

ORDER NO. 00-580

ENTERED SEP 25 2000

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 111

In the Matter of the Revised Tariff )  
Schedules Applicable to Electric ) ORDER  
Service Filed by PacifiCorp. )

DISPOSITION: STIPULATIONS ADOPTED; NEW RATES APPROVED

**SUMMARY**

In this order, the Commission adopts three stipulations that increase the annual revenue requirement for PacifiCorp's Oregon electric operations in the amount of \$13,625,000, or about 1.8 percent. PacifiCorp's original filing sought an increase in revenues of \$61,800,000. The revenue increase will be spread across customer classes in a manner that will improve the relationships of revenues to marginal costs while minimizing customer impacts. Under the new rates, an average residential customer who uses 1,000 kilowatt-hours a month and is billed \$64.81, would pay an additional \$1.48. The new rates become effective October 1, 2000.

**INTRODUCTION**

**Procedural Background**

On November 5, 1999, PacifiCorp filed Advice No. 99-010, an application for a general increase in revenues from Oregon operations. The filing sought an increase in revenues of \$61.8 million related to the company's generation and transmission functions.<sup>1</sup> The filing was based on normalized results of operations for PacifiCorp's generation and transmission functionalized costs of service for the test period ending December 31, 1998. The Commission suspended the filing for investigation at its November 30, 1999 Public Meeting.

**Prehearing Conference**

On December 14, 1999, Michael Grant, an Administrative Law Judge with the Commission, held a prehearing conference in this matter in Salem, Oregon. Katherine McDowell, attorney, appeared on behalf of PacifiCorp. Jason Eisdorfer, attorney, appeared on

---

<sup>1</sup>Pursuant to Order No. 00-090, PacifiCorp filed supplemental direct testimony that developed functionalized costs and revenue requirements separately for its generation, transmission, and distribution functions.

ORDER NO. 00-580

ENTERED SEP 25 2000

behalf of the Citizens' Utility Board (CUB). Melinda Davison, attorney, appeared on behalf of the Industrial Customers of Northwest Utilities (ICNU). Teya Penniman, Assistant Attorney General, appeared on behalf of the Commission Staff (Staff). J. Tim Watson (Watson) subsequently filed a petition to intervene and was granted party status in this docket.

### **Public Comment Hearings**

In February 2000, ALJ Grant held public comment hearings in Portland, Klamath Falls, and Bend. At each hearing, a representative of PacifiCorp appeared and explained the nature of the company's rate filing. A member of the Commission Staff also appeared to explain the Commission's and Staff's role in the proceeding.

### **Stipulations and Evidentiary Hearing**

Following settlement discussions, PacifiCorp and Staff entered into two stipulations intended to resolve certain contested issues in this docket. On May 5, 2000, PacifiCorp and Staff filed a Weather Normalization Stipulation under which Staff agreed to accept PacifiCorp's weather normalization coefficients and methodology. On June 2, 2000, the two parties filed a Revenue Requirement Stipulation providing for an overall rate of return and resolving most, but not all, issues related to PacifiCorp's revenue requirement. The Weather Normalization Stipulation and the First Revenue Requirement Stipulation are attached as Appendices A and B, respectively.

After the filing of several rounds of testimony and additional settlement conferences, PacifiCorp, Staff, ICNU, CUB, and Watson agreed to a total revenue requirement for PacifiCorp and entered into a stipulation intended to resolve all rate spread and rate design issues. The parties, which represent all the parties that filed testimony in this docket, agreed to a total annual revenue requirement increase for PacifiCorp's Oregon electric operations in the amount of \$13,625,000. This revenue requirement increase resolves all revenue requirement issues raised by Staff that were not resolved by the partial revenue requirement stipulation, as well as all revenue requirement issues raised by ICNU, CUB, and Watson. is attached as Appendix C.

The parties submitted all three stipulations and testimony at an evidentiary hearing on September 8, 2000. All stipulations and supporting testimony were entered into the record of this proceeding as evidence pursuant to OAR 860-014-0085(1). No party filed an objection to the stipulation pursuant to OAR 860-014-0085(5).

Based on the record in these proceedings, we make the following:

ORDER NO. 00-580

ENTERED SEP 25 2000

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

### Stipulation

The Final Stipulation resolves among the parties all the outstanding issues in this case including revenue requirement, rate spread and rate design. The parties agree to an increase in the annual revenue requirement for PacifiCorp's Oregon electric operations in the amount of \$13,625,000 effective for service on and after October 1, 2000. The Final Stipulation does not include any amortization of PacifiCorp's net gain from the sale of the Centralia generating plant and mine or any amortization of Year 2000 deferred expenses. The parties agree that the Commission should address these amortizations in separate tariff filings made by PacifiCorp.

The Final Stipulation addresses the two prior stipulations entered into between PacifiCorp and Staff. In the Weather Normalization Stipulation, Staff agreed to accept PacifiCorp's weather normalization coefficients and methodology in this case and PacifiCorp agreed to work with Staff diligently and in good faith to review updated weather normalization coefficients and study PacifiCorp's methodology. The Weather Normalization Stipulation relates to issues entirely between PacifiCorp and Staff and survives the other stipulations entered into in this case.

The First Revenue Requirement Stipulation, which initially reduced PacifiCorp's requested increase from \$61.8 million as filed to \$21.7 million, resolved all revenue requirement issues between PacifiCorp and Staff except for net power costs, including coal costs. It also included an agreement to an overall rate of return of 8.707 percent and an agreement to file a motion to amend Order No. 98-101 in Docket UE 94 to coordinate the results in this docket with the revenue cap and annual earnings review in Docket UE 94. The other parties to the Final Stipulation have not adopted the First Revenue Requirement Stipulation but have agreed not to oppose it.

