

**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-11  
FIRST RATE PERIOD REVENUE REQUIREMENT CALCULATIONS,  
CROSS-ANSWERING**

**April 7, 2016**

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)	<u>1/</u>
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)	

TABLE PROVIDED IN RESPONSE TO BENCH REQUEST NO. 2

Line	Adj. No.	Description	NOI	Rate Base	Rev. Req.	Note
	<b>BWP-G;</b>					
66	<b>PC-2, PC-3</b>	Pension and OPEB	167,062	-	(269,394)	
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	260,228	5,690,759	250,262	<u>4/</u>
72	PC-1	Employee Reductions	426,187	-	(687,244)	
73	PC-3	Salary Overhead Cost Normalization	11,882	-	(19,161)	
74	Staff-8.2	Environmental Remediation	139,311	(326,569)	(263,086)	<u>5/</u>
75	Staff-4.9	Memberships & Subscriptions	14,967	-	(24,135)	
76		Boise Adjusted	<u>57,769,479</u>	<u>812,505,884</u>	<u>2,488,875</u>	
			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.
- 5/ Calculated based on data in Exh. No. JLB-2 at 52.

**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-PC-2, PC-3 Pension & OPEB	BWP-H General Office Expense
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)	-	(50,944)	-
10 Nuclear Production	-	-	-	-	-	-	-	-	-
11 Hydro Production	6,649,311	-	-	-	-	-	-	(20,825)	-
12 Other Power Supply	9,720,486	-	-	-	-	-	-	(29,016)	-
13 Transmission	5,578,176	-	-	-	-	-	-	(14,142)	-
14 Distribution	11,115,084	-	-	-	-	-	-	(46,395)	-
15 Customer Accounting	6,342,566	-	-	-	-	-	-	(29,175)	-
16 Customer Service & Info	761,220	-	-	-	-	-	-	(4,577)	-
17 Sales	-	-	-	-	-	-	-	-	-
18 Administrative & General	10,155,481	-	-	-	-	-	(1,083,598)	(61,945)	(531,595)
19 Total O&M Expenses	<u>64,370,235</u>								
20 Depreciation	56,225,842	(927,559)	-	(165,525)	-	(978,354)	(1,083,598)	(257,019)	(531,595)
21 Amortization	4,757,954	-	-	-	-	-	-	-	-
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	89,957	186,058
24 Income Taxes - State	-	-	-	-	-	-	-	-	-
25 Income Taxes - Def Net	923,866	(42,616)	276,630	(19,554)	-	-	-	-	-
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>(167,062)</u>	<u>(345,537)</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>167,062</u>	<u>345,537</u>
31 Rate Base:									
32 Electric Plant In Service	1,812,053,781	(12,964,622)	-	(2,313,559)	(27,245,532)	-	-	-	-
33 Plant Held for Future Use	424,723	-	-	-	-	-	-	-	-
34 Misc Deferred Debits	397,121	-	-	-	-	-	-	-	-
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>
44 Rate Base Deductions:									
45 Accum Prov For Deprec	(695,354,089)	627,648	-	111,181	15,072,680	-	-	-	-
46 Accum Prov For Amort	(52,956,681)	-	-	-	-	-	-	-	-
47 Accum Def Income Tax	(244,540,095)	-	(2,441,357)	53,588	-	-	-	-	-
48 Unamortized ITC	(106,780)	-	-	-	-	-	-	-	-
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>
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>
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	257,019	531,595
58 Other Deductions	-	-	-	-	-	-	-	-	-
59 Interest (AFUDC)	2,385,952	-	-	-	-	-	-	-	-
60 Interest	(22,077,012)	324,968	64,308	56,601	320,645	-	-	-	-
61 Schedule "M" Additions Temp	76,768,451	(927,559)	-	(165,525)	-	-	-	-	-
62 Schedule "M" Deductions Temp	(73,577,208)	1,049,319	(790,370)	221,393	-	-	-	-	-
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>257,019</u>	<u>531,595</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>257,019</u>	<u>531,595</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>89,957</u>	<u>186,058</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>(269,394)</u>	<u>(557,191)</u>

