

Exhibit No. ____ (CTM-10)
Docket UE-130043
Witness: Christopher T. Mickelson

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFIC POWER & LIGHT
COMPANY, d/b/a PACIFICORP,**

Respondent.

DOCKET UE-130043

**EXHIBIT TO
TESTIMONY OF**

CHRISTOPHER T. MICKELSON

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Electric Cost of Service (Revised)

August 2, 2013

PACIFICORP
COST OF SERVICE BY RATE SCHEDULE (EARNED)
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
2013 GENERAL RATE CASE

Line No.	Schedule No.	Description	Annual Revenue		Total Cost	Generation Cost		Transmission Cost		Distribution Cost	Retail Cost		Misc. Cost	Increase / (Decrease)	Percentage Change	Parity Ratio
			C	D		E	F	G	H		I	J				
1	16-18	Residential	\$ 134,571,287	\$ 139,302,879	\$ 84,054,928	\$ 20,641,859	\$ 25,622,105	\$ 6,886,677	\$ 2,097,310	\$ 4,731,592	\$ 3,52%	96.6%				
2	24	Small General Service	\$ 45,261,337	\$ 41,366,542	\$ 26,763,333	\$ 6,571,522	\$ 6,400,881	\$ 949,283	\$ 681,524	\$ (3,894,795)	\$ -8.61%	109.4%				
3	36	Large General Service <1,000 kW	\$ 61,297,411	\$ 59,892,830	\$ 42,435,869	\$ 10,405,225	\$ 5,910,141	\$ 120,949	\$ 1,020,646	\$ (1,404,580)	\$ -2.29%	102.3%				
4	48T	Large General Service >1,000 kW	\$ 23,069,502	\$ 23,424,505	\$ 16,767,324	\$ 4,110,373	\$ 2,107,485	\$ 42,707	\$ 396,617	\$ 355,004	\$ 1.54%	98.5%				
5	48T	Dedicated Facilities	\$ 25,058,234	\$ 26,757,359	\$ 20,718,430	\$ 5,075,169	\$ 452,178	\$ 40,879	\$ 470,703	\$ 1,699,124	\$ 6.78%	93.6%				
6	40	Agricultural Pumping Service	\$ 12,299,348	\$ 11,075,268	\$ 7,063,575	\$ 1,734,277	\$ 1,910,945	\$ 183,832	\$ 182,640	\$ (1,224,080)	\$ -9.95%	111.1%				
7	15,51-54,57	Street Lighting	\$ 1,670,477	\$ 1,408,212	\$ 472,974	\$ 117,278	\$ 697,089	\$ 103,864	\$ 17,007	\$ (262,265)	\$ -15.70%	118.60%				
8		Total Washington Jurisdiction	\$ 303,227,596	\$ 303,227,596	\$ 198,276,433	\$ 48,655,703	\$ 43,100,824	\$ 8,328,191	\$ 4,866,445	\$ (0)	\$ 0.00%	100.0%				

PACIFICORP
 COST OF SERVICE BY RATE SCHEDULE (TARGET)
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
 2013 GENERAL RATE CASE

