BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM _____

In the Matter of

IDAHO POWER COMPANY'S

Request for Authorization to Defer Costs Associated with a Long Term Program Contract with Siemens Energy, Inc.

IDAHO POWER COMPANY

REDACTED DIRECT TESTIMONY

OF

COURTNEY E. WAITES

June 5, 2015

- 1 Q. Please state your name and business address.
- A. My name is Courtney E. Waites and my business address is 1221 West Idaho
 Street, Boise, Idaho 83702.

4 Q. By whom are you employed and in what capacity?

A. I am employed by Idaho Power Company ("Idaho Power" or "Company") as a Senior
Regulatory Analyst in the Regulatory Affairs Department.

7 Q. Please describe your educational background.

8 Α. In December of 1998, I received a Bachelor of Arts degree in Accounting from the 9 University of Alaska in Anchorage, Alaska. In 2000, I earned a Master of Business 10 Administration degree from Alaska Pacific University. I have attended New Mexico 11 State University's Center for Public Utilities and the National Association of 12 Regulatory Utility Commissioners "Practical Skills for the Changing Electric Industry" 13 conference, the Electric Utility Consultants, Inc., "Introduction to Rate Design and 14 Cost of Service Concepts and Techniques for Electric Utilities" conference. Edison 15 Electric Institute's "Introduction to Public Utility Accounting" course, Edison Electric 16 Institute's Electric Rates Advanced course, and SNL Knowledge Center's "Essentials 17 of Regulatory Finance" course.

18 **Q.** Please describe your work experience with Idaho Power.

19 A. I began my employment with Idaho Power in December 2004 in the Accounts 20 Payable Department. In 2005, I accepted a Regulatory Accountant position in the 21 Finance Department where one of my tasks was to assist in responding to regulatory 22 data requests pertaining to financial issues. In 2006, I accepted my current position, 23 Regulatory Analyst, in the Regulatory Affairs Department. My duties as a Regulatory 24 Analyst include providing support for the Company's various regulatory activities, 25 including tariff administration, regulatory ratemaking and compliance filings, and the 26 development of various pricing strategies and policies.

1

Q. What is Idaho Power requesting in this case?

A. Idaho Power is requesting approval of the Company's proposed accounting
treatment for costs associated with a Long Term Program ("LTP") Contract with
Siemens Energy, Inc. ("Siemens"). Concurrent with this Application, Idaho Power is
requesting approval of the LTP Contract and the transfer and sale of certain assets
to Siemens in Docket No. UP _____. The Company is not requesting to change
customer rates at this time.

8

I. BACKGROUND

9 Q. Please describe the LTP Contract with Siemens.

10 Α. The LTP Contract with Siemens is fully detailed in the Company's Application and 11 Testimony of Power Plant Area Maintenance Leader Trevor Mahlum in Docket No. 12 UP . Generally, under the LTP Contract, Siemens will provide maintenance at 13 all three of the Company's natural gas-fired facilities including scheduled 14 maintenance of the combustion turbines, comprising of program parts or repairs, 15 shipping, services, labor, engineering services, and program management services. 16 Siemens will also perform unscheduled maintenance on all three combustion 17 turbines to the extent such work is not covered by Siemens' other warranties under 18 the contract. The pricing structure under the LTP Contract involves per unit initiation 19 fees combined with periodic milestone amounts due at or near the actual outage 20 events. Leveraging Siemens' pool of regional inventory, outage resources, and 21 technical expertise, will result in lower overall costs to Idaho Power and its 22 customers.

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Q. What is the Company's request in Docket No. UP ____?

A. In Docket No. UP _____, Idaho Power is requesting approval of a LTP Contract with Siemens and the transfer and sale of certain assets to Siemens pursuant to ORS §

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757.480. With a LTP Contract, the Company has no need for its current inventory of
gas plant spare parts (referred to as "initial spare parts"); Siemens will provide all
parts necessary for maintenance and repair of Idaho Power's gas fleet. Under the
terms of the LTP Contract, Siemens will take title to Idaho Power inventory of initial
spare parts for each combustion turbine and is expected to remove them from Idaho
Power's facilities soon after approval of the LTP Contract.

7

Q. What is the purpose of your testimony in this case?

A. My testimony will describe Idaho Power's request for approval of the Company's proposed accounting treatment for costs associated with a LTP Contract with Siemens including (1) the deferral of the initiation fees to a regulatory asset, (2) the transfer of the net book value of the initial spare parts and associated net tax expense to a regulatory asset, and (3) a carrying charge on a portion of the regulatory asset balance.

