

1
2

**TABLE 1
ICNU INTEGRATED REVENUE REQUIREMENT SUMMARY**

	Washington Revenue Requirement (\$000)	
	Attrition Study	Pro-forma Cross Check
Company Filing:		
<i>Increase / (Decrease) from 2014</i>	18,201	18,201
Adjustments:		
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)
Total Adjustments	(63,301)	(53,137)
Total Adjusted Revenue Requirement:		
<i>Increase / (Decrease) from 2014</i>	<u>(45,100)</u>	<u>(34,936)</u>
<i>Percentage Change from 2014 Rates</i>	-9.38%	-7.26%

3

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

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

7 **I. REVENUE REQUIREMENT METHODOLOGY**

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

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