



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

December 1, 2009

Email / US Mail

Filing Center
Oregon Public Utility Commission
550 Capitol Street, N.E., Ste 215
Salem, OR 97301-2551

RE: December 1, 2009 Renewable Adjustment Clause Update (Docket UE 209)

Pursuant to Schedule 122, enclosed is PGE's December 1st Renewable Adjustment Clause (RAC) update in Docket UE 209. Attachment 1 provides a hard copy of the revenue requirements for Biglow 2 and SunWay 2. Attachment 2 is a CD containing confidential work papers, which are subject to Protective Order No. 09-138. The table below summarizes the updated 2008/2009 deferral and 2010 revenue requirements.

	Table 1 (\$s in 000s)		
	SunWay 1	SunWay 2	Biglow 2
2008/2009 Deferral	\$18.6	\$76.4	\$7,483.7
2010 Test Period	\$7.2	\$78.4	\$34,991.9

SunWay 2

On August 18, 2009, PGE, Staff, the Citizens' Utility Board (CUB), the Oregon Department of Transportation (ODOT), and the Industrial Customers of Northwest Utilities (ICNU) (collectively the "Stipulating Parties") reached a settlement of all issues in dockets UE 209 and UM 1407. Per the stipulation, parties agreed that SunWay 1 and SunWay 2 would not be subject to a December 1, 2009 update.

However, after the Stipulating Parties finalized settlement, PGE received a property tax assessment for SunWay 2 from the Department of Revenue indicating no property tax for 2009. As a result, PGE has reduced its capital contribution by approximately \$65,000 reducing the 2009 deferral revenue requirement by approximately \$11,000, and the 2010 revenue requirement by approximately \$10,000. PGE does not anticipate any further changes to the expected revenue requirements for 2008/2009 and 2010.

Biglow 2

PGE has updated the Biglow 2 revenue requirement with actuals through October 2009. The result is a reduction to the closing balance of the plant from \$325.5 million to \$321.0 million. However, the revenue requirement for 2010 is higher by approximately \$0.4 million. In 2009, PGE was contractually obligated to make an additional capital contribution to the BPA for interconnection work. As a result, amortization expense in 2010 increases by approximately \$0.5 million and is the primary driver for the revenue requirement increase. However, PGE and its customers will recover this additional contribution to BPA through future transmission credits. The 2009 deferral has been revised to reflect the lower installed cost as well as lower than expected output, which results in a lower Net Variable Power Cost offset (\$1.6 million) and reduced Production Tax Credits (\$0.8 million). The following summarizes the change for 2009:


Table 2
(\$s in millions)

2009 Deferral Update	
Joint Testimony Amount	\$5.6
- Lower Depr. & Amort. Expense	\$0.3
- Other	\$0.2
+ Lower NVPC Benefit	\$1.6
+ Lower Production Tax Credits	\$0.8
December 1 Update Amount	\$7.5

This update includes all stipulated adjustments as previously agreed to in Docket UE 209. The details supporting the figures above are included in Attachment 2, which contains work papers.

If you have any questions, please contact me at (503) 464-7580 or Jay Tinker at (503) 464-7002.

Sincerely,



Patrick G. Hager
Manager, Regulatory Affairs

encls.

cc: UE 209 Service List

UE 209
Attachment 1

Revenue Requirements:

Biglow 2

SunWay 2

Biglow 2 - 2010 Test Year
Impact of RAC Projects on UE-197 Results
Dollars in \$000s

