

**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)	-	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)	
14	4.7	Insurance Expense	(184,003)	-	296,712	
15	4.8	Advertising	15	-	(24)	
16	4.9	Memberships & Subscriptions	5,873	-	(9,471)	
17	4.1	Revenue-Sensitive/Uncollectible Expense	(269,665)	-	434,845	
18	5.1	Net Power Costs - Removal	4,882,290	-	(7,872,883)	
19	5.2	Colstrip #3 Removal	430,352	(7,809,780)	(1,613,290)	
20	6.1	End-of-Period Plant Reserves	-	(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	-	(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)	-	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	-	(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	-	(75,927)	
33	7.4	PowerTax ADIT Balance	-	9,290,956	1,093,688	
34	7.5	WA Low Income Tax Credit	12,289	-	(19,816)	
35	7.6	Flow-Through Adjustment	-	(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	-	27,838,518	3,277,021	
41	8.2	Environmental Remediation	(434,575)	(849,177)	600,808	
42	8.3	Customer Advances for Construction	-	(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	-	(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	-	(2,758,789)	(324,752)	
60	BWP-A	Jim Bridger Unit 3 SCR Investments	489,175	(12,336,974)	(2,241,065)	1/

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	
			0.45	(0.49)	(0.79)	

Notes:

- 1/ Reverses part of Pacific Power adjustments 8.4, 7.1, and 7.7.
- 2/ Reverses part of Pacific Power adjustments 8.4, 7.1, and 7.7.
- 3/ Reverses part of Pacific Power adjustments 6.1-6.1.3, 8.11-8.11.5, and 7.1.
- 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
1 Operating Revenues:													
2 General Business Revenues	205,927,969	-	-	-	-	-	-	-	-	-	-	-	-
3 Interdepartmental	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Special Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Other Operating Revenues	9,320,426	-	-	-	-	-	-	-	-	-	-	-	-
6 Total Operating Revenues	<u>215,248,395</u>	-	-	-	-	-	-	-	-	-	-	-	-
7													
8 Operating Expenses:													
9 Steam Production	14,047,910	-	-	-	-	(978,354)	-	-	-	97,000	-	-	-
10 Nuclear Production	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Hydro Production	6,649,311	-	-	-	-	-	-	-	-	-	-	-	-
12 Other Power Supply	9,720,488	-	-	-	-	-	-	-	-	-	-	-	-
13 Transmission	5,578,176	-	-	-	-	-	-	-	-	-	(150,089)	-	-
14 Distribution	11,115,064	-	-	-	-	-	-	-	-	-	-	-	-
15 Customer Accounting	6,342,566	-	-	-	-	-	-	-	-	-	-	-	-
16 Customer Service & Info	761,220	-	-	-	-	-	-	-	-	-	-	-	-
17 Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Administrative & General	10,155,481	-	-	-	-	-	(1,083,598)	(401,737)	(531,595)	-	-	-	-
19 Total O&M Expenses	<u>64,370,235</u>	-	-	-	-	(978,354)	(1,083,598)	(401,737)	(531,595)	97,000	(150,089)	-	-
20 Depreciation	56,225,842	(927,559)	-	(165,525)	-	-	-	-	-	-	-	-	(131,248)
21 Amortization	4,757,954	-	-	-	-	-	-	-	-	-	-	(132,174)	(43,669)
22 Taxes Other Than Income	21,662,321	-	-	-	-	-	-	-	-	-	-	-	-
23 Income Taxes - Federal	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)
24 Income Taxes - State	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Income Taxes - Def Net	923,866	(42,616)	276,630	(19,554)	-	-	-	-	-	-	-	(46,261)	205,438
26 Investment Tax Credit Adj.	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Misc Revenue & Expense	7,269	-	-	-	-	-	-	-	-	-	-	-	-