The parties to the Final Stipulation have concluded that an increase of \$13.625 million produces a reasonable revenue requirement for PacifiCorp. In making their recommendation, the parties have relied upon extensive discovery conducted in this case, all of the prefiled testimony and exhibits, numerous settlement conferences and their individual evaluations of the issues remaining to be decided. The issues were subjected to significant examination through the several rounds of testimony. On balance, the parties consider the \$13.625 million increase a reasonable outcome for both PacifiCorp and its customers.

The parties' rate spread proposal is contained in Attachment B to the Final Stipulation. The rate spread proposal applies rate changes across customer classes in a manner that acknowledges overall relationships of revenues to marginal costs while recognizing that this is a generation and transmission rate case. As a result, residential customers will receive a price

ORDER NO. 00-580

ENTERED SEP 25 2000

increase of approximately 2.3% or 1.3 times the overall average increase. Small commercial customers (Schedule 25) will receive a price increase of approximately 1.6%; large commercial customers (Optional Schedule 27), 2.8%; irrigation customers, 3.8%; and large industrial customers (Schedule 48T), 0.4%. As a result of this rate change, based on PacifiCorp's analysis, the overall ratios of revenues to marginal costs will be improved for residential, irrigation, and industrial customers, and virtually unchanged for commercial customers. Given the overall level of the rate change (approximately 1.8%), this rate spread makes progress in improving the relationships of revenues to marginal costs while minimizing customer impacts.

Attachment B also illustrates the parties' rate design proposal that would apply based on data for the year ended December 31, 1998. As contemplated in the Final Stipulation, the parties filed a definitive schedule on September 19, 2000, that incorporates sales data for a 12-month period that reasonably approximates the period that rates will be in effect. The definitive schedule is attached as Appendix D. The rate design proposals follow the principles used in PacifiCorp's Alternative Form of Regulation modified to reflect the fact that the rate increase in this case is limited to generation and transmission costs. Consequently, increases are applied only to non-customer charge elements of the rate schedules.

Staff and PacifiCorp recommend that the Commission adopt the Weather Normalization Stipulation and the First Revenue Requirement Stipulation. The parties to the Final Stipulation recommend that the Commission adopt the Final Stipulation, including all revenue requirement, rate spread and rate design provisions, and issue an Order in time for PacifiCorp's revised tariff schedules to go into effect for service on and after October 1, 2000. In addition, the parties to the Final Stipulation recommend that the Commission consider issues regarding the amortization of PacifiCorp's net gain from the sale of the Centralia generating plant and mine and the amortization of Year 2000 deferred expenses in connection with tariff filings to be made by PacifiCorp regarding those subjects.

### **Commission Resolution**

We have reviewed the stipulations and testimony filed by the parties. For the reasons set forth above and those contained in the supporting testimony, we find the stipulations reasonable and adopt them in their entirety. We agree with the parties that an increase in the annual revenue requirement of \$13.625 million produces a reasonable outcome for both PacifiCorp and its customers. Moreover, the stipulated rate spread proposal makes progress in improving the relationship of revenues to marginal costs while minimizing customer impacts. We also agree to consider issues regarding the amortization of PacifiCorp's net gain from the sale of the Centralia generating plant and mine and the amortization of Year 2000 deferred expenses in tariff filings to be made by PacifiCorp regarding those subjects. The stipulations should be adopted.


ORDER NO. 00-580

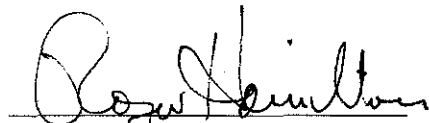
ENTERED SEP 25 2000

**ORDER**

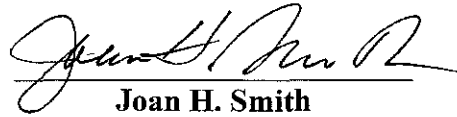
IT IS ORDERED that the stipulations, attached as Appendices A through C, are adopted. PacifiCorp shall file revised tariffs consistent with the stipulation to be effective October 1, 2000.

Made, entered, and effective SEP 25 2000

  
\_\_\_\_\_  
**Ron Eachus**  
Chairman

  
\_\_\_\_\_  
**Roger Hamilton**  
Commissioner



  
\_\_\_\_\_  
**Joan H. Smith**  
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to ORS 756.580.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON  
UE 111

In the Matter of Revised Tariff Schedules	)	Stipulation Relating to Weather
Applicable to Electric Service Filed by	)	Normalization
PacifiCorp	)	

This Stipulation ("Stipulation") is entered into between PacifiCorp and the Staff of the Public Utility Commission of Oregon ("Staff") (together, the "Parties").

The purpose of this Stipulation is to resolve all issues between PacifiCorp and the Staff relating to the coefficients to be used in this Docket for normalizing test year data for year-to-year variations in temperature ("Weather Normalization").

The terms and conditions of this Stipulation are set forth below.

**1. Weather Normalization Coefficients and Methodology**

In exchange for PacifiCorp's commitment in Section 2 of this Stipulation, the Staff agrees to accept and support the Weather Normalization coefficients and underlying methodology used by PacifiCorp in its rate filing in this Docket. The Staff will include the terms of this Stipulation in its prefiled testimony and will support the Weather Normalization coefficients and methodology throughout this Docket.

**2. Parties Will Work to Update Weather Normalization Coefficients**

PacifiCorp agrees to work with Staff diligently and in good faith to review updated Weather Normalization coefficients and study PacifiCorp's Weather Normalization methodology. This Stipulation does not constitute an agreement to negotiate any change to the Weather Normalization methodology currently employed by PacifiCorp. Neither Party is bound to agree on new coefficients or methodologies as a result of this process. Within one month from the date of this Stipulation, PacifiCorp will provide to Staff, in electronic format, the monthly data for the period 1995-1999 required to perform weather normalization regressions.

