

Exhibit No. ___ (APB-2)
Docket UE-100749
Witness: Alan P. Buckley

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

Alan P. Buckley

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Summary of Staff's Net Power Cost Adjustments

October 5, 2010
Revised December 10, 2010

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Docket No. UE-100749

Witness: Alan P. Buckley

Summary of Staff's Net Power Cost Adjustments

Line	WCA \$	WA \$ (1)	
1	A. Arbitrage Sales Margins	\$ 2,377,437	\$ 527,315
2	B. SCL Stateline Contract	\$ 2,125,412	\$ 471,416
3	C. SMUD Contract Shaping	\$ 2,499,818	\$ 554,460
4	D. Colstrip Outage	\$ 1,545,939	\$ 342,889
5	E. DC Intertie	\$ 4,766,400	\$ 1,057,187
6	F. Idaho PTP	\$ 1,583,040	\$ 351,118
7	G. Wind Integration Costs	\$ 5,504,428	\$ 1,220,882
8	H. Gas Price Update	\$ 3,457,535	\$ 766,881
9	Total Adjustments	\$ 23,860,009	\$ 5,292,148

(1) Based on an average of CAEW and CAGW Allocators - 22.18%

**Summary of Staff's
 Net Power Cost Adjustment**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Columns (a) through (h) equal APB-2 line items						
	A. Aritrage Sales Margins	B. SCL Stateline Contract	C. SMUD Contract Shaping	D. Colstrip Outage	E. DC Intertie	F. Idaho PTP	G. Wind Integration Costs
Operating Revenues:							
1 General Business Revenues	-	-	-	-	-	-	-
2 Interdepartmental	-	-	-	-	-	-	-
3 Special Sales	527,315	471,416	554,460	-	-	-	-
4 Other operating revenues	-	-	-	-	-	-	-
5 Total Operating Revenues	527,315	471,416	554,460	-	-	-	-
6							
7	Operating Expenses:						
8 Steam Production	-	-	-	-	-	-	-
9 Nuclear Production	-	-	-	-	-	-	-
10 Hydro Production	-	-	-	-	-	-	-
11 Other Power Supply	-	-	-	(342,889)	-	-	(1,220,882)
12 Transmission	-	-	-	-	(1,057,187)	(351,118)	-
13 Distribution	-	-	-	-	-	-	-
14 Customer Accounting	-	-	-	-	-	-	-
15 Customer Service & Info	-	-	-	-	-	-	-
16 Sales	-	-	-	-	-	-	-
17 Administrative & General	-	-	-	-	-	-	-
18 Total O&M Expense	-	-	-	(342,889)	(1,057,187)	(351,118)	(1,220,882)
19 Depreciation	-	-	-	-	-	-	-
20 Amortization	-	-	-	-	-	-	-
21 Taxes Other than Income	-	-	-	-	-	-	-
22 Income Taxes: Federal	184,560	164,996	194,061	120,011	370,015	122,891	427,309
23 : State	-	-	-	-	-	-	-
24 Deferred Income Taxes	-	-	-	-	-	-	-
25 Investment Tax Credit Adj.	-	-	-	-	-	-	-
26 Misc. Revenue & Expense	-	-	-	-	-	-	-
27 Total Operating Expenses:	184,560	164,996	194,061	(222,878)	(687,172)	(228,227)	(793,573)
28							
29 Net Operating Income:	342,755	306,420	360,399	222,878	687,172	228,227	793,573
30							
31	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:	-	-	-	-	-	-	-
44							
45	Deductions:						
46 Accum. Prov. for Depreciation	-	-	-	-	-	-	-
47 Accum. Prov. for Amortization	-	-	-	-	-	-	-
48 Accum. Deferred Income Tax	-	-	-	-	-	-	-
49 Unamortized ITC	-	-	-	-	-	-	-
50 Customer Advances for Const.	-	-	-	-	-	-	-
51 Customer Service Deposits	-	-	-	-	-	-	-
52 Miscellaneous Deductions	-	-	-	-	-	-	-
53							
54 Total Deductions:	-	-	-	-	-	-	-
55							
56 Total Rate Base:	-	-	-	-	-	-	-
57							
58							
59							
60 TAX CALCULATION							
61 Per Company							
62	0.35						
63 Operating Revenue	527,315	471,416	554,460	342,889	1,057,187	351,118	1,220,882
64 Other Deductions	-	-	-	-	-	-	-
65 Interest (AFUDC)	-	-	-	-	-	-	-
66 Interest	-	-	-	-	-	-	-
67 Schedule "M" additions	-	-	-	-	-	-	-
68 Schedule "M" deductions	-	-	-	-	-	-	-
69							
70 Income Before Tax	527,315	471,416	554,460	342,889	1,057,187	351,118	1,220,882
71 State Income Tax	-	-	-	-	-	-	-
72 Taxable Income	527,315	471,416	554,460	342,889	1,057,187	351,118	1,220,882
73 Adjustments to FIT	-	-	-	-	-	-	-
74 Federal Income Tax	184,560	164,996	194,061	120,011	370,015	122,891	427,309