	Order 08-601 2009 UE-197 (1)	Biglow Canyon Phase 2 Impact (2)	UE-197 with Biglow Canyon Phase 2 (3)	RAC Revenues for RROE (4)	UE-____ Results with Biglow 2 (5)
1 Sales to Consumers	1,708,644		1,708,644	34,992	1,743,636
2 Sales for Resale	-		-		-
3 Other Revenues	18,891		18,891		18,891
4 Total Operating Revenues	1,727,535	-	1,727,535	34,992	1,762,527
5 Net Variable Power Costs	848,441		848,441		848,441
6 Production O&M (excludes Trojan)	100,891	2,804	103,695		103,695
7 Trojan O&M	129		129		129
8 Transmission O&M	11,787		11,787		11,787
9 Distribution O&M	65,599		65,599		65,599
10 Customer & MBC O&M	64,790		64,790		64,790
11 Uncollectibles Expense	7,347	-	7,347	150	7,498
12 OPUC fee	5,340	-	5,340	109	5,449
13 A&G, Ins/Bene., & Gen. Plant	88,283	418	88,701		88,701
14 Total Operating & Maintenance	1,192,608	3,222	1,195,829	260	1,196,089
15 Depreciation & Amortization	192,234	14,576	206,810		206,810
16 Property Tax	33,032	1,147	34,179		34,179
17 Payroll Tax	11,338		11,338		11,338
18 Other Taxes	1,411		1,411		1,411
19 Franchise Fees	42,955	-	42,955	880	43,835
20 Utility Income Tax	64,093	(22,202)	41,891	12,966	54,857
21 Total Operating Expenses & Taxes	1,537,670	(3,257)	1,534,413	14,105	1,548,518
22 Utility Operating Income	189,865	3,257	193,122	20,887	214,009
	189,865		193,122		214,009
23 Average Rate Base					
24 Avg. Gross Plant	5,100,067	321,000	5,421,067		5,421,067
25 Avg. Accum. Deprec. / Amort	(2,674,938)	(13,177)	(2,688,115)		(2,688,115)
26 Avg. Accum. Def Tax	(286,862)	(35,525)	(322,387)		(322,387)
27 Deferred Tax Credits and Prepays	(271)	18,017	17,745		17,745
28 Avg. Net Utility Plant	2,137,995	290,315	2,428,310	-	2,428,310
29 Misc. Deferred Debits	30,420		30,420		30,420
30 Operating Materials & Fuel	67,707		67,707		67,707
31 Misc. Deferred Credits	(37,755)		(37,755)		(37,755)
32 Working Cash	79,959	(169)	79,789	733	80,523
33 Average Rate Base	2,278,326	290,145	2,568,471	733	2,569,205
34 Rate of Return	8.334%		7.519%		8.330%
35 Implied Return on Equity	10.100%		8.471%		10.093%
36 AR 499 - Net to Gross	14.86%				15.42%
37 AR 499 - Effective Tax Rate	25.24%				20.40%

Biglow 2 - 2010 Test Year
Impact of RAC Projects on UE-197 Results
Dollars in \$000s

	Order 08-601 2009 UE-197 (1)	Biglow Canyon Phase 2 Impact (2)	UE-197 with Biglow Canyon Phase 2 (3)	RAC Revenues for RROE (4)	UE-____ Results with Biglow 2 (5)
38 Effective Cost of Debt	6.567%	6.567%	6.567%	6.567%	6.567%
39 Effective Cost of Preferred	0.000%	0.000%	0.000%	0.000%	0.000%
40 Debt Share of Cap Structure	50.000%	50.000%	50.000%	50.000%	50.000%
41 Preferred Share of Cap Structure	0.000%	0.000%	0.000%	0.000%	0.000%
42 Weighted Cost of Debt	3.284%	3.284%	3.284%	3.284%	3.284%
43 Weighted Cost of Preferred	0.000%	0.000%	0.000%	0.000%	0.000%
44 Equity Share of Cap Structure	50.000%	50.000%	50.000%	50.000%	50.000%
45 State Tax Rate	5.120%	5.120%	5.120%	5.120%	5.120%
46 Federal Tax Rate	35.000%	35.000%	35.000%	35.000%	35.000%
47 Composite Tax Rate	38.328%	38.328%	38.328%	38.328%	38.328%
48 Bad Debt Rate	0.430%	0.430%	0.430%	0.430%	0.430%
49 Franchise Fee Rate	2.514%	2.514%	2.514%	2.514%	2.514%
50 Working Cash Factor	5.200%	5.200%	5.200%	5.200%	5.200%
51 Gross-Up Factor	1.621	1.621	1.621	1.621	1.621
52 ROE Target	10.000%	10.000%	10.000%	10.000%	10.000%
53 Grossed-Up COC	11.391%	11.391%	11.391%	11.391%	11.391%
55 OPUC Fee Rate	0.3125%	0.3125%	0.3125%	0.3125%	0.3125%
Utility Income Taxes					
56 Book Revenues	1,727,535	-	1,727,535	34,992	1,762,527
57 Book Expenses	1,473,577	18,944	1,492,522	1,140	1,493,661
58 Interest Deduction	74,809	9,527	84,336	24	84,360
59 Production Deduction	-	-	-	-	-
60 Permanent Ms	(17,985)	(307)	(18,292)	-	(18,292)
61 Deferred Ms	42,599	84,571	127,170	-	127,170
62 Taxable Income	154,535	(112,736)	41,799	33,828	75,627
63 Current State Tax	7,912	(5,772)	2,140	1,732	3,872
64 State Tax Credits	(2,084)	(2,200)	(4,284)	-	(4,284)
65 Net State Taxes	5,828	(7,972)	(2,144)	1,732	(412)
66 Federal Taxable Income	148,706	(104,763)	43,943	32,096	76,039
67 Current Federal Tax	52,047	(36,667)	15,380	11,234	26,614
68 ITC Amort	(1,456)	-	(1,456)	-	(1,456)
69 Federal Tax Credits	(8,363)	(9,977)	(18,340)	-	(18,340)
70 Deferred Taxes	16,036	32,415	48,451	-	48,451
71 Total Income Tax Expense	64,093	(22,202)	41,891	12,966	54,857
72 Effective Tax Rate	35.78%	27.80%	27.80%	38.33%	29.73%
73 Regulated Net Income	115,056	115,056	108,786	108,786	129,649