3. **PacifiCorp Will Use New Coefficients in Next General Rate Case**

The Parties recognize that it would be difficult to achieve agreement on new Weather Normalization coefficients within the time limits of this Docket and will seek to establish new coefficients in time to incorporate them into PacifiCorp's next general rate filing. The Parties understand that PacifiCorp does not intend to attempt to establish and incorporate new Weather Normalization coefficients into any 2000 filing for a change in PacifiCorp's distribution revenues under the Alternative Form of Regulation. This Stipulation does not obligate PacifiCorp to file its next general rate case at any particular time.

4. **General Terms and Conditions**

a. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. As such, conduct, statements and documents disclosed in the negotiation and discussion phases of this Stipulation shall not be admissible as evidence in any proceeding before the Commission or a court.

b. The Parties agree that with respect to the issues covered herein, this Stipulation is in the public interest and all of its terms and conditions are fair, just and reasonable.

c. The Parties shall cooperate in submitting this Stipulation promptly to the Commission for acceptance, and shall support adoption of the Stipulation in testimony and argument submitted in this proceeding. If a hearing is scheduled for presentation of the Stipulation, each Party shall make available a witness in support of the Stipulation. If the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving the Stipulation, any Party disadvantaged by such action shall have the right, upon written notice to the Commission and all parties to the proceeding within 15 days of the date of the Commission's Order, to withdraw from this Stipulation. If any Party withdraws from this Stipulation as permitted in this subsection, no Party to this Stipulation shall be bound or prejudiced by the terms of this Stipulation and each Party shall be entitled to seek



reconsideration of the Commission Order, file any testimony it chooses, cross-examine witnesses and in general to put on such case as it deems appropriate and the law allows.

d. Execution of this Stipulation shall not constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory or principle of regulation, and no Party shall be deemed to have agreed that any method, theory or principle of regulation employed in arriving at this Stipulation is appropriate for resolving any issue in any other proceeding. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

e. The Parties have negotiated this Stipulation as an integrated document. The Parties recommend that the Commission adopt this Stipulation in its entirety.

Dated: May 5, 2000

Staff of the Public Utility Commission of  
Oregon

PacifiCorp

By: 

By: 



## BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UE 111

In the Matter of Revised Tariff Schedules  
Applicable to Electric Service Filed by  
PacifiCorp

**STIPULATION REGARDING  
REVENUE REQUIREMENT**

This Stipulation is entered into for the purpose of resolving specified adjustments to PacifiCorp's requested revenue requirement and the rate of return recommended in this Docket. This Stipulation represents a partial settlement of revenue requirement issues because it does not incorporate proposed adjustments to PacifiCorp's net power costs.

**PARTIES**

1. The initial parties to this Stipulation are PacifiCorp and the Staff of the Public Utility Commission of Oregon (Staff). This Stipulation will be made available to the other parties to this Docket, who may participate by signing and filing a copy of this Stipulation.

**BACKGROUND**

2. On November 5, 1999, PacifiCorp filed revised tariff schedules to effect a \$61.8 million, or 8.5 percent, increase in its base prices to Oregon electric customers. The filing was based on normalized results of operations for Oregon for the test period ending December 31, 1998. The filing was suspended by the Commission at its November 30, 1999 public meeting.

3. On April 14, 2000, the Staff served on all parties its report of issues and proposed adjustments to PacifiCorp's revenue requirement filing. The Staff's report was provided for settlement purposes only.

4. Pursuant to Administrative Law Judge Michael Grant's Prehearing Conference Memorandum of March 20, 2000, settlement conferences on revenue requirement issues commenced on May 4, 2000. The settlement conferences were open to all parties.

5. As a result of the settlement conferences, the parties to this Stipulation have agreed to a reduction in PacifiCorp's requested revenue requirement with respect to specified adjustments and have stipulated to an overall rate of return. The parties submit this Stipulation to the Commission and request that the Commission approve the settlement as presented.

## AGREEMENT

6. The parties to this Stipulation agree that PacifiCorp will reduce its revenue requirement request to reflect the adjustments listed on Attachment A to this Stipulation. In summary, PacifiCorp filed unadjusted generation and transmission results of operations supporting a revenue requirement increase of \$82.7 million. The adjustments listed on Attachment A reduce this amount by \$61 million. In addition, PacifiCorp's filing includes an adjustment that would increase net power costs and revenue requirement by \$11.6 million. The parties do not agree on the appropriate level of PacifiCorp's net power costs and reserve their rights to propose adjustments to these costs in testimony and briefs. The term "net power costs," as used in this Stipulation, refers to the sum of purchased power cost plus fuel expense plus wheeling expense less wholesale sales revenue and includes for this purpose related issues such as the costs of coal unloading facilities at the Dave Johnston plant and the Dave Johnston mine closure costs. The parties have agreed on the method of allocating all costs to the state of Oregon, including net power costs. The parties recommend that the Commission approve PacifiCorp's revenue requirement as adjusted to reflect the items listed on Attachment A and the Commission's decisions on proposed adjustments to net power costs.

7. The parties to this Stipulation agree that an overall rate of return of 8.707 percent, as reflected in Attachment A, should be approved by the Commission and applied to PacifiCorp's rate base in this Docket. The parties have not agreed on the components of the overall rate of return and request that the Commission not make findings on these components.

8. The parties agree to file a motion, under ORS 756.568, to amend the Commission's Order No. 98-191, issued on May 5, 1998, in Docket No. UE 94. The modifications shall be: (1) to exclude the revenue change resulting from this docket from the revenue cap calculation under Section 4 of Appendix A to Order No. 98-191; and (2) to recognize all revenue changes resulting from this docket and actually realized in the year 2000 in the annual earnings review under Section 6 of Appendix A to Order No. 98-191. The parties also agree that this Stipulation does not alter the benchmark rate of return used for purposes of making any earnings band adjustments under the AFOR.

