

Exhibit No. \_\_\_\_ (KHB-2)  
Docket UE-100749  
Witness: Kathryn H. Breda

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PACIFICORP D/B/A PACIFIC POWER  
& LIGHT COMPANY,**

**Respondent.**

**DOCKET UE-100749**

**EXHIBIT TO TESTIMONY OF**

**Kathryn H. Breda**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Adjustment 7.9 Current Year Deferred Income Tax*

**October 5, 2010  
Revised December 6, 2010**

	PacifiCorp Adjustment	Staff Adjustment	Difference
Operating Revenues:			
1 General Business Revenues	-	-	-
2 Interdepartmental	-	-	-
3 Special Sales	-	-	-
4 Other operating revenues	-	-	-
5 Total Operating Revenues	-	-	-
6			
Operating Expenses:			
8 Steam Production	-	-	-
9 Nuclear Production	-	-	-
10 Hydro Production	-	-	-
11 Other Power Supply	-	-	-
12 Transmission	-	-	-
13 Distribution	-	-	-
14 Customer Accounting	-	-	-
15 Customer Service & Info	-	-	-
16 Sales	-	-	-
17 Administrative & General	-	-	-
18 Total O&M Expense	-	-	-
19 Depreciation	-	-	-
20 Amortization	-	-	-
21 Taxes Other than Income	-	-	-
22 Income Taxes: Federal	-	-	-
23 : State	-	-	-
24 <b>Deferred Income Taxes</b>	<b>525,562</b>	<b>(323,865)</b>	<b>(849,427)</b>
25 Investment Tax Credit Adj.	-	-	-
26 Misc. Revenue & Expense	-	-	-
27 Total Operating Expenses:	<b>525,562</b>	<b>(323,865)</b>	<b>(849,427)</b>
28			
29 <b>Net Operating Income:</b>	<b>(525,562)</b>	<b>323,865</b>	<b>849,427</b>
30			
Rate Base:			
32 Electric Plant in Service	-	-	-
33 Plant Held for Future Use	-	-	-
34 Misc. Deferred Debits	-	-	-
35 Electric Plant Acq Adj	-	-	-
36 Nuclear Fuel	-	-	-
37 Prepayments	-	-	-
38 Fuel Stock	-	-	-
39 Material & Supplies	-	-	-
40 Working Capital	-	-	-
41 Weatherization Loans	-	-	-
42 Misc. Rate Base	-	-	-
43 Total Electric Plant:	0	-	-
44			
Deductions:			
46 Accum. Prov. for Depreciation	-	-	-
47 Accum. Prov. for Amortization	-	-	-
48 <b>Accum. Deferred Income Tax</b>	<b>(262,781)</b>	<b>(5,401,575)</b>	<b>(5,138,794)</b>
49 Unamortized ITC	-	-	-
50 Customer Advances for Const.	-	-	-
51 Customer Service Deposits	-	-	-
52 Miscellaneous Deductions	-	-	-
53			
54 Total Deductions:	<b>(262,781)</b>	<b>(5,401,575)</b>	<b>(5,138,794)</b>
55			
56 Total Rate Base:	<b>(262,781)</b>	<b>(5,401,575)</b>	<b>(5,138,794)</b>
57			
59			

*This adjustment reverses the Company adjustment to remove the effects flow-through tax recognition for 2009, reverses the deferred tax related to the Company's adjustment and removes non-property deferred tax to reflect flow-through treatment.*