2009 Rev Req

2009 Check

	2009							2009	2009
	June	July	August	September	October	November	December	Biglow 2 Revenues for RROE	Biglow 2 Revenues for RROE
Biglow 2 - 2009 Deferral									
1 Sales to Customers	\$ (3,569,288)	\$ 425,633	\$ 521,203	\$ 2,072,757	\$ 2,514,618	\$ 3,301,476	\$ 2,217,312	\$ 7,483,711	\$ 7,483,711
2 Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Total Operating Revenues	\$ (3,569,288)	\$ 425,633	\$ 521,203	\$ 2,072,757	\$ 2,514,618	\$ 3,301,476	\$ 2,217,312	\$ 7,483,711	\$ 7,483,711
4 NVPC	\$ (233,144)	\$ (764,336)	\$ (2,272,866)	\$ (2,174,084)	\$ (1,341,811)	\$ (647,252)	\$ (1,596,711)	\$ (9,030,204)	\$ (9,030,204)
5 Production O&M	\$ 58,138	\$ 55,812	\$ 190,574	\$ 497,232	\$ 162,565	\$ 271,133	\$ 218,314	\$ 1,453,769	\$ 1,453,769
6 Uncollectibles Expense	\$ (15,348)	\$ 1,830	\$ 2,241	\$ 8,913	\$ 10,813	\$ 14,196	\$ 9,534	\$ 32,180	\$ 32,180
7 OPUC Fees	\$ (11,154)	\$ 1,330	\$ 1,629	\$ 6,477	\$ 7,858	\$ 10,317	\$ 6,929	\$ 23,387	\$ 23,387
8 A&G, Ins/Bene., & Gen. Plant	\$ 3,317	\$ 1,592	\$ 494	\$ 130,313	\$ 23,767	\$ 22,755	\$ 22,755	\$ 204,993	\$ 204,993
9 Depreciation & Amortization	\$ 179,267	\$ 493,064	\$ 957,525	\$ 1,178,323	\$ 1,207,264	\$ 1,200,677	\$ 1,196,594	\$ 6,412,715	\$ 6,412,715
11 Franchise Fees	\$ (89,732)	\$ 10,700	\$ 13,103	\$ 52,109	\$ 63,217	\$ 82,999	\$ 55,743	\$ 188,141	\$ 188,141
12 Utility Income Tax	\$ (3,817,615)	\$ (291,886)	\$ (11,030)	\$ 197,602	\$ 199,694	\$ 190,090	\$ 178,189	\$ (3,354,956)	\$ (3,354,956)
13 Total Operating Expenses & Taxes	\$ (3,926,271)	\$ (491,894)	\$ (1,118,330)	\$ (103,114)	\$ 333,367	\$ 1,144,916	\$ 91,348	\$ (4,069,977)	\$ (4,069,977)
14 Utility Operating Income	\$ 356,983	\$ 917,526	\$ 1,639,533	\$ 2,175,871	\$ 2,181,251	\$ 2,156,560	\$ 2,125,963	\$ 11,553,688	\$ 11,553,688
15 Rate of Return	0.662%	0.689%	0.688%	0.690%	0.691%	0.692%	0.690%	8.284%	8.284%
16 Avg. Gross Plant	\$ 48,313,499	\$ 128,610,713	\$ 236,573,366	\$ 317,028,940	\$ 321,202,718	\$ 320,949,862	\$ 320,999,862	\$ 141,139,913	\$ 141,139,913
17 Avg. Accum. Deprec. / Amort	\$ (93,987)	\$ (434,507)	\$ (1,159,802)	\$ (2,227,726)	\$ (3,420,520)	\$ (4,624,490)	\$ (5,823,126)	\$ (1,482,013)	\$ (1,482,013)
18 Avg. Accum. Def Tax	\$ (1,546,415)	\$ (4,639,246)	\$ (7,732,076)	\$ (10,824,907)	\$ (13,917,737)	\$ (17,010,567)	\$ (20,103,398)	\$ (6,314,529)	\$ (6,314,529)
19 Misc. Deferred Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Deferred Tax Credits	\$ 1,399,355	\$ 3,031,936	\$ 3,498,388	\$ 3,964,840	\$ 4,431,291	\$ 4,897,743	\$ 5,364,195	\$ 2,215,646	\$ 2,215,646