9. The parties to this Stipulation agree that if it is necessary for PacifiCorp to make a rate filing that includes a showing of revenue requirement, in compliance with the Commission's rules under SB 1149 or as otherwise directed by a Commission order issued pursuant to SB 1149, no party will use this Stipulation or the Commission's adoption of the terms of this Stipulation as a precedent for or the basis of such rate filing. PacifiCorp agrees that it will support any such rate filing independently from this Stipulation. This paragraph shall not restrict any party from using the Commission's decisions on issues outside of this Stipulation, such as on net power costs or issues raised by other parties, as precedent in any other proceeding.

10. The parties agree that this Stipulation represents a compromise in the positions of the parties. As such, conduct, statements and documents disclosed in the negotiation of this Stipulation shall not be admissible as evidence in this or any other proceeding.

00-580

10. The parties agree that this Stipulation represents a compromise in the positions of the parties. As such, conduct, statements and documents disclosed in the negotiation of this Stipulation shall not be admissible as evidence in this or any other proceeding.

11. This Stipulation will be offered into the record of this proceeding as evidence pursuant to OAR 860-14-0085. The parties agree to support this Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor this Stipulation at the hearing and recommend that the Commission issue an order adopting the settlements contained herein.

12. If this Stipulation is challenged by any other party to this proceeding, or any other party seeks a revenue requirement for PacificCorp that departs from the terms of this Stipulation, the parties to this Stipulation reserve the right to cross-examine witnesses and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in this Stipulation. Notwithstanding this reservation of rights, the parties to this Stipulation agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

13. The parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving this Stipulation, any party disadvantaged by such action shall have the rights provided in OAR 860-014-0085 and shall be entitled to seek reconsideration or appeal of the Commission's Order.

14. By entering into this Stipulation, no party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other party in arriving at the terms of this Stipulation. No party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

15. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

This Stipulation is entered into by each party on the date entered below such party's signature.

DATED: May 31, 2000.

PACIFICORP

STAFF OF THE OREGON  
PUBLIC UTILITY COMMISSION

By: James C. Hill

By: \_\_\_\_\_

11. This Stipulation will be offered into the record of this proceeding as evidence pursuant to OAR 860-14-0085. The parties agree to support this Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor this Stipulation at the hearing and recommend that the Commission issue an order adopting the settlements contained herein.

12. If this Stipulation is challenged by any other party to this proceeding, or any other party seeks a revenue requirement for PacifiCorp that departs from the terms of this Stipulation, the parties to this Stipulation reserve the right to cross-examine witnesses and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in this Stipulation. Notwithstanding this reservation of rights, the parties to this Stipulation agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

13. The parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving this Stipulation, any party disadvantaged by such action shall have the rights provided in OAR 860-014-0085 and shall be entitled to seek reconsideration or appeal of the Commission's Order.

14. By entering into this Stipulation, no party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other party in arriving at the terms of this Stipulation. No party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

15. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

This Stipulation is entered into by each party on the date entered below such party's signature.

DATED: ~~June~~ May 2, 2000.

PACIFICORP

STAFF OF THE OREGON  
PUBLIC UTILITY COMMISSION

By: \_\_\_\_\_

By:  \_\_\_\_\_

**PACIFICORP - OREGON**  
**Issues Summary**  
**Generation and Transmission**  
**UE 111 - December 1998 Test Year**  
**(\$000)**

<u>Item</u>	<u>Issue</u>	<u>Revenue Requirement Effect</u> <u>1998</u>
<b>Revenue Requirement on the Company's Filed Unadjusted Results</b>		<b>\$82,732</b>
<b>Stipulated Adjustments (Base Rates)</b>		
S-ROR	Rate of Return	(10,060)
S-00	Refunctionalize Revenues	(2,148)
S-1	Weather Normalization	238
S-2	System Contracts Demand/Energy	(793)
S-3	Pilot Program Revenues & Expenses	3,148
S-4	SO2 Emission Allowances Sales	2,149
S-5	USBR/UKRB Adjustment	(208)
S-6	SMUD Adjustment	(2,161)
S-7	Functionalize Distribution Revenues	3,085
S-8	FAS 106 Deferred Charges	(515)
S-9	1998 Early Retirement Adjustment	(35,238)
S-10	Proforma 1998 Early Retirement Adjustment	93
S-11	Early Retirement Labor Savings	(9,047)
S-12	Remove Prior Year Incentive	(917)
S-13	Refocus Program Adjustment	(5,603)
S-14	Non-Regulated Pension Expense	(195)
S-15	Market Position & Futures Adjustment	(4,397)
S-16	Modified Accord Adjustment	2,338
S-17	Annualize 1998 Labor	367
S-18	Officer Severance Compensation	(99)
S-19	Bonus/Incentive Pay	(1,210)
S-20	Supplemental Executive Retirement Plan	(803)
S-21	Property Insurance	(1,123)
S-22	Aircraft Transportation Charge	(1,021)
S-23	OPUC Fee	(539)
S-24	Memberships, Dues & Donations	(170)
S-25	Nonrecurring/Nonregulated Charges	(1,905)
S-26	Nonrecurring Y2K Expenses	(2,465)
S-28	Incremental Coal Discount Adjustment	1,286
S-29	Annualized Depreciation Expense	2,272
S-30	Annualized Accumulated Depreciation	(282)
S-31	Correct Accumulated Depreciation Reserve	1,082
S-32	Property Tax Adjustment	(241)
S-33	Income Tax - Unadjusted Results	785
S-34	Environmental Settlement Adjustment	(1,187)
S-35	Annualize Major Plant Additions	995
S-36	Trapper Mine Adjustment	226
S-37	Bridger Coal Company Adjustment	1,737
S-38	Materials & Supplies	469
S-39	Cash Working Capital	(956)
S-40	SAP Adjustment	6,169
S-41	Remove SERP Reserve	(416)
S-42	Remove Pensions & Benefits Reserve	(102)
S-43	Plant Held For Future Use Adjustment	(129)
S-44	Wyoming Wind Adjustment	1,497
S-45	Remove Garfield Coal	(43)
S-46	Remove Dave Johnston Adjustment	(392)
S-47	Software/Hardware Adjustment	(1,494)
S-48	Trojan Plant	(66)
S-49	Miscellaneous Deferred Debits	(185)
S-50	CSS Disallowance	(968)
S-51	Company Corrections	(3,242)
S-*	Revenue Sensitive Costs & State Income Taxes	1,377
<b>Total Stipulated Adjustments (Base Rates)</b>		<b>(61,007)</b>
<b>Other Adjustments (Revenue Requirement Impact Tariffed Separately)</b>		
S-52	Y2K Deferral & Amortization	556
S-53	Centralia Gain	amount to be determined
<b>Contested Issues</b>		
S-27	Power Cost Adjustment (Production Cost Study)	
S-54	Rate Spread/Rate Design	

