327	DTA 720.300 Pension/Retirement Accrual -	SO	67,645		67,645
1901000	287329	DTA 720.400 SERP Accrual - Cash Basis	SO	(6,687)		(6,687)
1901000	287332	DTA 505.600 Vacation Accrual-Cash Basis	SO	1,030,739		1,030,739
1901000	287337	DTA 715.100 MCI F.O.G. WIRE LEASE	SG	17,562		17,562
1901000	287338	DTA415.110 Def Reg Asset-Transmission Sr	SG	108,969		108,969
1901000	287340	DTA 220.100 Bad Debts Allowance - Cash B	BADDEBT	398,515		398,515
1901000	287341	DTA 910.530 Injuries & Damages Accrual -	SO	237,847		237,847
1901000	287344	DTA 715.800 Redding Contract - Prepaid	CAGW	320,802		320,802
1901000	287345	DTA 145.030 Distribution O&M Amort of Wr	SNPD	46,748		46,748
1901000	287354	DTA 505.140 MISC CURRENT & ACCRUED LIAB	SO	555,303		555,303
1901000	287357	DTA 715.350 OTHER ENVIRONMENTAL LIABILI	SO	161,473		161,473
1901000	287360	DTA 425.700 Special Assessment - DOE	TROJD	6		6
1901000	287364	DTA 910.670 Merger Cost Amort	SO	28,884		28,884
1901000	287373	DTA 910.580 Wasach workers comp reserve	SO	127,380		127,380
1901000	287393	DTA 425.110 TENANT LEASE ALLOW - PSU CAL	CN	6,201		6,201
1901000	287396	DTA425.110 Tenant Lease Allowances	SO	(76,958)	7.2	76,958
1901000	287399	DTA 920.150 FAS 112	SO	264,622		264,622
1901000	287402	DTA 415.801 CONTRA G	SG	1,603		1,603
1901000	287413	DTA 720.550 ACCRUED CIC SEVERANCE	SO	21,904	4.8	(21,904)
1901000	287415	DTA 205.200 M&S INV	SE	281,830		281,830
1901000	287429	DTA 425.225 Duke Contract Novation	CAGW	158,181		158,181
1901000	287433	DTA 425.295 BPA CONSERVATION DISCOUNT	CAEW	58,496		58,496
1901000	287441	DTA 605.100 Trojan Decom Cost-Regulatory	TROJD	134,363	8.8	(134,363)
1901000	287454	DTA 415.310 ENVN WA	WA	43,335	8.3	(43,335)
1901000	287456	DTA 920.160 STOCK INCENTIVE PLAN	SO	75,104		75,104
1901000	287457	DTA 920.170 EXEC STOCK OPTION PLAN	SO	52,318		52,318
1901000	287467	DTA 210.105 Self Ins	SO	19,051	8.5	(19,051)
1901000	287483	DTA 120.105 Willow Wind Account Receivab	WA	1,664		1,664
1901000	287499	DTA - PMI Def Tax	SE	163,316		163,316
2831000	287573	DTL 415.873 Deferred Excess NPC-WA Hydro	WA	(2,257,541)	3.2	2,257,541
2831000	287576	DTL 415.822 RgAst UT	SO	(57,865)		(57,865)
2831000	287582	DTL 415.825 Contra Pensn Req Asset CTG_W	WA	1,187,206		1,187,206
2831000	287591	DTL 415.301 Environmental Clean-up Accr	WA	165,366	8.3	(165,366)
2831000	287613	DTL 605.100 Trojan Decommissioning Costs	TROJD	33,912	8.8	(33,912)
2831000	287614	DTL 430.100 Weatherization	SO	(472,406)	4.6	472,406
2831000	287616	DTL Interim provision reg assets/Liabil	SO	710,431	7.2	(710,431)
2831000	287634	DTL 415.300 Environmental Clean-up Accru	SG	(361,534)	8.3	314,644
2831000	287639	DTL 415.510 WA Disallowed Colstrip 3-Wri	WA	(238,507)	5.6	238,507
2831000	287650	DTL 205.100 Coal Pile Inventory Adjustme	SE	(56,228)		(56,228)
2831000	287654	DTL 425.260 Lakeview Buyout	CAGW	(290)	8.5	290
2831000	287656	DTL 425.280 Joseph Settlement	CAGW	(104,120)	8.5	104,120
2831000	287661	DTL 425.360 Hermiston Swap	CAGW	(396,374)	8.5	396,374
2831000	287669	DTL 210.180 PRE MEM	SO	(67,930)	8.5	67,931
2831000	287675	DTL 740.100 Post Merger Loss-Reacq Debt	SNP	(452,731)		(452,731)
1901000	287681	DTL 920.110 BRIDGER EXTRACTION TAXES PAY	JBE	19,301		19,301
2831000	287681	DTL 920.110 Bridger Extraction Taxes Pay	JBE	451,294		451,294