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II. PROPOSED ACCOUNTING TREATMENT

Q. Why does the Company seek to defer the initiation fees?

Α. 16 While the LTP Contract provides significant benefits to customers over the life of the 17 contract, absent the requested accounting treatment, the financial impact to the 18 Company in the first few years is considerable, primarily attributable to the initiation 19 fees and net tax expense. The initiation fees serve as a prepayment toward services 20 that will be performed by Siemens over the life of the agreement. Because the 21 expense is for work performed throughout the duration of the contract, Idaho Power 22 is proposing to establish the initiation fees, approximately [BEGIN CONFIDENTIAL 23 MATERIAL] **IEND** CONFIDENTIAL MATERIAL] on Oregon an 24 jurisdictional basis, as a regulatory asset. The Company is proposing to amortize 25 that balance, on a straight-line basis, over the length of the contract, commencing on 26 payment of the initiation fee to Siemens. The deferral and subsequent amortization

of initiation fees will more closely match the expense recognition with the work being
 performed.

3

Q. What is the length of the amortization period the Company's is requesting?

A. Idaho Power is requesting an amortization period of 20 years. The estimated
expiration date of the LTP Contract varies by combustion turbine but ranges 18-22
years. Using a 20- year period will align the length of the amortization with the range
of the estimated contract duration.

8 Q. What is Idaho Power's proposed accounting for the deferral and amortization
9 of the initiation fees in a regulatory asset?

A. Idaho Power proposes to record the deferred initiation fee amounts to Federal
 Energy Regulatory Commission ("FERC") Account 182.3, Other Regulatory Assets.
 The Company will record amortization of the deferred amounts to FERC Account
 407.3, Regulatory Debits.

14 Q. If approved, how would the Company transfer the net book value of the initial 15 spare parts to a regulatory asset?

Α. If approved, the LTP Contract will provide for the transfer and sale of the initial spare 16 17 parts to Siemens which, in turn, provides customers the benefit of lower contract 18 costs over the life of the LTP Contract. The Company is requesting to transfer the 19 unrecovered portion, or net book value, of the initial spare parts, \$1.0 million on an 20 Oregon jurisdictional basis subject to true-up at closing. The Company also 21 proposes to amortize the amounts on a straight-line basis over the estimated life of 22 the LTP Contract, or 20 years, commencing on the execution of the LTP Contract. 23 The deferral and subsequent amortization of the unrecovered portion of the initial 24 spare parts over the contract life will more closely align the benefits received from 25 the LTP Contract with the costs associated with transfer and sale of the assets.

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- Q. How does the amortization period of 20 years compare to the current
 depreciable life of the initial spare parts?
- A. The initial spare parts have a remaining depreciable life of 30 years so a 20-year
 amortization period is an acceleration of the remaining depreciable life of the initial
 spare parts.
- Q. What is Idaho Power's proposed accounting for the deferral to and
 amortization of the unrecovered amounts of the initial spare parts in a
 regulatory asset?
- 9 A. Idaho Power proposes to record the deferral of unrecovered initial spare parts
 10 amounts to FERC Account 182.3, Other Regulatory Assets and record amortization
 11 of the deferred amounts to FERC Account 407.3, Regulatory Debits.

12 Q. Will deferred taxes result from the transfer and sale of the initial spare parts to 13 Siemens?

- 14 Α. Yes. The transfer and sale of the initial spare parts to Siemens will create a net tax 15 expense of approximately \$80,000 on an Oregon jurisdictional basis. Similar to the 16 transfer of the unrecovered portions of the initial spare parts, because the tax 17 expense is a result of the transaction that will provide customers benefits over the life 18 of the LTP Contract, the Company is proposing to (1) record the net tax expense to 19 FERC Account 282, Accumulated Deferred Income Taxes (debit Account 282, 20 Accumulated Deferred Income Taxes and credit Account 410.1, Deferred Income 21 Tax Expense) and (2) amortize the amounts on a straight-line basis over the 22 estimated life of the LTP Contract, or 20 years (debit Account 410.1, Deferred 23 Income Tax Expense and credit Account 282, Accumulated Deferred Income Taxes). 24 Q. Is Idaho Power proposing to accrue a carrying charge on the amounts 25 included in the regulatory asset?
- 26

Α. Yes, the Company is proposing to accrue a carrying charge on approximately 1 2 [BEGIN CONFIDENTIAL MATERIAL] [END CONFIDENTIAL MATERIAL] [BEGIN CONFIDENTIAL MATERIAL] END 3 of the regulatory asset: CONFIDENTIAL MATERIAL] million in initiation fees and \$130,000 million of the 4 initial spare parts. Because approximately \$130,000 of the initial spare parts have 5 6 not yet been included in the Company's authorized rate base and therefore the 7 Company is not currently earning a return on the amounts, Idaho Power is requesting to accrue a carrying charge on those amounts, using the Company's most 8 9 recent authorized rate of return.

10 Q. Will approval of Idaho Power's request in this case change customer rates at
 11 this time?

12 A. No, the Company is not requesting to change customer rates at this time.

13 Q. Has the Company determined what, if any, impact the LTP Contract will have
 14 on Idaho Power's revenue requirement?