PACIFICORP - OREGON  
 Oregon Allocated Results of Operations  
 Generation and Transmission  
 Twelve Months Ended December 31, 1998  
 (\$millions)

05:03 AM

INPUT ASSUMPTIONS

COST OF CAPITAL - 1998		% of CAPITAL	COST	WEIGHTED COST
Long Term Debt		47.50%	6.95%	3.301%
Preferred Stock		8.50%	6.02%	0.511%
Common Equity		44.00%	11.125%	4.895%
<b>Total</b>		<b>100.00%</b>		<b>8.707%</b>

REVENUE SENSITIVE COSTS	
Revenues	1.00000
<b>Operating Revenue Deductions</b>	
Uncollectible Accounts	0.00000
Taxes Other - Franchise	0.02028
- OPUC fee	0.00000
- Resource supplier	0.00050
State Taxable Income	0.97922
State Income Tax @ 4.438%	0.04346
Federal Taxable Income	0.93576
Federal Income Tax @ 35%	0.32752
ITC	0.00000
Current FIT	0.32752
Other	0.00000
Total Excise Taxes	0.37097
Total Revenue Sensitive Costs	0.39175
Utility Operating Income	0.60825
Net-to-Gross Factor	1.64407

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 19**  
**(\$000)**

26-May-00  
11:06 AM

	Refunctionalize Revenues (S-00)	Weather Normalization (S-1)	System Contracts Dem/Energy (S-2)	Pilot Programs Adjustments (S-3)	SO2 Emmission Allowances (S-4)	USBR / UKRB Revenues (S-5)	SMUD Adjustment (S-6)	Functionalize Distribution Revenue (S-7)
1 Operating Revenues								
2 Retail Sales	\$2,151	(\$238)	\$794	(\$7,093)	\$0	\$2,697	\$0	(\$2,551)
3 Wholesale Sales				3,815			2,119	
4 Other Revenues								(528)
5 Total Operating Revenues	\$2,151	(\$238)	\$794	(\$3,278)	\$0	\$2,697	\$2,119	(\$3,079)
6 Operating Expenses								
7 Production	\$0	\$0	\$0	\$0	\$0	\$2,093	\$0	\$0
8 Transmission								
9 Distribution								
10 Customer Accounts & Services								
11 Administrative and General				(42)				
12 Total Operation & Maintenance	\$0	\$0	\$0	(\$42)	\$0	\$2,093	\$0	\$0
13 Depreciation								
14 Amortization								
15 Taxes Other than Income	45	(5)	16	(147)	0	56	0	(53)
16 Income Taxes	797	(88)	295	(1,170)	(795)	172	802	(1,146)
17 Miscellaneous Revenue and Expense					2,098			
18 Total Operating Expenses	\$842	(\$93)	\$311	(\$1,359)	\$1,303	\$2,321	\$802	(\$1,199)
19 Net Operating Revenues	\$1,309	(\$145)	\$483	(\$1,919)	(\$1,303)	\$376	\$1,317	(\$1,880)
20 Average Rate Base								
21 Electric Plant in Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 Accumulated Depreciation & Amortization								
23 Accumulated Deferred Income Taxes								
24 Accumulated Deferred Inv. Tax Credit								
25 Net Utility Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Plant Held for Future Use								
27 Acquisition Adjustments								
28 Working Capital	28	(3)	10	(46)	44	78	27	(40)
29 Fuel Stock								
30 Materials & Supplies								
31 Customer Adv for Const								
32 Weatherization								
33 Prepayments						2,790		
34 Misc. Deferred Debits								
35 Misc. Rate Base Additions/( Deductions )								
36 Total Average Rate Base	\$28	(\$3)	\$10	(\$46)	\$44	\$2,868	\$27	(\$40)
37 Revenue Requirement Effect	(\$2,148)	\$238	(\$793)	\$3,148	\$2,149	(\$208)	(\$2,161)	\$3,085



