Exhibit No. BGM-3 Revised (4.1.16) Docket UE-152253 Witness: Bradley G. Mullins

BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	
Complainant,	
v.	DOCKET UE-152253
PACIFIC POWER & LIGHT COMPANY,	
Respondent.	

EXHIBIT NO. BGM-3 REVISED

FIRST RATE PERIOD REVENUE REQUIREMENT CALCULATIONS

TABLE PROVIDED IN RESPONSE TO BENCH REQUEST NO. 2

Line	Adj. No.	Description	NOI	Rate Base	Rev. Req.	Note	
1		Unadjusted Results	\$ 53,650,957	\$ 781,321,066	\$ 5,459,220		
2	3.1	Temperature Normalization	(571,522)	-	921,602		
3	3.2	Revenue Normalizing	(5,477,991)	_	8,833,475		
4	3.3	Effective Price Change	5,273,123	_	(8,503,117)		
5	3.4	SO2 Emission Allowances	1,855	(1,645)	(3,184)		
6	3.5	Renewable Energy Credits	(288,402)	(1,0.0)	465,060		
7	3.6	Wheeling Revenue	58,936	_	(95,036)		
8	4.1	Miscellaneous Expense & Revenue	107,519	_	(173,378)		
9	4.2	General Wage Increase (Annualizing)	(62,648)	_	101,022		
10	4.3	Legal Expenses	65,657	_	(105,875)		
11	4.4	Irrigation Load Control Program	1,650		(2,661)		
12	4.5	Remove Non-Recurring Entries	(90,925)		146,620		
13	4.6	DSM Expense Removal	7,496,439	-	(12,088,301)		
	4.7	Insurance Expense	(184,003)	-	296,712		
14 15	4.7	Advertising	15	-	(24)		
		Memberships & Subscriptions	5,873	_	(9,471)		
16	4.9			-	* * * /		
17	4.1	Revenue-Sensitive/Uncollectible Expense Net Power Costs - Removal	(269,665)	-	434,845		
18	5.1	Net Power Costs - Removal Colstrip #3 Removal	4,882,290 430,352	(7,809,780)	(7,872,883) (1,613,290)		
19	5.2	End-of-Period Plant Reserves	430,332				
20	6.1		-	(2,415,086)	(284,293)		
21	6.1.1	(cont.) End-of-Period Plant Reserves	-	(2,286,280)	(269,130)		
22	6.1.2	(cont. 2) End-of-Period Plant Reserves	-	(10,136,938)	(1,193,273)		
23	6.1.3	(cont. 3) End-of-Period Plant Reserves	(117.505)	(234,376)	(27,590)		
24	6.2	Annualization of Base Period Depr./Amort. Expense	(117,595)	-	189,626		
25	6.2.1	(cont.) Annual. of Base Period Depr./Amort. Exp.	(50,866)	-	82,023		
26	6.2.2	(cont. 2) Annual. of Base Period Depr./Amort. Exp.	(395,755)	- 214 125	638,171		
27	6.2.3	(cont. 3) Annual. of Base Period Depr./Amort. Exp.	214,125	214,125	(320,079)		
28	6.3	Hydro Decommissioning	(6.276.619)	(160,400)	(18,882)		
29	6.4	Accelerated Depreciation on Jim Bridger & Colstrip	(6,376,618)	(3,188,309)	9,907,232		
30	7.1	Interest True Up	306,887	-	(494,868)		
31	7.2	Property Tax Expense	(166,290)	-	268,149		
32	7.3	Production Tax Credit	47,086	- 200.056	(75,927)		
33	7.4	PowerTax ADIT Balance	12 200	9,290,956	1,093,688		
34	7.5	WA Low Income Tax Credit	12,289	(2.260.168)	(19,816)		
35	7.6	Flow-Through Adjustment	(2.122.150)	(2,260,168)	(266,057)		
36	7.6.1	(cont.) Flow-Through Adjustment	(2,123,178)	-	3,423,707		
37	7.7	Remove Deferred State Tax Expense & Balance	77,895	(78)	(125,618)		
38	7.8	WA Public Utility Tax Adjustment	(182,112)	-	293,662		
39	7.9	AFUDC Equity	(1,353)	-	2,183		
40	8.1	Jim Bridger Mine Rate Base	- (404.555)	27,838,518	3,277,021		
41	8.2	Environmental Remediation	(434,575)	(849,177)	600,808		
42	8.3	Customer Advances for Construction	(1.229.7(1)	(997,745)	(117,450)		
43	8.4	Pro Forma Major Plant Additions	(1,338,761)	24,354,578	5,025,712		
44	8.5	Miscellaneous Rate Base	-	(17,605,031)	(2,072,382)		
45	8.5.1	(cont.) Miscellaneous Rate Base	17.001	(6,026,641)	(709,428)		
46	8.6	Removal of Colstrip #4 AFUDC	17,991	(342,058)	(69,276)		
47	8.7	Trojan Unrecovered Plant	2,901	(277,124)	(37,300)		
48	8.8	Customer Service Deposits	(2,831)	(3,272,583)	(380,668)		
49	8.9	Misc. Asset Sales and Removals	-	210,870	24,823		
50	8.10	Investor Supplied Working Capital	-	23,962,204	2,820,719		
51	8.11	End-of-Period Plant Balances	-	6,499,168	765,052		
52	8.11.1	(cont.) End-of-Period Plant Balances	-	9,141,720	1,076,121		
53	8.11.2	(cont. 2) End-of-Period Plant Balances	-	5,377,494	633,014		
54	8.11.3	(cont. 3) End-of-Period Plant Balances	-	112,765	13,274		
55	8.11.4	(cont. 4) End-of-Period Plant Balances	-	16,391	1,930		
56	8.11.5	(cont. 5) End-of-Period Plant Balances	-	6,097,994	717,827		
57	8.12	Chehalis Regulatory Asset Adjustment	-	(1,861,470)	(219,124)		
58	8.13	Idaho Asset Exchange	-	6,169,992	726,303		
59	8.13.1	(cont.) Idaho Asset Exchange	400 175	(2,758,789)	(324,752)	1 /	
60	BWP-A	Jim Bridger Unit 3 SCR Investments	489,175	(12,336,974)	(2,241,065)	<u>1</u> /	