15 Α. Yes. Idaho Power completed an analysis that quantified the present value revenue requirement impact of executing the LTP Contract over a 20-year period, the 16 17 estimated length of the agreement. The analysis compared the annual revenue 18 requirement difference between two scenarios: (1) a scenario in which there was no 19 LTP Contract (the self-manage scenario) and (2) an LTP Contract scenario. Accordingly, this revenue requirement analysis looked at incremental costs 20 21 associated with the execution of the LTP Contract as compared to the costs that 22 would exist under continued self-management.

23 Q. What are the results of the present value revenue requirement analysis?

A. By entering into the LTP Contract, the Company's Oregon jurisdictional revenue
 requirement would be reduced by approximately \$281,000 over a 20-year period
 (2015-2034).

Q. Have you prepared an exhibit demonstrating the estimated revenue requirement impact?

3 A. Yes. Exhibit 101 provides a summary of the revenue impact to the Company's
4 Oregon jurisdictional retail customers.

5 Q.

- Please explain what is driving the lower annual revenue requirements.
- A. The annual revenue requirement under the LTP Contract generally provides for
 lower capital expenditures and lower operating expense amounts over the estimated
 life of the agreement, resulting in savings over 20 years.

9 Q. If the LTP Contract provides cost reductions over the next 20 years, why is
 10 Idaho Power not proposing to reduce customer rates at this time?

11 Α. The present value revenue requirement analysis performed by the Company 12 identified avoided costs that would exist under the LTP Contract. Absent the LTP 13 Contract, these avoided costs would be included in future rates for recovery from 14 customers. However, because the level of recovery of equivalent costs currently 15 included in rates is less than the cost that would be incurred under the LTP Contract, 16 it is not appropriate to further reduce rates at this time. The execution of the LTP 17 Contract will serve to keep future customer rates lower than they would have 18 otherwise been.

19 Q. Please summarize Idaho Power's proposed accounting treatment of costs
 20 associated with the LTP Contract.

A. Idaho Power is requesting approval of a regulatory asset that includes the deferral of:
 [BEGIN CONFIDENTIAL MATERIAL]
 of initiation fees paid to Siemens, \$1.0 million associated with the net book value of
 the initial spare parts being transferred to Siemens, and \$80,000 related to the net
 tax expense resulting from the transfer and sale of the initial spare parts to Siemens.
 The Company is proposing to amortize these amounts over the estimated life of the

1		LTP Contract, or 20 years. Finally, Idaho Power is proposing a carrying charge									
2		equal to the most recent authorized rate of return on [BEGIN CONFIDENTIAL									
3		MATERIAL] [END CONFIDENTIAL MATERIAL] of the regulatory asset									
4		balance.									
5	Q.	Does this conclude your testimony?									
6	A.	Yes, it does.									
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	REDA	CTED DIRECT TESTIMONY OF COURTNEY E. WAITES									

Idaho Power/101 Witness: Courtney E. Waites

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IDAHO POWER COMPANY

UM _____

Request for Authorization to Defer Costs Associated with a Long Term Program Contract with Siemens Energy, Inc.

Exhibit Accompanying Testimony of Courtney E. Waites

Oregon Jurisdictional Present Value Revenue Requirement Impact Long Term Program Contract - 2015-2034

June 5, 2015

Idaho Power Company Oregon Jursidictional Present Value Revenue Requirement Impact Long Term Program Contract 2015 - 2034