21 Prepays	\$ 6,092,390	\$ 6,656,713	\$ 7,031,009	\$ 7,333,595	\$ 7,485,923	\$ 7,485,923	\$ 7,485,923	\$ 4,130,956	\$ 4,130,956
22 Working Cash	\$ (204,166)	\$ (25,578)	\$ (58,153)	\$ (5,362)	\$ 17,335	\$ 59,536	\$ 4,750	\$ (211,639)	\$ (211,639)
23 Avg. Rate Base	\$ 53,960,675	\$ 133,200,031	\$ 238,152,732	\$ 315,269,379	\$ 315,799,011	\$ 311,758,006	\$ 307,928,206	\$ 139,478,335	\$ 139,478,335
24 Regulated Net Income	\$ 215,479	\$ 553,828	\$ 989,638	\$ 1,313,377	\$ 1,316,624	\$ 1,301,720	\$ 1,283,252	\$ 6,973,917	\$ 6,973,917
25 Return on Equity	0.78%	0.83%	0.83%	0.83%	0.83%	0.84%	0.83%	10.00%	10.00%
Utility Income Taxes									
26 Book Rev	\$ (3,569,288)	\$ 425,633	\$ 521,203	\$ 2,072,757	\$ 2,514,618	\$ 3,301,476	\$ 2,217,312	\$ 7,483,711	\$ 7,483,711
27 Book Exp	\$ (108,656)	\$ (200,007)	\$ (1,107,299)	\$ (300,716)	\$ 133,673	\$ 954,826	\$ (86,841)	\$ (715,021)	\$ (715,021)
28 Interest Expense	\$ 141,505	\$ 363,699	\$ 649,895	\$ 862,494	\$ 864,627	\$ 854,840	\$ 842,712	\$ 4,579,771	\$ 4,579,771
29 Permanent Ms	\$ (19,765)	\$ (19,765)	\$ (19,765)	\$ (19,765)	\$ (19,765)	\$ (19,765)	\$ (19,765)	\$ (138,357)	\$ (138,357)
30 Deferred Ms	\$ 7,892,038	\$ 7,892,038	\$ 7,892,038	\$ 7,892,038	\$ 7,892,038	\$ 7,892,038	\$ 7,892,037	\$ 55,244,265	\$ 55,244,265
31 Taxable Income	\$ (11,474,409)	\$ (7,610,332)	\$ (6,893,666)	\$ (6,361,294)	\$ (6,355,955)	\$ (6,380,463)	\$ (6,410,829)	\$ (51,486,947)	\$ (51,486,947)
32 State Tax	\$ (739,526)	\$ (490,486)	\$ (444,297)	\$ (409,985)	\$ (409,641)	\$ (411,221)	\$ (413,178)	\$ (3,318,334)	\$ (3,318,334)
33 State Tax Credits	\$ (1,100,000)	\$ (183,333)	\$ (183,333)	\$ (183,333)	\$ (183,333)	\$ (183,333)	\$ (183,333)	\$ (2,200,000)	\$ (2,200,000)
34 Net State Taxes	\$ (1,839,526)	\$ (673,819)	\$ (627,630)	\$ (593,319)	\$ (592,975)	\$ (594,554)	\$ (596,511)	\$ (5,518,334)	\$ (5,518,334)
35 Federal Taxable Income	\$ (9,634,883)	\$ (6,936,512)	\$ (6,266,036)	\$ (5,767,976)	\$ (5,762,980)	\$ (5,785,908)	\$ (5,814,317)	\$ (45,968,613)	\$ (45,968,613)
36 Federal Tax	\$ (3,372,209)	\$ (2,427,779)	\$ (2,193,112)	\$ (2,018,792)	\$ (2,017,043)	\$ (2,025,068)	\$ (2,035,011)	\$ (16,089,015)	\$ (16,089,015)
37 Federal Tax Credits	\$ (1,698,710)	\$ (283,118)	\$ (283,118)	\$ (283,118)	\$ (283,118)	\$ (283,118)	\$ (283,118)	\$ (3,397,421)	\$ (3,397,421)
38 Deferred Taxes	\$ 3,092,831	\$ 3,092,831	\$ 3,092,831	\$ 3,092,831	\$ 3,092,831	\$ 3,092,831	\$ 3,092,830	\$ 21,649,813	\$ 21,649,813
39 Total Income Tax	\$ (3,817,615)	\$ (291,886)	\$ (11,030)	\$ 197,602	\$ 199,694	\$ 190,090	\$ 178,189	\$ (3,354,956)	\$ (3,354,956)