TABLE PROVIDED IN RESPONSE TO BENCH REQUEST NO. 2

Line	Adj. No.	Description	NOI	Rate Base	Rev. Req.	Note
61	BWP-B	Bonus Depreciation	(22,508)	(2,441,357)	(251,091)	
62	BWP-C	Pro Forma Capital Reduction	87,781	(2,148,791)	(394,495)	<u>2</u> /
63	BWP-D	Reject EOP Rate Base	(112,226)	(12,172,852)	(1,251,963)	<u>3</u> /
64	BWP-E	Colstrip O&M	635,930	-	(1,025,462)	
65	BWP-F	Transmission O&M	704,339	-	(1,135,774)	
66	BWP-G	Pension and OPEB	261,129	-	(421,081)	
67	BWP-H	General Office Expense	345,537	-	(557,191)	
68	BWP-I	Cholla O&M	(63,050)	-	101,671	
69	BWP-J	EIM Costs	80,202	(1,882,496)	(350,928)	
70	BWP-K	Hydro Deferral Balance	85,913	-	(138,538)	
71	BWP-Z	Balancing Impact of Boise Adjustments	166,161	5,690,759	401,948	<u>4</u> /
72		Boise Adjusted	57,177,131	812,832,453	3,482,500	

Notes:

- 1/ Reverses part of Pacific Power adjustments 8.4, 7.1, and 7.7.
- Reverses part of Pacific Power adjustments 8.4, 7.1, and 7.7. Reverses part of Pacific Power adjustments 6.1-6.1.3, 8.11-8.11.5, and 7.1. 3/
- 4/ Reflects offsetting impacts of BWP-A, BWP-B, BWP-C, BWP-D, and BWP-J.