LTP Contract Rev Req

RATE BASE	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Electric Plant in Service										
Production Plant	0	0	355,695	647,605	647,605	997,832	997,832	1,461,908	1,461,908	1,461,908
ess: Accumulated Depreciation	0	0	11,489	32,407	53,324	85,554	117,784	165,004	212,224	259,443
Net Electric Plant in Service	0	0	344,206	615,199	594,281	912,278	880,048	1,296,904	1,249,684	1,202,465
Less: Accumulated Deferred Income Taxes	(79,736)	(71,762)	(67,450)	(60,058)	(51,018)	(44,770)	(38,447)	(33,238)	(28,375)	(24,003)
Add: Conservation - Other Deferred Prog	1,363,731	1,291,558	1,567,252	1,766,652	1,672,496	1,920,044	1,817,292	2,164,739	2,048,456	1,932,665
TOTAL COMBINED RATE BASE	1,505,751	1,291,330	1,507,252	1,700,032	1,072,490	1,520,044	1,017,292	2,104,733	2,048,430	1,552,005
NET INCOME			201	12		225		120	1.2.1	
Total Operating Revenues	0	0	0	0	0	0	0	0	0	0
Operating Expenses						44.007		59.547	1 201	1 212
Operation and Maintenance Expenses	0	0	45,004	37,214 20,918	511	44,837 32,230	804 32,230	59,547 47,220	1,201 47,220	1,213 47,220
Depreciation Expenses	0	0	11,489	20,918	20,918	52,230	32,230	47,220	47,220	47,220
Amortization of Limited Term Plant Taxes Other Than Income	0	0	2,263	4,141	4,162	6,445	6,477	9,537	9,585	9,633
Provision for Deferred Income Taxes	3,987	3,987	4,638	10,798	14,742	15,322	19,414	17,766	21,168	18,536
Federal Income Taxes	(54,285)	(54,285)	(77,508)	(87,133)	(78,767)	(101,598)	(90,970)	(118,991)	(103,033)	(100,608)
State Income Taxes	(10,428)	(10,428)	(14,889)	(15,738)	(15,131)	(19,517)	(17,476)	(22,859)	(19,793)	(19,327
Total Operating Expenses	7,824	7,823	39,547	37,750	14,985	46,269	19,030	60,770	24,897	25,216
Consolidated Operating Income	(7,824)	(7,823)	(39,547)	(37,750)	(14,985)	(46,269)	(19,030)	(60,770)	(24,897)	(25,216
Proposed Rate of Return	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7_757%	7.757%	7.757%
Earnings Impact	113,608	108,009	161,119	174,790	144,720	195,207	159,997	228,689	183,796	175,133
Net-to-Gross Tax Multiplier	1_642	1.642	1.642	1.642	1,642	1,642	1,642	1,642	1.642	1.642
Revenue Requirement	186,545	177,351	264,557	287,005	237,630	320,529	262,715	375,507	301,793	287,569
Self Manage Rev Req										
RATE BASE	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Electric Plant in Service										
Production Plant	1,021,503	1,485,267	1,931,168	2,190,325	2,284,771	2,474,070	3,165,282	3,477,373	3,477,373	3,526,105
Less: Accumulated Depreciation	(134,648)	(86,674)	(24,297)	46,450	120,248	200,161	302,399	414,719	527,038	640,931
Net Electric Plant in Service	1,156,151	1,571,941	1,955,465	2,143,874	2,164,523	2,273,910	2,862,882	3,062,655	2,950,336	2,885,174
Less: Accumulated Deferred Income Taxes	190,441	194,298	201,573	211,466	218,462	221,218	222,646	226,781	229,078	224,651
Add: Conservation - Other Deferred Prog	0	0	0	0	0	0	0	0	0	0
TOTAL COMBINED RATE BASE	965,710	1,377,643	1,753,892	1,932,408	1,946,061	2,052,691	2,640,236	2,835,874	2,721,258	2,660,523
NET INCOME										
Total Operating Revenues	0	0	0	0	0	0	0	0	0	0
Operating Expenses										
Operation and Maintenance Expenses	8,410	8,961	30,203	31,127	21,233	32,853	11,383	61,981	12,130	24,865
Depreciation Expenses	32,995	47,974	62,377	70,747	73,798	79,912	102,239	112,319	112,319	113,893
Amortization of Limited Term Plant	0	0	0	0	0	0	0	0	0	C
Taxes Other Than Income	6,435	9,404	12,288	14,007	14,684	15,980	20,547	22,686	22,799	23,234
Provision for Deferred Income Taxes	3,490	4,278	11,580	18,407	20,647	19,595	20,162	25,990	23,614	18,292
Federal Income Taxes	(58,700)	(69,858)	(93,473)	(105,628)	(106,137)	(113,174)	(122,674)	(149,482)	(130,966)	(133,454
State Income Taxes	(11,276)	(13,420)	(17,956)	(20,291)	(20,389)	(21,741)	(23,566)	(28,716)	(25,159)	(25,637
Total Operating Expenses	(18,646)	(12,661)	5,019	8,368	3,836	13,425	8,090	44,779	14,738	21,193
Consolidated Operating Income	18,646	12,661	(5,019)	(8,368)	(3,836)	(13,425)	(8,090)	(44,779)	(14,738)	(21,193
Proposed Rate of Return	7.757%	7.757%	7,757%	7.757%	7 757%	7,757%	7.757%	7.757%	7.757%	7.757
Earnings Impact	56,264	94,202	141,069	158,265	154,792	172,652	212,893	264,757	225,826	227,570
Net-to-Gross Tax Multiplier	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.64
Revenue Requirement	92,385	154,680	231,635	259,872	254,168	283,495	349,570	434,731	370,806	373,670
REVENUE REQUIREMENT	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TP Contract Rev Req Self Manage Rev Req	186,545 92,385	177,351 154,680	264,557 231,635	287,005 259,872	237,630 254,168	320,529 283,495	262,715 349,570	375,507 434,731	301,793 370,806	287,565 373,670
LTP CONTRACT BENEFIT (COST)	(94,160)	(22,671)	(32,922)	(27,133)	16,538	(37,034)	86,855	59,225	69,013	86,10
NPV OF REV IMPACT - 5 YRS NPV OF REV IMPACT - 10 YRS NPV OF REV IMPACT - 20 YRS	\$ (141,959) \$ (5,530) \$ 281,185									