**Summary of Staff's
 Net Power Cost Adjustment**

	(h)	(i)	(j)	(k)
	H. Gas Price Update	= sum a-h sum of Staff net power cost adjustments	Per Company Exhibit RBD-3 Adj. 5.2 Net Power Costs - Pro Forma	Per Exhibit MDF-2 revised 12/6/10 (i) + (j) equals net operating income in Exh. MDF-2, page 27, Adj. 5.2
Operating Revenues:				
1 General Business Revenues		-	-	-
2 Interdepartmental		-	-	-
3 Special Sales		1,553,191	(43,487,527)	(41,934,336)
4 Other operating revenues		-	-	-
5 Total Operating Revenues	-	1,553,191	(43,487,527)	(41,934,336)
6				
7				
Operating Expenses:				
8 Steam Production		-	4,196,529	4,196,529
9 Nuclear Production		-	-	-
10 Hydro Production		-	-	-
11 Other Power Supply	(766,881)	(2,330,652)	(13,589,900)	(15,920,552)
12 Transmission		(1,408,305)	3,336,530	1,928,225
13 Distribution		-	-	-
14 Customer Accounting		-	-	-
15 Customer Service & Info		-	-	-
16 Sales		-	-	-
17 Administrative & General		-	-	-
18 Total O&M Expense	(766,881)	(3,738,957)	(6,056,841)	(9,795,798)
19 Depreciation		-	-	-
20 Amortization		-	-	-
21 Taxes Other than Income		-	-	-
22 Income Taxes: Federal	268,408	1,852,252	(13,100,740)	(11,248,488)
23 : State		-	-	-
24 Deferred Income Taxes		-	-	-
25 Investment Tax Credit Adj.		-	-	-
26 Misc. Revenue & Expense		-	-	-
27 Total Operating Expenses:	(498,473)	(1,886,705)	(19,157,581)	(21,044,286)
28				
29 Net Operating Income:	498,473	3,439,896	(24,329,946)	(20,890,050)
30				
Rate Base:				
31				
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:	-	-	-	-
44				
Deductions:				
45				
46 Accum. Prov. for Depreciation		-	-	-
47 Accum. Prov. for Amortization		-	-	-
48 Accum. Deferred Income Tax		-	-	-
49 Unamortized ITC		-	-	-
50 Customer Advances for Const.		-	-	-
51 Customer Service Deposits		-	-	-
52 Miscellaneous Deductions		-	-	-
53				
54 Total Deductions:	-	-	-	-
55				
56 Total Rate Base:	-	-	-	-
57				
58				
59				
TAX CALCULATION				
60				
61 Per Company	0.35			
62				
63 Operating Revenue	766,881	5,292,148	(37,430,686)	(32,138,538)
64 Other Deductions	-	-	-	-
65 Interest (AFUDC)	-	-	-	-
66 Interest	-	-	-	-
67 Schedule "M" additions	-	-	-	-
68 Schedule "M" deductions	-	-	-	-
69				
70 Income Before Tax	766,881	5,292,148	(37,430,686)	(32,138,538)
71 State Income Tax	-	-	-	-
72 Taxable Income	766,881	5,292,148	(37,430,686)	(32,138,538)
73 Adjustments to FIT	-	-	-	-
74 Federal Income Tax	268,408	1,852,252	(13,100,740)	(11,248,488)