PACIFICORP - OREGON  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

26-May-00  
11:06 AM

	FAS 106 Deferred Charges (S-8)	1998 Early Retirement (S-9)	Proforma 1998 Early Retirement (S-10)	Early Retire Labor Savings (S-11)	Remove Prior Year Incentive (S-12)	Refocus Program Savings (S-13)	Nonregulated Pension Expense (S-14)	Market Position & Futures (S-15)
1 Operating Revenues								
2 Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Wholesale Sales								
4 Other Revenues								(455,918)
5 <b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$455,918)</b>
6 Operating Expenses								
7 Production	\$0	(\$7,272)	\$0	\$0	\$0	\$0	\$0	(\$458,385)
8 Transmission								
9 Distribution								
10 Customer Accounts & Services								
11 Administrative and General	(459)	(27,390)	55	(8,657)	(895)	(5,473)	(190)	
12 <b>Total Operation &amp; Maintenance</b>	<b>(\$459)</b>	<b>(\$34,662)</b>	<b>\$55</b>	<b>(\$8,657)</b>	<b>(\$895)</b>	<b>(\$5,473)</b>	<b>(\$190)</b>	<b>(\$458,385)</b>
13 Depreciation								
14 Amortization	(30)							
15 Taxes Other than Income	0	0	0	0	0	0	0	0
16 Income Taxes	187	13,120	(24)	3,301	339	2,075	72	1,126
17 Miscellaneous Revenue and Expense								
18 <b>Total Operating Expenses</b>	<b>(\$302)</b>	<b>(\$21,542)</b>	<b>\$31</b>	<b>(\$5,356)</b>	<b>(\$556)</b>	<b>(\$3,398)</b>	<b>(\$118)</b>	<b>(\$457,259)</b>
19 <b>Net Operating Revenues</b>	<b>\$302</b>	<b>\$21,542</b>	<b>(\$31)</b>	<b>\$5,356</b>	<b>\$556</b>	<b>\$3,398</b>	<b>\$118</b>	<b>\$1,341</b>
20 <b>Average Rate Base</b>								
21 Electric Plant in Service	\$0	\$6,243	\$282	(\$1,505)	\$0	\$0	\$0	\$0
22 Accumulated Depreciation & Amortization								
23 Accumulated Deferred Income Taxes		(4,274)	11					
24 Accumulated Deferred Inv. Tax Credit								
25 <b>Net Utility Plant</b>	<b>\$0</b>	<b>\$1,969</b>	<b>\$293</b>	<b>(\$1,505)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
26 Plant Held for Future Use								
27 Acquisition Adjustments								
28 Working Capital	(10)	(722)	1	(179)	(19)	(114)	(4)	(15,318)
29 Fuel Stock	(119)							
30 Materials & Supplies								
31 Customer Adv for Const								
32 Weatherization								
33 Prepayments								
34 Misc. Deferred Debts								
35 Misc. Rate Base Additions/(Deductions)								
36 <b>Total Average Rate Base</b>	<b>(\$129)</b>	<b>\$1,247</b>	<b>\$294</b>	<b>(\$1,684)</b>	<b>(\$19)</b>	<b>(\$114)</b>	<b>(\$4)</b>	<b>(\$15,318)</b>
37 <b>Revenue Requirement Effect</b>	<b>(\$515)</b>	<b>(\$35,238)</b>	<b>\$93</b>	<b>(\$9,047)</b>	<b>(\$917)</b>	<b>(\$5,603)</b>	<b>(\$195)</b>	<b>(\$4,397)</b>

PACIFICORP OREGON  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

26-May-00  
11:06 AM

	Modified Accord Allocations (S-16)	Annualize 1998 Labor (S-17)	Officer Severance Compensation (S-18)	Bonus & Incentive Pay (S-19)	Supplemental Executive Retirement (S-20)	Property Insurance Adjustment (S-21)	Aircraft Transportation Charge (S-22)	OPUC Fee Adjustment (S-23)
1 Operating Revenues								
2 Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Wholesale Sales								
4 Other Revenues								
5 <b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
6 Operating Expenses								
7 Production	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Transmission								
9 Distribution								
10 Customer Accounts & Services								
11 Administrative and General		318	(96)	(1,036)	(706)	(1,097)	(996)	(526)
12 <b>Total Operation &amp; Maintenance</b>	<b>\$0</b>	<b>\$318</b>	<b>(\$96)</b>	<b>(\$1,036)</b>	<b>(\$706)</b>	<b>(\$1,097)</b>	<b>(\$996)</b>	<b>(\$526)</b>
13 Depreciation								
14 Amortization								
15 Taxes Other than Income	0	35	0	(114)	(78)	0	0	0
16 Income Taxes	(865)	(135)	36	439	297	416	377	199
17 Miscellaneous Revenue and Expense	2,283							
18 <b>Total Operating Expenses</b>	<b>\$1,418</b>	<b>\$218</b>	<b>(\$60)</b>	<b>(\$711)</b>	<b>(\$487)</b>	<b>(\$681)</b>	<b>(\$619)</b>	<b>(\$327)</b>
19 <b>Net Operating Revenues</b>	<b>(\$1,418)</b>	<b>(\$218)</b>	<b>\$60</b>	<b>\$711</b>	<b>\$487</b>	<b>\$681</b>	<b>\$619</b>	<b>\$327</b>
20 Average Rate Base								
21 Electric Plant in Service	\$0	\$56	\$0	(\$260)	\$0	\$0	\$0	\$0
22 Accumulated Depreciation & Amortization								
23 Accumulated Deferred Income Taxes								
24 Accumulated Deferred Inv. Tax Credit								
25 <b>Net Utility Plant</b>	<b>\$0</b>	<b>\$56</b>	<b>\$0</b>	<b>(\$260)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
26 Plant Held for Future Use								
27 Acquisition Adjustments								
28 Working Capital	48	7	(2)	(24)	(16)	(23)	(21)	(11)
29 Fuel Stock								
30 Materials & Supplies								
31 Customer Adv for Const								
32 Weatherization								
33 Prepayments								
34 Misc. Deferred Debits								
35 Misc. Rate Base Additions/(Deductions)								
36 <b>Total Average Rate Base</b>	<b>\$48</b>	<b>\$63</b>	<b>(\$2)</b>	<b>(\$284)</b>	<b>(\$16)</b>	<b>(\$23)</b>	<b>(\$21)</b>	<b>(\$11)</b>
37 <b>Revenue Requirement Effect</b>	<b>\$2,338</b>	<b>\$367</b>	<b>(\$99)</b>	<b>(\$1,210)</b>	<b>(\$803)</b>	<b>(\$1,123)</b>	<b>(\$1,021)</b>	<b>(\$539)</b>