Idaho Power Company Oregon Jursidictional Present Value Revenue Requirement Impact Long Term Program Contract 2015 - 2034

LTP Contract Rev Req

Less: Accumulated Operection Net: Electre Plant in service Lass: Accumulated Operection Accountable Operection Development Plant Accountable Operection Development Plant Accountable Operection Development Plant Accountable Operection Development Plant Development Development Plant Development Development Development Plant Development Development Plant Development Development Plant Development Development Development Plant Development Development Develop	RATE BASE	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Same Accumulated Depreciation web Texter Mark Instrumed Service 300,982 (30,975) 400,975 (30,975) 12,90,248 (30,975) 12,90,248 (30,976) 12											
Let Electro Plant in Service 1,220,249 1,220,249 1,220,249 1,243,248 1,444,196 2,285,050 2,2 CUBACING Constraints	Production Plant	1,570,417	1,570,417	2,151,401	2,151,401	2,151,401	2,151,401	2,151,401	2,743,143	3,257,204	3,257,204
Class Accumuted Deferred income Tass diffic Conservation - Other Oelever days (21,871) (18,142) (13,570) (5,955) 245 2,327 4,945 8,356 15,999 COTAL COMINED RATE SASE	ess: Accumulated Depreciation	310,168	360,892	430,382	499,873	569,363	638,853	708,343	796,947	902,155	1,007,362
Under: Construction: Other: Description: Description: <thdescription:< th=""> <thdescription:< th=""></thdescription:<></thdescription:<>	Net Electric Plant in Service	1,260,249	1,209,525	1,721,019	1,651,529	1,582,038	1,512,548	1,443,058	1,946,196	2,355,050	2,249,842
COTAL COMEINED RATE BASE 1,924,118 1,805,465 2,246,187 2,106,892 1,835,165 1,694,912 2,303,491 2,447,799 2,2 VET INCOME 0	Less: Accumulated Deferred Income Taxes	(21,871)	(18,142)	(13,570)	(5,955)	245	2,352	4,945	8,356	15,690	24,687
NT NCOME 0<	Add: Conservation - Other Deferred Prog										
Operating Envenues 0	TOTAL COMBINED RATE BASE	1,924,118	1,805,465	2,248,187	2,106,882	1,966,992	1,831,195	1,694,912	2,130,439	2,467,759	2,289,355
Operation and Maintenance Expenses 14,951 1,233 74,888 1,876 1,995 1,914 76,877 67,600 Operation and Maintenance Expenses 50,724 69,490 </td <td>NET INCOME</td> <td></td>	NET INCOME										
Deperation and Mainterance Spenses 14,961 1,222 74,398 1,388 1,876 1,876 1,876 1,876 1,876 1,876 1,876 1,876 1,876 1,876 1,876 67,600 56,900 69,490 69,400 69,410	Total Operating Revenues	- 0	0	0	0	0	0	0	0	0	0
Depresidant Depresidant Connex 50,724 50,726 70,727% 70,727% 70,727% 70,727% 70,727% 70	Operating Expenses										
Amort Attain of Limited Term Platt Traves Other Than Income Provision for Deferred Income Taxes Io.0400 10,452 14,330 14,462 14,534 14,667 14,668 15,811 22,468 Provision for Deferred Income Taxes 10,6537 102,027 102,028 20,355 26,653 State Income Taxes 106,057 140,213 102,4201 102,4260 120,4261 110,7281 (15,757) 117,7891 (17,738) (17,738) (17,738) (17,738) (17,738) (17,738) (17,737) (17,737) (17,737) (17,757) (17,757) (17,757) (17,757) (17,757) (17,757) (17,757) (17,757) (17,757) (17,757) (17,757) (17,757) (17,757) (14,42) 164,21	Operation and Maintenance Expenses	14,961	1,329	74,898	1,858	1,876	1,895	1,914	76,877	67,600	2,986
Jase Other Than Income 10,400 10,452 14,530 14,620 14,630 18,811 22,448 Provision for Deterred Income Taxes 17,645 18,621 16,2537 12,02,460 (12,0,426) (11,0,27) 117,389 (15,574) (12,0,267) (12,0,268) (13,574) (12,0,426) (14,0,421) <td< td=""><td>Depreciation Expenses</td><td>50,724</td><td>50,724</td><td>69,490</td><td>69,490</td><td>69,490</td><td>69,490</td><td>69,490</td><td>88,604</td><td>105,208</td><td>105,208</td></td<>	Depreciation Expenses	50,724	50,724	69,490	69,490	69,490	69,490	69,490	88,604	105,208	105,208
