

**TABLE 1**  
**ICNU INTEGRATED REVENUE REQUIREMENT SUMMARY**

|  | Washington Revenue Requirement (\$000) |                            |
|--|--|----------------------------|
|  | Attrition Study                        | Pro-forma Cross Check      |
| <b>Company Filing:</b>                           |  |                            |
| <i>Increase / (Decrease) from 2014</i>           | <b>18,201</b>                          | <b>18,201</b>              |
| <b>Adjustments:</b>                              |  |                            |
| ICNU-1 Cost of Capital (Sponsored by Mr. Gorman) | (12,572)                               | (11,878)                   |
| ICNU-2 Remove Trending from Attrition Study      | (42,874)                               | -                          |
| ICNU-3 Remove Forecast Capital Expenditures      | -                                      | (28,051)                   |
| ICNU-4 Remove Lost Energy Efficiency Margins     | -                                      | (5,353)                    |
| ICNU-5 Net Power Cost Adjustments                | (7,855)                                | (7,855)                    |
| <b>Total Adjustments</b>                         | <del><b>(50,729)</b></del>             | <del><b>(41,259)</b></del> |
|  | <b>(63,301)</b>                        | <b>(53,137)</b>            |
| <b>Total Adjusted Revenue Requirement:</b>       |  |                            |
| <i>Increase / (Decrease) from 2014</i>           | <u><b>(45,100)</b></u>                 | <u><b>(34,936)</b></u>     |
| <i>Percentage Change from 2014 Rates</i>         | -9.38%                                 | -7.26%                     |

**Q. PLEASE EXPLAIN THE PRO FORMA CROSS CHECK COLUMN IN TABLE 1.**

A. This is the Company's alternative method for arriving at its proposed revenue requirement.

**I. REVENUE REQUIREMENT METHODOLOGY**

**Q. DID THE COMPANY RELY ON THE COMMISSION APPROVED REVENUE REQUIREMENT METHODOLOGY TO ARRIVE AT ITS PROPOSED RATE INCREASE?**

A. No. The Company calculated revenue requirement using two alternative methods, an attrition study and a pro forma cross-check study. The attrition study was calculated based on the Company's weather normalized results of operations for the test period (the