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	26-May-00 11:06 AM	Memberships Dues & Donations (S-24)	Nonrecurring Charges (S-25)	Remove Y2K Expense (S-26)	Production Cost Study (CONTESTED) (S-27)	Incremental Coal Discount Adjustment (S-28)	Annualized Depreciation Expense (S-29)	Annualized Accumulated Depreciation (S-30)	Correct Accum Deprec Reserve (S-31)
1	Operating Revenues								
2	Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Wholesale Sales								
4	Other Revenues								
5	<b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
6	Operating Expenses								
7	Production	\$0	\$0	\$0	\$0	\$1,257	(\$1,510)	\$0	\$0
8	Transmission								
9	Distribution								
10	Customer Accounts & Services								
11	Administrative and General	(166)	(1,796)	(2,408)					
12	<b>Total Operation &amp; Maintenance</b>	<b>(\$166)</b>	<b>(\$1,796)</b>	<b>(\$2,408)</b>	<b>\$0</b>	<b>\$1,257</b>	<b>(\$1,510)</b>	<b>\$0</b>	<b>\$0</b>
13	Depreciation						3,742		
14	Amortization								
15	Taxes Other than Income	0	0	0	0	0	0	0	0
16	Income Taxes	63	688	913	0	(477)	(854)	29	(110)
17	Miscellaneous Revenue and Expense								
18	<b>Total Operating Expenses</b>	<b>(\$103)</b>	<b>(\$1,108)</b>	<b>(\$1,495)</b>	<b>\$0</b>	<b>\$780</b>	<b>\$1,378</b>	<b>\$29</b>	<b>(\$110)</b>
19	<b>Net Operating Revenues</b>	<b>\$103</b>	<b>\$1,108</b>	<b>\$1,495</b>	<b>\$0</b>	<b>(\$780)</b>	<b>(\$1,378)</b>	<b>(\$29)</b>	<b>\$110</b>
20	Average Rate Base								
21	Electric Plant in Service	\$0	(\$652)	\$0	\$0	\$0	\$0	\$0	\$0
22	Accumulated Depreciation & Amortization		104					(2,491)	8,823
23	Accumulated Deferred Income Taxes							190	
24	Accumulated Deferred Inv. Tax Credit								
25	<b>Net Utility Plant</b>	<b>\$0</b>	<b>(\$548)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,301)</b>	<b>\$8,823</b>
26	Plant Held for Future Use								
27	Acquisition Adjustments								
28	Working Capital	(3)	(37)	(50)	0	26	46	1	(4)
29	Fuel Stock								
30	Materials & Supplies								
31	Customer Adv for Const								
32	Weatherization								
33	Prepayments								
34	Misc. Deferred Debits								
35	Misc. Rate Base Additions/(Deductions)								
36	<b>Total Average Rate Base</b>	<b>(\$3)</b>	<b>(\$585)</b>	<b>(\$50)</b>	<b>\$0</b>	<b>\$26</b>	<b>\$46</b>	<b>(\$2,300)</b>	<b>\$8,819</b>
37	<b>Revenue Requirement Effect</b>	<b>(\$170)</b>	<b>(\$1,905)</b>	<b>(\$2,465)</b>	<b>\$0</b>	<b>\$1,286</b>	<b>\$2,272</b>	<b>(\$282)</b>	<b>\$1,082</b>

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

26-May-00  
11:06 AM

	Property Tax Adjustment (S-32)	Income Tax Unadjusted Results (S-33)	Environmental Settlement Adjustment (S-34)	Annualized Major Plant Additions (S-35)	Trapper Mine Rate Base Adjustment (S-36)	Bridger Coal Company Rate Base (S-37)	Materials Allocation Correction (S-38)	Cash Working Capital (S-39)
1 Operating Revenues								
2 Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Wholesale Sales								
4 Other Revenues								
5 Total Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Operating Expenses								
7 Production	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Transmission								
9 Distribution								
10 Customer Accounts & Services								
11 Administrative and General								
12 Total Operation & Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Depreciation								
14 Amortization								
15 Taxes Other than Income	(235)	0	0	0	0	0	0	0
16 Income Taxes	89	476	121	(102)	(23)	(177)	(48)	97
17 Miscellaneous Revenue and Expense								
18 Total Operating Expenses	(\$146)	\$476	\$121	(\$102)	(\$23)	(\$177)	(\$48)	\$97
19 Net Operating Revenues	\$146	(\$476)	(\$121)	\$102	\$23	\$177	\$48	(\$97)
20 Average Rate Base								
21 Electric Plant in Service	\$0	\$0	\$0	\$8,125	\$1,846	\$14,173	\$0	\$0
22 Accumulated Depreciation & Amortization								
23 Accumulated Deferred Income Taxes								
24 Accumulated Deferred Inv. Tax Credit								
25 Net Utility Plant	\$0	\$0	\$0	\$8,125	\$1,846	\$14,173	\$0	\$0
26 Plant Held for Future Use								
27 Acquisition Adjustments								
28 Working Capital	(5)	16	4	(3)	(1)	(6)	(2)	(7,790)
29 Fuel Stock								
30 Materials & Supplies							3,833	
31 Customer Adv for Const								
32 Weatherization								
33 Prepayments								
34 Misc. Deferred Debits			(9,685)					
35 Misc. Rate Base Additions/( Deductions)								
36 Total Average Rate Base	(\$5)	\$16	(\$9,681)	\$8,122	\$1,845	\$14,167	\$3,831	(\$7,790)
37 Revenue Requirement Effect	(\$241)	\$785	(\$1,187)	\$995	\$226	\$1,737	\$469	(\$956)