Provision for Deferred income Taxes 17,458 18,021 18,623 22,277 23,055 21,168 20,365 20,365 20,963 State income Taxes (20,466) (19,711) (25,933) (22,240) (22,460) (22,426) (22,426) (22,426) (22,426) (22,426) (22,464) (24,213) (27,72) Consolidated Operating forome (35,090) (26,758) 78,809 33,652 33,944) (34,166) (34,356) (27,719) (27,719) Proposed Rate of Return 7,757% <td< td=""><td>Amortization of Limited Term Plant</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Amortization of Limited Term Plant										
rederin locome Taxes (105,537) (120,207) (122,460) (120,426) (120,227) (11,288) (155,764) (170,338) (155,764) (170,338) (155,764) (170,338) (155,764) (170,338) (155,764) (170,338) (155,764) (170,338) (155,764) (170,338) (155,776) (170,338) (155,776) (170,338) (155,776) (170,338) (155,776) (170,338) (155,776) (170,338) (157,774) (17,719) (17,7	Taxes Other Than Income	10,400	10,452	14,390	14,462	14,534	14,607	14,680	18,811	22,448	22,560
State Income Texes (20,466) (19,711) (26,933) (23,523) (23,124) (22,2648) (29,233) (23,720) Consolidated Operating Income (35,090) (26,758) 78,809 33,652 33,945 34,166 34,356 87,719 87,719 Proposed Rate of Return 7,757%	Provision for Deferred Income Taxes	17,458	18,021	18,628	25,277	23,055	21,516	20,268	20,365	26,963	30,385
Deal Operating Expenses 35,090 26,758 78,809 33,652 33,945 34,166 44,356 87,219 87,719 Consolidated Operating Income (35,060) (26,758) (78,809) (33,652) (33,945) (34,166) (34,356) (87,519) (87,719) Proposed Rate of Return 7,757%	Federal Income Taxes	(106,537)	(102,607)	(140,213)	(122,460)	(120,426)	(119,027)	(117,898)	(155,764)	(170,328)	(152,355
Consolidated Operating Income [35,060] (26,758) (78,809) (33,652) (33,945) (34,166) (34,356) (87,519) (87,719) Proposed Rate of Return 7,757% 7,	State Income Taxes	(20,466)	(19,711)	(26,935)	(23,525)	(23,134)	(22,865)	(22,648)	(29,923)	(32,720)	(29,268
Proposed Rate of Return 7,757%	Total Operating Expenses	35,090	26,758	78,809	33,652	33,945	34,166	34,356	87,519	87,719	48,065
Earnings Impact Net+to-Gross Tax Multiplier 184,343 166,808 253,200 197,082 186,525 176,212 1642 1.642	Consolidated Operating Income	(35,090)	(26,758)	(78,809)	(33,652)	(33,945)	(34,166)	(34,356)	(87,519)	(87,719)	(48,065
Net-to-frons Tax Multiplier 1.642 <t< td=""><td>Proposed Rate of Return</td><td>7,757%</td><td>7,757%</td><td>7.757%</td><td>7,757%</td><td>7,757%</td><td>7,757%</td><td>7,757%</td><td>7,757%</td><td>7.757%</td><td>7.757%</td></t<>	Proposed Rate of Return	7,757%	7,757%	7.757%	7,757%	7,757%	7,757%	7,757%	7,757%	7.757%	7.757%
Net-to-frons Tax Multiplier 1.642 <t< td=""><td>Faroines Impact</td><td>184 343</td><td>166 808</td><td>253 200</td><td>197 082</td><td>186 525</td><td>176.212</td><td>165.830</td><td>252.777</td><td>279.143</td><td>225,650</td></t<>	Faroines Impact	184 343	166 808	253 200	197 082	186 525	176.212	165.830	252.777	279.143	225,650
Revenue Requirement 302,692 273,899 415,755 323,609 306,74 289,340 272,293 415,060 458,352 1 Self Manage Rev Req RATE BASE 2025 2026 2027 2030 2031 2032 2033 2 Production Plant 3,580,906 3,612,247 3,786,426 3,855,578 3,875,309 3,883,632 4,394,366 5,610,997 5,964,607 6, Less: Accumulated Depreciation 755,544 872,270 995,571 1,120,106 1,245,272 1,370,720 1,512,658 1,698,993 1,885,550 2, Less: Accumulated Depreciation 2,824,312 2,738,978 2,730,571 2,430,725 2,311,301 2,696,944 3,740,082 3,897,631 4,1 Less: Accumulated Deferred Income Taxes 0	· ·										1,642
RATE BASE 2025 2026 2027 2028 2029 2030 2031 2032 2033 2 Electric Plant in Service Production Plant 3,580,906 3,612,247 3,786,426 3,855,578 3,855,578 3,853,632 4,394,366 5,610,997 5,964,607 6, Less: Accumulated Depreciation 756,594 873,270 995,571 1,2006 1,245,279 1,370,70 1,512,688 1,693,893 1,886,550 2,2 1,886,550 2,2 2,814,312 2,738,978 2,790,855 2,735,471 2,630,300 2,512,912 2,881,708 3,917,103 4,078,057 4, Less: Accumulated Deferred Income Taxes 0											370,517