Boise Washington Revenue Requirement Recommendation First Rate Period Normalized Results of Operations - West Control Area 12 Months Ended JUNE 2015

	As Filed Total Adjusted Results	BWP-A Bridger 3 SCRs	BWP-B Bonus Depreciation	BWP-C Update Pro Forma Plant	BWP-D AMA Rate Base	BWP-E Colstrip 3 O&M	BWP-F Transmission O&M	BWP-G Pension & OPEB	BWP-H General Office Expense	BWP-I Correct Cholla O&M	BWP-J EIM Costs EOP	BWP-K Hydro Deferral	BWP-Z Balancing
 Operating Revenues: General Business Revenues Interdepartmental 	205,927,969	-	-						-	-		-	:
4 Special Sales		-				-					-		
5 Other Operating Revenues 6 Total Operating Revenues	9,320,426 215,248,395		<u> </u>	-	-	-	-	-	-		-	-	<u> </u>
7 8 Operating Expenses: 9 Steam Production	14,047,910		-	-	-	(978,354)	-	-	-	97,000	-	-	_
10 Nuclear Production	-	-					-						
11 Hydro Production 12 Other Power Supply	6,649,311 9,720,488				-	-	-	-			(150,089)		-
13 Transmission	5,578,176	-				-					(130,003)		
14 Distribution	11,115,084	-	-	-		-	-	-	-	-	-		-
15 Customer Accounting 16 Customer Service & Info	6,342,566 761,220	-				-					-	-	
17 Sales	701,220												
18 Administrative & General	10,155,481		-		-	-	(1,083,598)	(401,737)	(531,595)	-	-		-
19 Total O&M Expenses20 Depreciation	64,370,235 56,225,842	(927,559)	•	(165,525)	•	(978,354)	(1,083,598)	(401,737)	(531,595)	97,000	(150,089)	•	(131,248)
21 Amortization	4,757,954	(927,339)		(100,020)								(132,174)	(43,669)
22 Taxes Other Than Income	21,662,321	-	-		-	-	-		-	-	-	-	-
23 Income Taxes - Federal 24 Income Taxes - State	12,782,160	481,000	(254,122)	97,298	112,226	342,424	379,259	140,608	186,058	(33,950)	69,886	92,522	(196,682)
25 Income Taxes - Def Net	923,866	(42,616)	276,630	(19,554)	1							(46,261)	205,438
26 Investment Tax Credit Adj.	-		-	· · · · · ·	-	-	-	-	-	-	-		-
27 Misc Revenue & Expense 28 Total Operating Expenses:	7,269 160,729,647	(489,175)	22,508	(87,781)	112,226	(635,930)	(704,339)	(261,129)	(345,537)	63,050	(80,202)	(85,913)	(166,161)
29 Total Operating Expenses.	100,729,047	(409,175)	22,508	(07,701)	112,220	(035,930)	(704,339)	(201,129)	(345,537)	63,050	(00,202)	(65,913)	(100,101)
30 Operating Rev For Return:	54,518,748	489,175	(22,508)	87,781	(112,226)	635,930	704,339	261,129	345,537	(63,050)	80,202	85,913	166,161
31 Rate Base: 32 Electric Plant In Service	1,812,053,781	(12,964,622)		(2,313,559)	(27,245,532)	_					(1,898,279)		668,050
33 Plant Held for Future Use	424,723	(12,001,022)	-	(2,010,000)	(27,210,002)	-		-			(1,000,210)	-	-
34 Misc Deferred Debits	397,121	-	-		-	-	-	-	-	-	-	-	90,560