**Boise Washington Revenue Requirement Recommendation**  
**First Rate Period**  
**Normalized Results of Operations**  
**12 Months Ended JUNE 2015**

	BWP-I Correct Cholla O&M	BWP-J EIM Costs EOP	BWP-K Hydro Deferral	BWP-Z Boise Balancing	PC-1 Employee Reductions	PC-2 Hydro Deferral	Staff-8.2 Env. Rem.	Staff-4.9 Memb. & Subs.	Adjusted Results	Price Change	Results with Price Change
1 Operating Revenues:											
2 General Business Revenues	-	-	-	-	-	-	-	-	205,927,969	2,488,875	208,416,844
3 Interdepartmental	-	-	-	-	-	-	-	-	-	-	-
4 Special Sales	-	-	-	-	-	-	-	-	-	-	-
5 Other Operating Revenues	-	-	-	-	-	-	-	-	9,320,426	-	-
6 Total Operating Revenues	-	-	-	-	-	-	-	-	215,248,395	-	-
7											
8 Operating Expenses:											
9 Steam Production	97,000	-	-	50,944	(129,961)	(3,623)	-	-	13,032,972	-	-
10 Nuclear Production	-	-	-	-	-	-	-	-	-	-	-
11 Hydro Production	-	-	-	20,825	(53,127)	(1,481)	-	-	6,594,704	-	-
12 Other Power Supply	-	(150,089)	-	29,016	(74,022)	(2,064)	-	-	9,494,314	-	-
13 Transmission	-	-	-	14,142	(36,077)	(1,006)	-	-	5,541,094	-	-
14 Distribution	-	-	-	46,395	(118,358)	(3,300)	-	-	10,993,426	-	-
15 Customer Accounting	-	-	-	29,175	(74,426)	(2,075)	-	-	6,266,064	12,962	6,279,026
16 Customer Service & Info	-	-	-	4,577	(11,677)	(326)	-	-	749,217	-	-
17 Sales	-	-	-	-	-	-	-	-	-	-	-
18 Administrative & General	-	-	-	(339,792)	(158,026)	(4,406)	(218,956)	(23,026)	7,734,138	-	-
19 Total O&M Expenses	97,000	(150,089)	-	(114,718)	(655,673)	(18,281)	(218,956)	(23,026)	60,405,328	-	-
20 Depreciation	-	-	-	(131,248)	-	-	-	-	55,001,509	-	-
21 Amortization	-	-	(132,174)	(43,669)	-	-	-	-	4,582,111	-	-
22 Taxes Other Than Income	-	-	-	-	-	-	-	-	21,662,321	101,382	21,763,703
23 Income Taxes - Federal	(33,950)	69,886	92,522	(146,030)	229,486	6,398	(93,902)	8,059	14,348,728	831,086	15,179,814
24 Income Taxes - State	-	-	-	-	-	-	-	-	-	-	-
25 Income Taxes - Def Net	-	-	(46,261)	205,438	-	-	173,548	-	1,471,051	-	-
26 Investment Tax Credit Adj	-	-	-	-	-	-	-	-	-	-	-
27 Misc Revenue & Expense	-	-	-	-	-	-	-	-	7,269	-	-
28 Total Operating Expenses	63,050	(80,202)	(85,913)	(260,228)	(426,187)	(11,882)	(139,311)	(14,967)	157,478,917	945,430	158,424,347
29											
30 Operating Rev For Return:	(63,050)	80,202	85,913	260,228	426,187	11,882	139,311	14,967	57,769,478	1,543,445	59,312,924
31 Rate Base:											
32 Electric Plant In Service	-	(1,898,279)	-	668,050	-	-	-	-	1,768,299,839	-	-