Line No.	Schedule No.	Description	Annual Revenue	Total Cost	Generation Cost	Transmission Cost	Distribution Cost	Retail Cost	Misc. Cost	Increase / (Decrease)	Percentage Change	Parity Ratio	Increase / (Decrease)	Percentage Change	Parity Ratio
1	16-18	Residential	\$ 134,571,287	\$ 146,082,470	\$ 87,725,245	\$ 21,692,400	\$ 27,686,222	\$ 6,864,820	\$ 2,113,784	\$ 11,511,182	8.55%	92.1%	\$ 7,455,249	5.54%	97.2%
2	24	Small General Service	\$ 45,261,337	\$ 43,396,644	\$ 27,932,650	\$ 6,905,910	\$ 6,923,490	\$ 947,796	\$ 686,798	\$ (1,864,693)	-4.12%	104.3%	\$ 1,090,798	2.41%	106.8%
3	36	Large General Service <1,000 kW	\$ 61,297,411	\$ 62,764,064	\$ 44,291,848	\$ 10,934,927	\$ 6,388,443	\$ 119,981	\$ 1,028,865	\$ 1,466,653	2.39%	97.7%	\$ 2,807,421	4.58%	102.1%
4	48T	Large General Service >1,000 kW	\$ 23,069,502	\$ 24,536,027	\$ 17,500,765	\$ 4,319,701	\$ 2,272,941	\$ 42,771	\$ 399,849	\$ 1,466,525	6.36%	94.0%	\$ 1,278,050	5.54%	99.2%
5	48T	Dedicated Facilities	\$ 25,058,234	\$ 27,954,791	\$ 21,625,333	\$ 5,334,075	\$ 479,839	\$ 40,892	\$ 474,653	\$ 2,896,557	11.56%	89.6%	\$ 1,691,707	6.75%	95.7%
6	40	Agricultural Pumping Service	\$ 12,299,348	\$ 11,637,300	\$ 7,372,210	\$ 1,822,444	\$ 2,075,148	\$ 183,460	\$ 184,038	\$ (662,048)	-5.38%	105.7%	\$ 296,414	2.41%	108.2%
7	15,51-54,57	Street Lighting	\$ 1,670,477	\$ 1,475,941	\$ 493,456	\$ 123,198	\$ 737,774	\$ 104,401	\$ 17,112	\$ (194,536)	-11.65%	113.2%	\$ -	0.00%	113.20%
8		Total Washington Jurisdiction	\$ 303,227,596	\$ 317,847,237	\$ 206,941,507	\$ 51,132,655	\$ 46,563,858	\$ 8,304,120	\$ 4,905,097	\$ 14,619,641	4.82%	95.4%	\$ 14,619,641	4.82%	100.0%