Electric Plant in Service 3,580,906 3,612,247 3,786,426 3,855,378 3,875,309 3,883,632 4,394,366 5,610,997 5,964,607 6, 6,103,97 Less: Accumulated Depreciation 2,824,312 2,783,878 2,709,855 2,725,471 2,630,030 2,512,912 2,881,708 3,974,0057 4, 4,934,665 1,693,893 1,886,550 2, Less: Accumulated Deferred Income Taxes 2,824,312 2,738,978 2,705,851 193,061 193,061 194,665 177,021 178,426 Add: Conservation - Other Deferred Prog 0	Self Manage Rev Req										
Electric Plant in Service 3,580,906 3,612,247 3,786,426 3,855,378 3,875,309 3,883,632 4,394,366 5,610,997 5,964,607 6, 6,103,97 Less: Accumulated Depreciation 2,824,312 2,783,878 2,709,855 2,725,471 2,630,030 2,512,912 2,881,708 3,974,0057 4, 4,934,665 1,693,893 1,886,550 2, Less: Accumulated Deferred Income Taxes 2,824,312 2,738,978 2,705,851 193,061 193,061 194,665 177,021 178,426 Add: Conservation - Other Deferred Prog 0		2025	2020		2020	2020	1070	1071	2022	1033	2034
Production Plant 3,580,906 3,612,247 3,786,426 3,855,578 3,875,309 3,883,632 4,394,366 5,610,997 5,964,607 6, Less: Accumulated Depreciation 755,554 873,270 995,571 1,120,106 1,245,272 1,370,700 1,512,658 1,693,893 1,885,550 2, 1,885,550 2, 2,881,708 3,917,103 1,470,655 1,770,21 178,426 1,476,55 1,770,21 178,426 1,470,55 1,770,21 178,426 1,603,693 2,525,855 2,531,587 2,430,725 2,319,301 2,696,944 3,740,082 3,899,631 4,07 NET INCOME 0 <td< td=""><td></td><td>2025</td><td>2026</td><td>2027</td><td>2028</td><td>2029</td><td>2030</td><td>2031</td><td>2052</td><td>2035</td><td>2054</td></td<>		2025	2026	2027	2028	2029	2030	2031	2052	2035	2054
Less: Accumulated Depreciation 756,594 \$972,270 995,571 1,120,106 1,245,279 1,370,720 1,512,658 1,693,893 1,886,550 2,7 Net Electric Plant in Service 2,824,312 2,738,978 2,790,985 2,754,711 2,630,030 2,512,912 2,881,708 3,917,103 4,078,057 4, Less: Accumulated Deferred Income Taxes 0		2 500 000	2 64 2 24 2	2 705 425	2 055 570	2 075 200	2 002 622	4 304 366	5 610 007	5 064 607	C 27C 005
Net Electric Plant in Service 2,824,312 2,739,978 2,790,855 2,735,471 2,630,030 2,512,912 2,881,708 3,917,103 4,078,057 4, Less: Accumulated Deferred Income Taxes 0 <td></td> <td>6,276,905</td>											6,276,905
Less: Accumulated Deferred Income Taxes 218,372 213,123 203,183 203,884 199,305 193,611 184,765 177,021 178,426 Add: Conservation - Other Deferred Prog 0											2,089,294
Add: Conservation - Other Deferred Prog 0 <td></td> <td>4,187,610 177,976</td>											4,187,610 177,976
TOTAL COMBINED RATE BASE 2,605,939 2,525,855 2,582,662 2,531,587 2,430,725 2,319,301 2,696,944 3,740,082 3,899,631 4, NET INCOME 0 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>1/7,978</td></td<>											1/7,978
Total Operating Revenues 0 <td></td> <td>4,009,635</td>											4,009,635
Total Operating Revenues 0 <td>NET INCOME</td> <td></td>	NET INCOME										
Operating Expenses 25,480 13,032 53,222 13,801 28,154 14,414 15,173 80,467 150,415 Depreation and Maintenance Expenses 115,663 116,676 122,302 124,535 125,172 125,441 141,938 181,235 192,657 Depreciation Expenses 115,663 116,676 122,302 124,535 125,172 125,441 141,938 181,235 192,657 Amortization of Limited Term Plant 0 <t< td=""><td></td><td>- 0</td><td></td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></t<>		- 0		0	0	0	0	0	0	0	0
Operation and Maintenance Expenses 25,480 13,032 53,222 13,801 28,154 14,414 15,173 80,467 150,415 Depreciation Expenses 115,663 116,676 122,302 124,535 125,172 125,441 141,938 181,235 192,657 Amortization of Limited Term Plant 0	Total Operating Revenues	0	0	U	0	0	. O (U	8	0	0