35 Elec Plant Acq Adj 36 Nuclear Fuel		-				-					-	-	
37 Prepayments	(1)												
38 Fuel Stock	0	-	-	-	-	-	-	-	-	-	-	-	-
39 Material & Supplies 40 Working Capital	(0) 23,962,203	-				-	-		-	-	-	-	•
41 Weatherization Loans	1,840,890												
42 Misc Rate Base			-	-		-		-	-	-	-		-
43 Total Electric Plant:	1,838,678,717	(12,964,622)	-	(2,313,559)	(27,245,532)	•	-	-	-	-	(1,898,279)	-	758,609
44 Rate Base Deductions:	/										(
45 Accum Prov For Deprec 46 Accum Prov For Amort	(695,354,089) (52,956,681)	627,648		111,181	15,072,680	-	-	-			(234,779)		(1,760,280) 1,914,754
47 Accum Def Income Tax	(244,540,095)	-	(2,441,357)	53,588		-					250,561		4,777,264
48 Unamortized ITC	(106,780)	-	-	-		-	-		-	-	-	-	411
49 Customer Adv For Const 50 Customer Service Deposits	(972,510) (3,272,583)				-	-	-	-			-		-
51 Misc Rate Base Deductions	(3,351,815)	-	-	-	-	-		-			-	-	-
52 Total Rate Base Deductions	(1,000,554,553)	627.648	(2,441,357)	164.769	15,072,680						15.782	-	4,932,150
53 Total Rate Base:	838.124.164	(12,336,974)	(2.441.357)	(2.148.791)	(12.172.852)	-	-	_	-	-	(1.882.496)	-	5.690.759
54 Return on Rate Base 55 Return on Equity	6.50% 7.88%												
56 TAX CALCULATION: 57 Operating Revenue 58 Other Deductions	68,224,774	927,559	-	165,525	-	978,354	1,083,598	401,737	531,595	(97,000)	150,089	132,174	174,918
59 Interest (AFUDC)	2,385,952					-	-	-	-	-		-	
60 Interest 61 Schedule "M" Additions Temp	(22,077,012) 76,768,451	324,968 (927,559)	64,308	56,601 (165,525)	320,645	•					49,587		(149,900) (511,862)
62 Schedule "M" Deductions Temp	(73,577,208)	1,049,319	(790,370)	221,393								132,174	(75,103)
63 Schedule "M" Additions Perm	74,328	-		-	-	-	-	-	-	-	-	-	-
64 Schedule "M" Deductions Perm 65 Income Before Tax	(985,895) 50,813,391	1,374,287	(726,062)	277,994	320,645	978,354	1,083,598	401,737	531,595	(97,000)	199,675	264,348	(561,948)
66 State Income Taxes					-								
67 Fed Taxable Income	50,813,391	1,374,287	(726,062)	277,994	320,645	978,354	1,083,598	401,737	531,595	(97,000)	199,675	264,348	(561,948)
68 Production Tax Credits	(4,997,164)	-	-	-	-	-	-	-	-	-	-	-	-
69 Other Tax Credits 70 Federal Income Taxes Current	(5,364) 12,782,160	481,000	(254,122)	97.298	112,226	342,424	379,259	140.608	186,058	(33,950)	69.886	92.522	(196,682)
		.51,000	(20.1112)	3.,200			3. 1,200	,000		(55,550)	22,300	0.00	,
71 Approximate Revenue Deficiency	10,746,470	(2,241,065)	(251,091)	(394,495)	(1,251,963)	(1,025,462)	(1,135,774)	(421,081)	(557,191)	101,671	(350,928)	(138,538)	401,948