PACIFICORP
MONTHLY CUSTOMER CHARGE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
2013 GENERAL RATE CASE

Line No.	Description	Large General							Lighting (Sch. 15,51-54,57)
		A	B	C	D	E	F	G	
		Residential (Sch. 16-18)	Small General (Sch. 24)	Service <1,000 kW (Sch. 36)	Service >1,000 kW (Sch. 48T)	Dedicated Facilities (Sch. 48T)	Pumping (Sch. 40)		
Total									
1	Services	\$ 52,234,063	\$ 38,479,577	\$ 10,514,261	\$ 2,624,041	\$ 616,185	\$ -	\$ -	\$ -
2	Services Accum. Depn.	\$(18,439,235)	\$(13,583,741)	\$(3,711,657)	\$(926,317)	\$(217,520)	\$ -	\$ -	\$ -
3	Total Services	\$ 33,794,828	\$ 24,895,836	\$ 6,802,604	\$ 1,697,724	\$ 398,664	\$ -	\$ -	\$ -
4									
5	Meters	\$ 11,451,994	\$ 7,788,813	\$ 1,859,106	\$ 875,048	\$ 140,678	\$ 110,789	\$ 677,560	\$ -
6	Meters Accum. Depn.	\$(1,929,851)	\$(1,312,544)	\$(313,290)	\$(147,460)	\$(23,707)	\$(18,670)	\$(114,180)	\$ -
7	Total Meters	\$ 9,522,142	\$ 6,476,269	\$ 1,545,816	\$ 727,588	\$ 116,972	\$ 92,119	\$ 563,380	\$ -
8									
9	Total Rate Base (Ln 3+7)	\$ 43,316,970	\$ 31,372,105	\$ 8,348,420	\$ 2,425,311	\$ 515,636	\$ 92,119	\$ 563,380	\$ -
10									
11	Net of Tax Return on Rate Base @ 6.03%	\$ 2,612,013	\$ 1,891,738	\$ 503,410	\$ 146,246	\$ 31,093	\$ 5,555	\$ 33,972	\$ -
12	Net Operating Income Conversion Factor	0.61928	0.61928	0.61928	0.61928	0.61928	0.61928	0.61928	0.61928
13	Rate Base Revenue Requirement (Ln 11/12)	\$ 4,217,823	\$ 3,054,738	\$ 812,895	\$ 236,155	\$ 50,208	\$ 8,970	\$ 54,857	\$ -
14									
15	Services Depn Exp.	\$ 1,270,803	\$ 936,170	\$ 255,802	\$ 63,840	\$ 14,991	\$ -	\$ -	\$ -
16	Meters Depn Exp.	\$ 445,097	\$ 302,723	\$ 72,257	\$ 34,010	\$ 5,468	\$ 4,306	\$ 26,334	\$ -
17	Services Op Exp.	\$ 467,374	\$ 261,733	\$ 68,772	\$ 70,595	\$ 25,584	\$ 11,490	\$ 22,127	\$ 7,073
18	Meters Op Exp.	\$ 3,729,875	\$ 733,218	\$ 733,218	\$ 733,218	\$ 733,218	\$ 733,218	\$ 63,784	\$ -
19	Meter Reading/Billing Exp.	\$ 4,936,562	\$ 3,986,482	\$ 684,005	\$ 45,227	\$ 12,712	\$ 220	\$ 121,849	\$ 86,068
20	Services Taxes	\$ 418,685	\$ 249,554	\$ 63,184	\$ 57,827	\$ 20,004	\$ 3,344	\$ 19,852	\$ 4,919
21	Meters Taxes	\$ 91,794	\$ 54,713	\$ 13,853	\$ 12,678	\$ 4,386	\$ 733	\$ 4,353	\$ 1,078
22	Misc.	\$ 579	\$ 246	\$ 78	\$ 124	\$ 49	\$ 61	\$ 21	\$ 1
23	Net Expenses (Sum Ln 15-22)	\$ 11,360,770	\$ 6,524,839	\$ 1,891,169	\$ 1,017,520	\$ 816,411	\$ 753,372	\$ 258,319	\$ 99,139
24	Revenue Sensitive Conversion Factor	0.952746	0.952746	0.952746	0.952746	0.952746	0.952746	0.952746	0.952746
25	Expense Revenue Requirement (Ln 23/24)	\$ 11,924,238	\$ 6,848,456	\$ 1,984,967	\$ 1,067,987	\$ 856,903	\$ 790,737	\$ 271,131	\$ 104,056
26									
27	Total Revenue Requirement (Ln 13+25)	\$ 16,142,060	\$ 9,903,193	\$ 2,797,862	\$ 1,304,142	\$ 907,111	\$ 799,707	\$ 325,988	\$ 104,056
28									
29	Total Customers Bills (Annual)	1,588,530	1,251,564	223,761	12,534	695	12	63,120	36,844
30									
31	Monthly Customer Charge (Ln 27/29)	\$10.16	\$7.91	\$12.50	\$104.05	\$1,305.31	\$66,642.23	\$5.16	\$2.82
32									
33									
34	Total Customer Cost & Return	\$ 22,895,250	\$ 15,504,727.39	\$ 3,453,272	\$ 1,486,598	\$ 961,517	\$ 853,836	\$ 458,188	\$ 177,112
35	Customer Cost per Customer per Month	\$14.41	\$12.39	\$15.43	\$118.61	\$1,383.60	\$71,152.98	\$7.26	\$4.81
36									
37	All Distribution Cost & Return (Poles, Wires, Trans)	\$ 79,786,130	\$ 46,417,299	\$ 11,652,644	\$ 11,724,159	\$ 4,152,162	\$ 316,495	\$ 4,063,529	\$ 1,459,842
38	All Distribution Cost & Return (Substation)	\$ 12,779,408	\$ 6,491,099	\$ 1,738,908	\$ 2,279,291	\$ 856,384	\$ 545,885	\$ 790,026	\$ 77,816
39	Total Distribution Related Cost & Return	\$ 92,565,539	\$ 52,908,398	\$ 13,391,552	\$ 14,003,450	\$ 5,008,546	\$ 862,380	\$ 4,853,555	\$ 1,537,658
40	Distribution Cost per Customer per Month	\$58.27	\$42.27	\$59.85	\$1,117.24	\$7,207.17	\$71,865.04	\$76.89	\$41.73
41									
42	Total Customer and Distribution Cost with Return, per Customer per Month	\$72.68	\$54.66	\$75.28	\$1,235.85	\$8,590.77	\$143,018.02	\$84.15	\$46.54

Testimony of Christopher T. Mickelson
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