Depreciation Expenses 115,663 116,676 122,302 124,535 125,172 125,441 141,938 181,235 192,657 Amortization of limited Term Plant 0<											
Amortization of Limited Term Plant 0							-				9,792
Taxes Other Than Income 23,713 24,041 25,326 25,917 26,180 26,368 29,984 38,477 41,107 Provision for Deferred Income Taxes 16,814 15,851 15,011 15,339 14,668 14,046 7,689 9,271 22,315 State Income Taxes (133,534) (129,250) (144,981) (133,980) (139,118) (134,261) (138,978) (138,978) (233,004) (Total Operating Expenses 22,485 15,520 43,028 19,875 28,332 20,216 29,107 84,164 128,729 Consolidated Operating Income 7,757%											202,744
Provision for Deferred Income Taxes 16,814 15,851 15,011 15,339 14,668 14,046 7,689 9,271 22,315 Federal Income Taxes (133,534) (129,250) (144,981) (133,980) (139,118) (134,761) (138,978) (138,983) (233,004) (4 Total Operating Expenses 22,485 15,520 43,028 19,875 28,332 (20,216) (29,107) (84,164) (128,729) Consolidated Operating Income 7,757%											0
Federal Income Taxes (133,534) (129,250) (144,981) (133,980) (139,118) (134,261) (138,978) (138,983) (233,004) (44,761) State Income Taxes (25,652) (24,829) (27,851) (25,738) (26,725) (25,792) (26,698) (36,304) (44,761) Total Operating Expenses 22,485 15,520 43,028 19,875 28,332 20,216 29,107 84,164 (128,729) Consolidated Operating Income (22,485) (15,520) (43,028) (19,875) (28,332) (20,216) (29,107) (84,164) (128,729) Proposed Rate of Return 7,757% 7,75											43,475
State Income Taxes (25,652) (24,829) (27,851) (25,738) (26,725) (25,792) (26,698) (36,304) (44,761) Total Operating Expenses 22,485 15,520 43,028 19,875 28,332 20,216 29,107 84,164 128,779 Consolidated Operating Income (22,485) 15,520 (43,028) (19,875) (28,332) (20,216) (29,107) (84,164) (128,729) Proposed Rate of Return 7,757% 7,75											22,399
Total Operating Expenses 22,485 15,520 43,028 19,875 28,332 20,216 29,107 84,164 128,729 Consolidated Operating Income (22,485) (15,520) (43,028) (19,875) (28,332) (20,216) (29,107) 84,164 128,729 Proposed Rate of Return 7,757%											(193,989
Consolidated Operating Income (22,485) (15,520) (43,023) (19,875) (28,332) (20,216) (29,107) (84,164) (128,729) Proposed Rate of Return 7,757% 7											(37,266
Proposed Rate of Return 7,757%											47,156
Earnings Impact 224,628 211,450 243,365 216,250 216,883 200,124 238,309 374,282 431,223 Net-to-Gross Tax Multiplier 1.642	-	90000000				V01045026401					7.7579
Net-to-Gross Tax Multiplier 1.642 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>											
Bevenue Requirement 368,839 347,202 399,606 355,082 356,122 328,603 391,303 614,572 708,069 REVENUE REQUIREMENT 2025 2026 2027 2028 2029 2030 2031 2032 2033 2 Self Manage Rev Req 302,692 273,899 415,755 323,609 306,274 289,340 272,293 415,060 458,352 Self Manage Rev Req 368,839 347,202 399,606 355,082 356,122 328,603 391,303 614,572 708,069											358,183
ZEVENUE REQUIREMENT 2025 2026 2027 2028 2029 2030 2031 2032 2033 2 TP Contract Rev Req 302,692 273,899 415,755 323,609 306,274 289,340 272,293 415,060 458,352 ielf Manage Rev Req 368,839 347,202 399,606 355,082 356,122 328,603 391,303 614,572 708,069											1,642 588,136
LTP Contract Rev Req 302,692 273,899 415,755 323,609 306,274 289,340 272,293 415,060 458,352 Self Manage Rev Req 368,839 347,202 399,606 355,082 356,122 328,603 391,303 614,572 708,069											
Self Manage Rev Req 368,839 347,202 399,606 355,082 356,122 328,603 391,303 614,572 708,069		1 million of the local division of the local	the second s		and the second se	and the second se	the second se	and the second se	and the second se	the second se	2034
한 것 같은 것 같		Contraction of the same									370,517 588,136
		10 S. 12-		公式第二		SS1.02			103 A. 10		217,619
NPV OF REV IMPACT - 5 YRS \$ (141,959)		Sal management								100	Acres 1.50