28 Total Operating Expenses:	<u>160,729,647</u>	<u>(489,175)</u>	<u>22,508</u>	<u>(87,781)</u>	<u>112,226</u>	<u>(635,930)</u>	<u>(704,339)</u>	<u>(261,129)</u>	<u>(345,537)</u>	<u>63,050</u>	<u>(80,202)</u>	<u>(85,913)</u>	<u>(166,161)</u>
29													
30 Operating Rev For Return:	<u>54,518,748</u>	<u>489,175</u>	<u>(22,508)</u>	<u>87,781</u>	<u>(112,226)</u>	<u>635,930</u>	<u>704,339</u>	<u>261,129</u>	<u>345,537</u>	<u>(63,050)</u>	<u>80,202</u>	<u>85,913</u>	<u>166,161</u>
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	-	-	-	-	-	-	-	-	-	-	-	-
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	(0)	-	-	-	-	-	-	-	-	-	-	-	-
40 Working Capital	23,962,203	-	-	-	-	-	-	-	-	-	-	-	-
41 Weatherization Loans	1,840,890	-	-	-	-	-	-	-	-	-	-	-	-
42 Misc Rate Base	-	-	-	-	-	-	-	-	-	-	-	-	-
43 Total Electric Plant:	<u>1,838,678,717</u>	<u>(12,964,622)</u>	<u>-</u>	<u>(2,313,559)</u>	<u>(27,245,532)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,898,279)</u>	<u>-</u>	<u>758,609</u>
44 Rate Base Deductions:													
45 Accum Prov For Deprec	(695,354,089)	627,648	-	111,181	15,072,680	-	-	-	-	-	(234,779)	-	(1,760,280)
46 Accum Prov For Amort	(52,956,681)	-	-	-	-	-	-	-	-	-	-	-	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	(972,510)	-	-	-	-	-	-	-	-	-	-	-	-
50 Customer Service Deposits	(3,272,583)	-	-	-	-	-	-	-	-	-	-	-	-
51 Misc Rate Base Deductions	(3,351,815)	-	-	-	-	-	-	-	-	-	-	-	-
52 Total Rate Base Deductions	<u>(1,000,554,553)</u>	<u>627,648</u>	<u>(2,441,357)</u>	<u>164,769</u>	<u>15,072,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,782</u>	<u>-</u>	<u>4,932,150</u>
53 Total Rate Base:	<u>838,124,164</u>	<u>(12,336,974)</u>	<u>(2,441,357)</u>	<u>(2,148,791)</u>	<u>(12,172,852)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,882,496)</u>	<u>-</u>	<u>5,690,759</u>
54 Return on Rate Base	6.50%												
55 Return on Equity	7.88%												
56 TAX CALCULATION:													
57 Operating Revenue	68,224,774	927,559	-	165,525	-	978,354	1,083,598	401,737	531,595	(97,000)	150,089	132,174	174,918
58 Other Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-
59 Interest (AFUDC)	2,385,952	-	-	-	-	-	-	-	-	-	-	-	-
60 Interest	(22,077,012)	324,968	64,308	56,601	320,645	-	-	-	-	-	49,587	-	(149,900)
61 Schedule "M" Additions Temp	76,768,451	(927,559)	-	(165,525)	-	-	-	-	-	-	-	-	(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	(985,895)	-	-	-	-	-	-	-	-	-	-	-	-
65 Income Before Tax	<u>50,813,391</u>	<u>1,374,287</u>	<u>(726,062)</u>	<u>277,994</u>	<u>320,645</u>	<u>978,354</u>	<u>1,083,598</u>	<u>401,737</u>	<u>531,595</u>	<u>(97,000)</u>	<u>199,675</u>	<u>264,348</u>	<u>(561,948)</u>
66 State Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
67 Fed Taxable Income	<u>50,813,391</u>	<u>1,374,287</u>	<u>(726,062)</u>	<u>277,994</u>	<u>320,645</u>	<u>978,354</u>	<u>1,083,598</u>	<u>401,737</u>	<u>531,595</u>	<u>(97,000)</u>	<u>199,675</u>	<u>264,348</u>	<u>(561,948)</u>
68 Production Tax Credits	(4,997,164)	-	-	-	-	-	-	-	-	-	-	-	-
69 Other Tax Credits	(5,364)	-	-	-	-	-	-	-	-	-	-	-	-
70 Federal Income Taxes Current	<u>12,782,160</u>	<u>481,000</u>	<u>(254,122)</u>	<u>97,298</u>	<u>112,226</u>	<u>342,424</u>	<u>379,259</u>	<u>140,608</u>	<u>186,058</u>	<u>(33,950)</u>	<u>69,886</u>	<u>92,522</u>	<u>(196,682)</u>
71 Approximate Revenue Deficiency	<u>10,746,470</u>	<u>(2,241,065)</u>	<u>(251,091)</u>	<u>(394,495)</u>	<u>(1,251,963)</u>	<u>(1,025,462)</u>	<u>(1,135,774)</u>	<u>(421,081)</u>	<u>(557,191)</u>	<u>101,671</u>	<u>(350,928)</u>	<u>(138,538)</u>	<u>401,948</u>