	Adjusted Results	Price Change	Results with Price Change
1 Operating Revenues:	205 027 000	3.482.501	200 440 470
2 General Business Revenues 3 Interdepartmental	205,927,969	3,482,501	209,410,470
4 Special Sales	1		
5 Other Operating Revenues	9,320,426		
6 Total Operating Revenues	215.248.395		
7			
8 Operating Expenses:			
9 Steam Production	13,166,556		
Nuclear Production			
1 Hydro Production	6,649,311		
2 Other Power Supply	9,570,400		
3 Transmission	5,578,176		
4 Distribution	11,115,084	40.407	0.000.700
5 Customer Accounting	6,342,566	18,137	6,360,702
6 Customer Service & Info 7 Sales	761,220		
8 Administrative & General	8,138,551		
9 Total O&M Expenses	61,321,863		
O Depreciation	55,001,509		
1 Amortization	4,582,111		
2 Taxes Other Than Income	21,662,321	141,856	21,804,177
3 Income Taxes - Federal	14,198,687	1,162,878	15,361,565
4 Income Taxes - State	14,130,007	1,102,070	15,501,505
25 Income Taxes - State 25 Income Taxes - Def Net	1,297,503	-	
26 Investment Tax Credit Adj.	1,251,503		
7 Misc Revenue & Expense	7,269		
28 Total Operating Expenses:	158,071,264	1,322,871	159,394,135
g Total Operating Expenses.	130,071,204	1,322,071	109,094,100
0 Operating Rev For Return:	57,177,131	2,159,630	59,336,761
Rate Base:			
2 Electric Plant In Service	1,768,299,839		
3 Plant Held for Future Use	424,723		
4 Misc Deferred Debits	487,681		
55 Elec Plant Acq Adj	· -		
6 Nuclear Fuel	-		
7 Prepayments	(1)		
88 Fuel Stock	O		
9 Material & Supplies	(0)		
10 Working Capital	23,962,203		
11 Weatherization Loans	1,840,890		
2 Misc Rate Base	· · · · · · · ·		
3 Total Electric Plant:	1,795,015,335		1,795,015,335
14 Rate Base Deductions:			
5 Accum Prov For Deprec	(681,537,640)		
6 Accum Prov For Amort	(51,041,927)		
7 Accum Def Income Tax	(241,900,039)		
18 Unamortized ITC	(106,369)		
19 Customer Adv For Const	(972,510)		
0 Customer Service Deposits	(3,272,583)		
1 Misc Rate Base Deductions	(3,351,815)		
2 Total Rate Base Deductions	(982,182,882)		(982,182,882
3 Total Rate Base:	812,832,453		812.832.453
- I Stal Nate Date.		-	
	7.03%		7.30%
	8.96%		9.50%
55 Return on Equity			9.50%
14 Return on Rate Base 15 Return on Equity 66 TAX CALCULATION: 57 Operation Revenue	8.96%	3 222 500	
55 Return on Equity 56 TAX CALCULATION: 57 Operating Revenue		3,322,508	
5 Return on Equity 6 TAX CALCULATION: 7 Operating Revenue 8 Other Deductions	8.96% 72,673,321	3,322,508	75,995,829
55 Return on Equity 56 TAX CALCULATION: 57 Operating Revenue 58 Other Deductions 59 Interest (AFUDC)	8.96% 72,673,321 2,385,952	3,322,508	75,995,829 2,385,952
55 Return on Equity 16 TAX CALCULATION: 77 Operating Revenue 18 Other Deductions 19 Interest (AFUDC) 01 Interest 10 Interest	8.96% 72,673,321 2,385,952 (21,410,803)	3,322,508 - -	75,995,829 2,385,952 (21,410,803
55 Return on Equity 66 TAX CALCULATION: 77 Operating Revenue 88 Other Deductions 99 Interest (RFUDC) 10 Interest 11 Schedule* Mr* Additions Temp	8.96% 72,673,321 2,385,952 (21,410,803) 75,163,505	3,322,508 - - -	75,995,829 2,385,952 (21,410,803 75,163,505
55 Return on Equity 66 TAX CALCULATION: 77 Operating Revenue 18 Other Deductions 99 Interest (AFUDC) 10 Interest 11 Schedule "M" Additions Temp 12 Schedule" "M" Deductions Temp	8.96% 72,673,321 2,385,952 (21,410,803) 75,163,505 (73,039,796)	3,322,508 - - - -	75,995,829 2,385,952 (21,410,803 75,163,505 (73,039,796