	2009 Rev Req							2009 Check	
	2009	2009	2009	2009	2009	2009	2009	2009	2009
	June	July	August	September	October	November	December	Biglow 2 Revenues for RROE	Biglow 2 Revenues for RROE
Biglow 2 - 2009 Deferral									
40 Deferred Tax Rate	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%
41 Working Cash Factor	5.200%	5.200%	5.200%	5.200%	5.200%	5.200%	5.200%	5.200%	5.200%
42 Weighted Cost of Debt	3.284%	3.284%	3.284%	3.284%	3.284%	3.284%	3.284%	3.284%	3.284%
43 Weighted Cost of Debt (Monthly)	0.274%	0.274%	0.274%	0.274%	0.274%	0.274%	0.274%	0.274%	0.274%
44 State Tax Rate	6.445%	6.445%	6.445%	6.445%	6.445%	6.445%	6.445%	6.445%	6.445%
45 Federal Tax Rate	35.000%	35.000%	35.000%	35.000%	35.000%	35.000%	35.000%	35.000%	35.000%
46 Composite Tax Rate	39.189%	39.189%	39.189%	39.189%	39.189%	39.189%	39.189%	39.189%	39.189%
47 Effective Cost of Debt	6.567%	6.567%	6.567%	6.567%	6.567%	6.567%	6.567%	6.567%	6.567%
48 Equity Share of Cap Structure	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%
49 Debt Share of Cap Structure	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%
50 ROE Target	10.000%	10.000%	10.000%	10.000%	10.000%	10.000%	10.000%	10.000%	10.000%
51 WACC	8.284%	8.284%	8.284%	8.284%	8.284%	8.284%	8.284%	8.284%	8.284%
52 WACC (Monthly)	0.690%	0.690%	0.690%	0.690%	0.690%	0.690%	0.690%	0.690%	0.690%
53 Gross-up Factor	1.644	1.644	1.644	1.644	1.644	1.644	1.644	1.644	1.644
54 Grossed-up Cost of Capital	11.506%	11.506%	11.506%	11.506%	11.506%	11.506%	11.506%	11.506%	11.506%
55 Bad Debt Rate	0.430%	0.430%	0.430%	0.430%	0.430%	0.430%	0.430%	0.430%	0.430%
56 OPUC Fee Rate	0.3125%	0.3125%	0.3125%	0.3125%	0.3125%	0.3125%	0.3125%	0.3125%	0.3125%
57 Franchise Fee Rate	2.514%	2.514%	2.514%	2.514%	2.514%	2.514%	2.514%	2.514%	2.514%
Income Tax Check									
58 Revenue	\$ (3,569,288)	\$ 425,633	\$ 521,203	\$ 2,072,757	\$ 2,514,618	\$ 3,301,476	\$ 2,217,312	\$ 7,483,711	\$ 7,483,711
59 Int. Expense	\$ 141,505	\$ 363,699	\$ 649,895	\$ 862,494	\$ 864,627	\$ 854,840	\$ 842,712	\$ 4,579,771	\$ 4,579,771
60 Op. Expense	\$ (108,656)	\$ (200,007)	\$ (1,107,299)	\$ (300,716)	\$ 133,673	\$ 954,826	\$ (86,841)	\$ (715,021)	\$ (715,021)
61 Book Taxable	\$ (3,602,136)	\$ 261,941	\$ 978,607	\$ 1,510,979	\$ 1,516,318	\$ 1,491,810	\$ 1,461,441	\$ 3,618,961	\$ 3,618,961
62 Tot. Sch. M	\$ 7,872,273	\$ 7,872,273	\$ 7,872,273	\$ 7,872,273	\$ 7,872,273	\$ 7,872,273	\$ 7,872,270	\$ 55,105,908	\$ 55,105,908
63 Tax Taxable	\$ (11,474,409)	\$ (7,610,332)	\$ (6,893,666)	\$ (6,361,294)	\$ (6,355,955)	\$ (6,380,463)	\$ (6,410,829)	\$ (51,486,947)	\$ (51,486,947)
64 Net State Tax	\$ (1,839,526)	\$ (673,819)	\$ (627,630)	\$ (593,319)	\$ (592,975)	\$ (594,554)	\$ (596,511)	\$ (5,518,334)	\$ (5,518,334)
65 Net Federal Tax	\$ (5,070,919)	\$ (2,710,898)	\$ (2,476,231)	\$ (2,301,910)	\$ (2,300,161)	\$ (2,308,186)	\$ (2,318,129)	\$ (19,486,435)	\$ (19,486,435)
66 Deferred Tax	\$ 3,092,831	\$ 3,092,831	\$ 3,092,831	\$ 3,092,831	\$ 3,092,831	\$ 3,092,831	\$ 3,092,830	\$ 21,649,813	\$ 21,649,813
67 Total Tax	\$ (3,817,615)	\$ (291,886)	\$ (11,030)	\$ 197,602	\$ 199,694	\$ 190,090	\$ 178,189	\$ (3,354,956)	\$ (3,354,956)
	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
UOI Check									
68 Avg. Rate Base								\$ 139,478,335	\$ 139,478,335
69 RROE								8.284%	8.284%
70 UOI								\$ 11,553,688	\$ 11,553,688
								TRUE	TRUE