	Adjusted Results	Price Change	Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	205,927,969	3,482,501	209,410,470
3 Interdepartmental	-		
4 Special Sales	9,320,426		
5 Other Operating Revenues	<u>9,320,426</u>		
6 Total Operating Revenues	<u>215,248,395</u>		
7			
8 Operating Expenses:			
9 Steam Production	13,166,556		
10 Nuclear Production	-		
11 Hydro Production	6,649,311		
12 Other Power Supply	9,570,400		
13 Transmission	5,578,176		
14 Distribution	11,115,094		
15 Customer Accounting	6,342,566	18,137	6,360,702
16 Customer Service & Info	761,220		
17 Sales	-		
18 Administrative & General	<u>8,138,551</u>		
19 Total O&M Expenses	<u>61,321,863</u>		
20 Depreciation	55,001,509		
21 Amortization	4,582,111		
22 Taxes Other Than Income	21,662,321	141,856	21,804,177
23 Income Taxes - Federal	14,198,687	1,162,878	15,361,565
24 Income Taxes - State	-		
25 Income Taxes - Def Net	1,297,503		
26 Investment Tax Credit Adj.	-		
27 Misc Revenue & Expense	<u>7,269</u>		
28 Total Operating Expenses:	<u>158,071,264</u>	<u>1,322,871</u>	<u>159,394,135</u>
29			
30 Operating Rev For Return:	<u>57,177,131</u>	<u>2,159,630</u>	<u>59,336,761</u>
31 Rate Base:			
32 Electric Plant In Service	1,768,299,839		
33 Plant Held for Future Use	424,723		
34 Misc Deferred Debits	487,681		
35 Elec Plant Acq Adj	-		
36 Nuclear Fuel	-		
37 Prepayments	(1)		
38 Fuel Stock	0		
39 Material & Supplies	(0)		
40 Working Capital	23,962,203		
41 Weatherization Loans	1,840,890		
42 Misc Rate Base	-		
43 Total Electric Plant:	<u>1,795,015,335</u>	-	<u>1,795,015,335</u>
44 Rate Base Deductions:			
45 Accum Prov For Deprec	(681,537,640)		
46 Accum Prov For Amort	(51,041,927)		
47 Accum Def Income Tax	(241,900,039)		
48 Unamortized ITC	(106,369)		
49 Customer Adv For Const	(972,510)		
50 Customer Service Deposits	(3,272,583)		
51 Misc Rate Base Deductions	(3,351,815)		
52 Total Rate Base Deductions	<u>(982,182,882)</u>	-	<u>(982,182,882)</u>
53 Total Rate Base:	<u>812,832,453</u>	-	<u>812,832,453</u>
54 Return on Rate Base	7.03%		7.30%
55 Return on Equity	8.96%		9.50%
56 TAX CALCULATION:			
57 Operating Revenue	72,673,321	3,322,508	75,995,829
58 Other Deductions	-		
59 Interest (AFUDC)	2,385,952	-	2,385,952
60 Interest	(21,410,803)	-	(21,410,803)
61 Schedule "M" Additions Temp	75,163,505	-	75,163,505
62 Schedule "M" Deductions Temp	(73,039,796)	-	(73,039,796)
63 Schedule "M" Additions Perm	74,328	-	74,328
64 Schedule "M" Deductions Perm	(985,895)	-	(985,895)
65 Income Before Tax	<u>54,860,613</u>	<u>3,322,508</u>	<u>243,223,981</u>
66 State Income Taxes	-		
67 Fed Taxable Income	<u>54,860,613</u>	<u>3,322,508</u>	<u>58,183,121</u>
68 Production Tax Credits	(4,997,164)		
69 Other Tax Credits	(5,364)		
70 Federal Income Taxes Current	<u>14,198,687</u>	<u>1,162,878</u>	<u>15,361,565</u>
71 Approximate Revenue Deficiency	<u>3,482,501</u>		<u>13</u>