2821000	287692	DTL 610.005N Sec 17	SO	58,730		58,730
2820000	287704	DTL 105.143/165 Basis Diff - Intangibles	SO	(409,536)		(409,536)
1901000	287706	DTL 610.100 COAL MINE DEVT PMI	JBE	16,312		16,312
2831000	287706	DTL 610.100 COAL MINE DEVT PMI	JBE	16,401		16,401
2831000	287708	DTL 210.200 PREPAID PROPERTY TAXES	GPS	(1,147,777)	8.5	1,147,777
1901000	287719	DTL 910.910 PMI Sec. 471 Inv Adj	SE	(2,402)	7.2	2,402
2831000	287719	DTL 910.910 PMI SEC. 471 INV ADJ	JBE	(104,731)		(104,731)
1901000	287720	DTL 610.100 PMI DEVT COST AMORT	JBE	(12,734)		(12,734)
2831000	287720	DTL 610.100 PMI DEVT COST AMORT	JBE	(3,010)		(3,010)
1901000	287721	DTL 610.115 PMI OVERBURDEN REMOVAL	JBE	1,863		1,863
2831000	287721	DTL 610.115 PMI OVERBURDEN REMOVAL	JBE	42,857		42,857
1901000	287722	DTL 505.510 PMI VAC ACCRUAL	JBE	2,701		2,701
2831000	287722	DTL 505.510 PMI VAC ACCRUAL	JBE	57,914		57,914
1901000	287723	DTL 205.411 PMI SEC. 263A	JBE	18,032		18,032
2831000	287723	DTL 205.411 PMI SEC. 263A	JBE	354,365		354,365
1901000	287725	DTL 920.100 PMI RECLAMATION TRUST EARN	JBE	176,229		176,229
2831000	287725	DTL 920.100 PMI RECLAMATION TRUST EARN	JBE	4,212,054	7.2	(4,212,054)
2831000	287728	DTL 415.800 GRID WST	SG	8,555		8,555
2831000	287730	DTL 610.143 WA LOW ENERGY PROGRAM	WA	(14,559)	3.2	14,559
1901000	287735	DTL 910.905 PMI COST DEPLETION	JBE	(1,747)		(1,747)
2831000	287735	DTL 910.905 PMI Cost Depletion	JBE	(29,955)		(29,955)
2831000	287737	DTL 415.803 RTO Grid West N/R-W/O-WA	WA	(43,794)		(43,794)
2831000	287762	DTL 705.260 Reg Asset	WA	(352,575)	4.8	352,575
2831000	287763	DTL 715.720 NW Power	WA	(479,232)	3.2	479,232
2821000	287765	DTL 610.095N Roll	SO	(434,249)		(434,249)
2821000	287766	DTL 610.100N Amort	SO	16,253		16,253
2831000	287779	DTL 415.850 Unrec Pitt	CAGW	(498,128)	8.7	386,866
2821000	287785	DTL 105.144 Sec 1031 Exchange - CWIP	SO	(3,095)		(3,095)
2831000	287990	DTL - PMI Def Tax	SE	(163,316)		(163,316)
1901000	-----	DTL 910.910 PMI Sec. 471 Inv Adj	JBE	0	7.2	(6,501)
2831000	-----	Chehalis Reg Asset	WA	0	8.10	(6,261,915)
2831000	-----	Eliminate State Income Tax Expense	WA	0	7.8	(17,023)
2831000	-----	Washington Flow-Through	WA	0		0
Rate Base Reduction for Accumulated Deferred Income Tax: Other				4,573,495		(5,663,075)
Total Rate Base Reduction for Accumulated Deferred Income Tax				(128,569,580)		(12,019,780)
						(140,589,360)

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%	(21,904)	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**

PAGE 7.4

	<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

	<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 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
							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 the AMA methodology used in reporting the base period data.

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

	ACCOUNT	Type	TOTAL COMPANY	FACTOR	FACTOR %	WASHINGTON ALLOCATED	REF#
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

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustments to Tax:							
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	SCHMAT	PRO	(4,070,159)	CAGW	22.087%	(898,979)	8.7.6
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	SCHMAT	PRO	2,654,642	CAGW	22.087%	586,333	
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.