33 Plant Held For Future Use	-	-	-	-	-	-	-	-	424,723	-	-
34 Misc Deferred Debits	-	-	-	90,560	-	-	(326,957)	-	160,724	-	-
35 Elec Plant Acq Adj	-	-	-	-	-	-	-	-	-	-	-
36 Nuclear Fuel	-	-	-	-	-	-	-	-	-	-	-
37 Prepayments	-	-	-	-	-	-	-	-	-	-	-
38 Fuel Stock	-	-	-	-	-	-	-	-	(1)	-	-
39 Material & Supplies	-	-	-	-	-	-	-	-	0	-	-
40 Working Capital	-	-	-	-	-	-	-	-	(0)	-	-
41 Weatherization Loans	-	-	-	-	-	-	-	-	23,962,203	-	-
42 Misc Rate Base	-	-	-	-	-	-	-	-	1,840,890	-	-
43 Total Electric Plant:	-	(1,898,279)	-	758,609	-	-	(326,957)	-	1,794,688,378	-	1,794,688,378
44 Rate Base Deductions:											
45 Accum Prov For Deprec	-	(234,779)	-	(1,760,280)	-	-	-	-	(681,537,640)	-	-
46 Accum Prov For Amort	-	-	-	1,914,754	-	-	-	-	(51,041,927)	-	-
47 Accum Def Income Tax	-	250,561	-	4,777,264	-	-	388	-	(241,899,651)	-	-
48 Unamortized ITC	-	-	-	411	-	-	-	-	(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	-	15,782	-	4,932,150	-	-	388	-	(982,182,494)	-	(982,182,494)
53 Total Rate Base:	-	(1,882,496)	-	5,690,759	-	-	(326,569)	-	812,505,884	-	812,505,884
54 Return on Rate Base									7.11%		7.30%
55 Return on Equity									9.11%		9.50%
56 TAX CALCULATION											
57 Operating Revenue	(97,000)	150,089	132,174	319,636	655,673	18,281	218,956	23,026	73,589,257	2,374,531	75,963,788
58 Other Deductions	-	-	-	-	-	-	-	-	-	-	-
59 Interest (AFUDC)	-	-	-	-	-	-	-	-	2,385,952	-	2,385,952
60 Interest	-	49,587	-	(149,900)	-	-	8,602	-	(21,402,201)	-	(21,402,201)
61 Schedule "M" Additions Temp	-	-	-	(511,862)	-	-	(495,752)	-	74,667,753	-	74,667,753
62 Schedule "M" Deductions Temp	-	-	132,174	(75,103)	-	-	(98)	-	(73,039,894)	-	(73,039,894)
63 Schedule "M" Additions Perm	-	-	-	-	-	-	-	-	74,328	-	74,328
64 Schedule "M" Deductions Perm	-	-	-	-	-	-	-	-	(985,895)	-	(985,895)
65 Income Before Tax	(97,000)	199,675	264,348	(417,230)	655,673	18,281	(268,292)	23,026	55,289,301	2,374,531	242,687,684
66 State Income Taxes	-	-	-	-	-	-	-	-	-	-	-
67 Fed Taxable Income	(97,000)	199,675	264,348	(417,230)	655,673	18,281	(268,292)	23,026	55,289,301	2,374,531	57,663,832
68 Production Tax Credits	-	-	-	-	-	-	-	-	(4,997,164)	-	(4,997,164)
69 Other Tax Credits	-	-	-	-	-	-	-	-	(5,364)	-	(5,364)
70 Federal Income Taxes Current	(33,950)	69,886	92,522	(146,030)	229,486	6,398	(93,902)	8,059	14,348,728	831,086	15,179,814
71 Approximate Revenue Deficiency	101,671	(350,928)	(138,538)	250,262	(687,244)	(19,161)	(263,086)	(24,135)	2,488,875	-	9