i5 Return on Equity i6 TAX CALCULATION: 70 Porating Revenue 80 Other Deductions 90 Interest (AFUDC) 10 Interest 11 Schedule "M" Additions Temp 12 Schedule "M" Deductions Temp 33 Schedule "M" Additions Perm	8.96% 72,673,321 2.385,952 (21,410,803) 75,163,505 (73,039,796) 74,328	3,322,508 - - - - - -	75,995,829 2,385,952 (21,410,803 75,163,505 (73,039,796 74,328
55 Return on Equity 66 TAX CALCULATION: 77 Operating Revenue 88 Other Deductions 98 Interest (AFUDC) 00 Interest 10 Schedule "M" Additions Temp 13 Schedule "M" Deductions Ferm 13 Schedule "M" Deductions Ferm 14 Schedule "M" Deductions Perm	8.96% 72,673,321 2,385,952 (21,410,803) 75,163,505 (73,039,796)	3,322,508 	75,995,829 2,385,952 (21,410,803 75,163,505 (73,039,796 74,328
55 Return on Equity 56 TAX CALCULATION:	8.96% 72,673,321 2,385,952 (21,410,803) 75,163,505 (73,039,796) 74,328 (985,895)	-	75,995,829 2,385,952 (21,410,803 75,163,505 (73,039,796 74,328 (985,895
S Return on Equity A TAX CALCULATION: 7 Operating Revenue 80 Other Deductions 90 Interest (AFUDC) 10 Interest 11 Schedule M* Additions Temp 12 Schedule M* Deductions Temp 13 Schedule M* Deductions Temp 14 Schedule M* Deductions Perm 51 Schedule M* Deductions Perm 52 Schedule M* Deductions Perm 53 Schedule M* Deductions Perm 54 Schedule M* Deductions Perm 55 Income Before Tax 65 State Income Taxes	8.96% 72,673,321 2,385,952 (21,410,803) 75,163,505 (73,039,796) 74,328 (985,895)	-	75,995,829 2,385,952 (21,410,803 75,163,505 (73,039,796 74,328 (985,895 243,223,981
S Return on Equity 6 TAX CALCULATION: 7 Operating Revenue 88 Other Deductions 99 Interest (AFUDC) 00 Interest 11 Schedule "M" Additions Temp 12 Schedule "M" Deductions Temp 13 Schedule "M" Deductions Perm 14 Schedule "M" Deductions Perm 15 Income Before Tax 16 State Income Taxes 17 Fed Taxable Income	8,96% 72,673,321 2,385,952 (21,410,803) 75,163,505 (73,039,796) 74,328 (385,895) 54,860,613	3,322,508	75,995,829 2,385,952 (21,410,803 75,163,505 (73,039,796 74,328 (985,895 243,223,981
S Return on Equity ATAX CALCULATION: TO Operating Revenue British of the Deductions Interest (AFUDC) Ointerest Schedule Man Additions Temp Schedule Man Additions Temp Schedule Man Deductions Temp Schedule Man Deductions Temp Schedule Man Deductions Perm Additions Perm Income Before Tax Schedule Man Deductions Perm Schedule Man Ded	8,96% 72,673,321 2,385,952 (21,410,803) 75,163,505 (73,039,796) 74,328 (986,895) 54,860,613 (4,997,164) (5,364)	3,322,508	2,385,952 (21,410,803) 75,163,505 (73,039,796) 74,328 (985,895) 243,223,981 58,183,121
55 Return on Equity 56 TAX CALCULATION: 77 Operating Revenue 86 Other Deductions 98 Other Deductions 99 Interest (FUDC) 10 Interest 11 Schedule "M" Additions Temp 12 Schedule "M" Additions Ferm 13 Schedule "M" Deductions Ferm 14 Schedule "M" Deductions Perm 15 Income Before Tax 16 State Income Taxes 17 Fed Taxable Income 18 Production Tax Credits	8,96% 72,673,321 2,385,952 (21,410,803) 75,163,505 (73,039,786) 74,328 (886,895) 54,860,613	3,322,508	75,995,829 2,385,952 (21,410,803) 75,163,505 (73,039,796 74,328 (985,895) 243,223,981