**ProLogis (SunWay 2) - 2010 Test Year
Impact of RAC Projects on UE-197 Results
Dollars in \$000s**

	Order 08-601 2009 UE-197 (1)	ProLogis Solar Project Impact (2)	UE-197 with SunWay 2 (3)	RAC Revenues for RROE (4)	UE-____ Results with SunWay 2 (5)
1 Sales to Consumers	1,708,644		1,708,644	78	1,708,723
2 Sales for Resale	-		-		-
3 Other Revenues	18,891	9	18,899		18,899
4 Total Operating Revenues	1,727,535	9	1,727,544	78	1,727,622
5 Net Variable Power Costs	848,441		848,441		848,441
6 Production O&M (excludes Trojan)	100,891		100,891		100,891
7 Trojan O&M	129		129		129
8 Transmission O&M	11,787		11,787		11,787
9 Distribution O&M	65,599		65,599		65,599
10 Customer & MBC O&M	64,790		64,790		64,790
11 Uncollectibles Expense	7,347	-	7,347	0	7,348
12 OPUC fee	5,340	-	5,340	0	5,340
13 A&G, Ins/Bene., & Gen. Plant	88,283		88,283		88,283
14 Total Operating & Maintenance	1,192,608	-	1,192,608	1	1,192,608
15 Depreciation & Amortization	192,234	26	192,260		192,260
16 Property Tax	33,032	0	33,032		33,032
17 Payroll Tax	11,338		11,338		11,338
18 Other Taxes	1,411		1,411		1,411
19 Franchise Fees	42,955	-	42,955	2	42,957
20 Utility Income Tax	64,093	(13)	64,080	29	64,109
21 Total Operating Expenses & Taxes	1,537,670	13	1,537,684	32	1,537,715
22 Utility Operating Income	189,865	(5)	189,860	47	189,907
	189,865		189,860		189,907
23 Average Rate Base					
24 Avg. Gross Plant	5,100,067		5,100,067		5,100,067
25 Avg. Accum. Deprec. / Amort	(2,674,938)		(2,674,938)		(2,674,938)
26 Avg. Accum. Def Tax	(286,862)	15	(286,847)		(286,847)
27 Avg. Accum. Def ITC	(271)		(271)		(271)
28 Avg. Net Utility Plant	2,137,995	15	2,138,010	-	2,138,010
29 Misc. Deferred Debits	30,420	486	30,905		30,905
30 Operating Materials & Fuel	67,707		67,707		67,707
31 Misc. Deferred Credits	(37,755)		(37,755)		(37,755)
32 Working Cash	79,959	1	79,960	2	79,961
33 Average Rate Base	2,278,326	501	2,278,828	2	2,278,829
34 Rate of Return	8.334%		8.331%		8.334%
35 Implied Return on Equity	10.100%		10.096%		10.100%
36 AR 499 - Net to Gross	14.86%				14.87%
37 AR 499 - Effective Tax Rate	25.24%				25.24%

**ProLogis (SunWay 2) - 2010 Test Year
Impact of RAC Projects on UE-197 Results
Dollars in \$000s**

	Order 08-601 2009 UE-197 (1)	ProLogis Solar Project Impact (2)	UE-197 with SunWay 2 (3)	RAC Revenues for RROE (4)	UE-____ Results with SunWay 2 (5)
38 Effective Cost of Debt	6.567%	6.567%	6.567%	6.567%	6.567%
39 Effective Cost of Preferred	0.000%	0.000%	0.000%	0.000%	0.000%
40 Debt Share of Cap Structure	50.000%	50.000%	50.000%	50.000%	50.000%
41 Preferred Share of Cap Structure	0.000%	0.000%	0.000%	0.000%	0.000%
42 Weighted Cost of Debt	3.284%	3.284%	3.284%	3.284%	3.284%
43 Weighted Cost of Preferred	0.000%	0.000%	0.000%	0.000%	0.000%
44 Equity Share of Cap Structure	50.000%	50.000%	50.000%	50.000%	50.000%
45 State Tax Rate	5.120%	5.120%	5.120%	5.120%	5.120%
46 Federal Tax Rate	35.000%	35.000%	35.000%	35.000%	35.000%
47 Composite Tax Rate	38.328%	38.328%	38.328%	38.328%	38.328%
48 Bad Debt Rate	0.430%	0.430%	0.430%	0.430%	0.430%
49 Franchise Fee Rate	2.514%	2.514%	2.514%	2.514%	2.514%
50 Working Cash Factor	5.200%	5.200%	5.200%	5.200%	5.200%
51 Gross-Up Factor	1.621	1.621	1.621	1.621	1.621
52 ROE Target	10.000%	10.000%	10.000%	10.000%	10.000%
53 Grossed-Up COC	11.391%	11.391%	11.391%	11.391%	11.391%
55 OPUC Fee Rate	0.3125%	0.3125%	0.3125%	0.3125%	0.3125%
	8.284%				
Utility Income Taxes					
56 Book Revenues	1,727,535	9	1,727,544	78	1,727,622
57 Book Expenses	1,473,577	26	1,473,604	3	1,473,606
58 Interest Deduction	74,809	16	74,825	0	74,825
59 Production Deduction	-		-		-
60 Permanent Ms	(17,985)		(17,985)		(17,985)
61 Deferred Ms	42,599	(26)	42,573		42,573
62 Taxable Income	154,535	(8)	154,527	76	154,602
63 Current State Tax	7,912	(0)	7,912	4	7,916
64 State Tax Credits	(2,084)		(2,084)		(2,084)
65 Net State Taxes	5,828	(0)	5,828	4	5,832
66 Federal Taxable Income	148,706	(8)	148,699	72	148,771
67 Current Federal Tax	52,047	(3)	52,045	25	52,070
68 ITC Amort	(1,456)		(1,456)		(1,456)
69 Federal Tax Credits	(8,363)		(8,363)		(8,363)
70 Deferred Taxes	16,036	(10)	16,026	-	16,026
71 Total Income Tax Expense	64,093	(13)	64,080	29	64,109
72 Effective Tax Rate	35.78%		35.78%	38.33%	35.78%
73 Regulated Net Income	115,056		115,035		115,082
	115,056		115,035		115,082