00-580

Attachment A  
Page 7 of 16

APPENDIX B  
PAGE 11 OF 20

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

26-May-00  
11:06 AM

	SAP Adjustments (S-40)	Remove SERP Reserve (S-41)	Remove Pen & Benefits Reserve (S-42)	Plant Held For Future Use (S-43)	Wyoming Wind Adjustment (S-44)	Remove Garfield Coal (S-45)	Remove Dave Johnston Mine (S-46)	Remove Software & Hardware (S-47)
1 Operating Revenues								
2 Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Wholesale Sales								
4 Other Revenues								
5 <b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
6 Operating Expenses								
7 Production	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Transmission								
9 Distribution								
10 Customer Accounts & Services								
11 Administrative and General								
12 <b>Total Operation &amp; Maintenance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
13 Depreciation					626			
14 Amortization	3,429							(1,241)
15 Taxes Other than Income	0	0	0	0	0	0	0	0
16 Income Taxes	(1,592)	43	10	13	(326)	(2)	40	493
17 Miscellaneous Revenue and Expense								
18 <b>Total Operating Expenses</b>	<b>\$1,837</b>	<b>\$43</b>	<b>\$10</b>	<b>\$13</b>	<b>\$300</b>	<b>(\$2)</b>	<b>\$40</b>	<b>(\$748)</b>
19 <b>Net Operating Revenues</b>	<b>(\$1,837)</b>	<b>(\$43)</b>	<b>(\$10)</b>	<b>(\$13)</b>	<b>(\$300)</b>	<b>\$2</b>	<b>(\$40)</b>	<b>\$748</b>
20 <b>Average Rate Base</b>								
21 Electric Plant in Service	\$23,621	\$0	\$0	\$0	\$7,823	\$0	(\$5,512)	(\$1,820)
22 Accumulated Depreciation & Amortization	(2,347)		(828)		(626)			
23 Accumulated Deferred Income Taxes	658				(192)	35		
24 Accumulated Deferred Inv. Tax Credit								
25 <b>Net Utility Plant</b>	<b>\$21,932</b>	<b>\$0</b>	<b>(\$828)</b>	<b>\$0</b>	<b>\$7,005</b>	<b>\$35</b>	<b>(\$5,512)</b>	<b>(\$1,820)</b>
26 Plant Held for Future Use				(1,050)				
27 Acquisition Adjustments								
28 Working Capital	62	(3,403)	0	0	10	0	2,311	(25)
29 Fuel Stock								
30 Materials & Supplies								
31 Customer Adv for Const								
32 Weatherization								
33 Prepayments								
34 Misc. Deferred Debits						(315)		
35 Misc. Rate Base Additions/(Deductions)								
36 <b>Total Average Rate Base</b>	<b>\$21,994</b>	<b>(\$3,403)</b>	<b>(\$828)</b>	<b>(\$1,050)</b>	<b>\$7,015</b>	<b>(\$280)</b>	<b>(\$3,201)</b>	<b>(\$1,845)</b>
37 <b>Revenue Requirement Effect</b>	<b>\$6,169</b>	<b>(\$416)</b>	<b>(\$102)</b>	<b>(\$129)</b>	<b>\$1,497</b>	<b>(\$43)</b>	<b>(\$392)</b>	<b>(\$1,494)</b>

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

26-May-00  
 11:06 AM

	Trojan Disallowance Adjustment (S-48)	Miscellaneous Deferred Debits (S-49)	CSS Disallowance Adjustments (S-50)	Company Corrections (S-51)	Total Adjustments (Base Rates)	Y2K Deferral & Amortization (S-52)	Centralia Gain (ESTIMATE) (S-53)
1 Operating Revenues							
2 Retail Sales	\$0	\$0	\$0	\$1,275	(\$2,965)	\$0	\$0
3 Wholesale Sales					\$5,934		
4 Other Revenues				733	(455,713)		
5 Total Operating Revenues	\$0	\$0	\$0	\$2,008	(\$452,744)	\$0	\$0
6 Operating Expenses							
7 Production	\$0	(\$62)	\$0	(\$292)	(\$464,171)	\$0	\$0
8 Transmission					\$0		
9 Distribution					\$0		
10 Customer Accounts & Services					\$0		
11 Administrative and General				(901)	(52,461)	367	
12 Total Operation & Maintenance	\$0	(\$62)	\$0	(\$1,193)	(\$516,632)	\$367	\$0
13 Depreciation					\$4,368		
14 Amortization			(492)		\$1,666		
15 Taxes Other than Income	0	0	0	26	(\$454)	0	0
16 Income Taxes	7	36	234	1,203	\$20,671	(157)	7,104
17 Miscellaneous Revenue and Expense					4,381		(18,740)
18 Total Operating Expenses	\$7	(\$26)	(\$258)	\$36	(\$486,000)	\$210	(\$11,636)
19 Net Operating Revenues	(\$7)	\$26	\$258	\$1,972	\$33,256	(\$210)	\$11,636
20 Average Rate Base							
21 Electric Plant in Service	\$0	\$0	(\$4,914)	\$0	\$47,506	\$0	\$0
22 Accumulated Depreciation & Amortization			1,126		\$3,761		
23 Accumulated Deferred Income Taxes					(\$3,572)		
24 Accumulated Deferred Inv. Tax Credit					0		
25 Net Utility Plant	\$0	\$0	(\$3,788)	\$0	\$47,695	\$0	\$0
26 Plant Held for Future Use					(\$1,050)		
27 Acquisition Adjustments					\$0		
28 Working Capital	0	(1)	(9)	1	(\$25,171)	7	(390)
29 Fuel Stock					(\$119)		
30 Materials & Supplies					\$3,833		
31 Customer Adv for Const					\$0		
32 Weatherization					\$0		
33 Prepayments					\$2,790		
34 Misc. Deferred Debits	(541)	(996)			(\$11,537)	1,468	
35 Misc. Rate Base Additions/(Deductions)					0		
36 Total Average Rate Base	(\$541)	(\$997)	(\$3,797)	\$1	\$16,441	\$1,475	(\$390)
37 Revenue Requirement Effect	(\$66)	(\$185)	(\$968)	(\$3,242)	(\$52,324)	\$556	(\$19,186)

00-580

Attachment A  
 Page 9 of 16

APPENDIX B  
 PAGE 13 OF 20

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	Refunctionalize Revenues (S-00)	Weather Normalization (S-1)	System Contracts Dem/Energy (S-2)	Pilot Programs Adjustments (S-3)	SO2 Emmission Allowances (S-4)	USBR / UKRB Revenues (S-5)	SMUD Adjustment (S-6)	Functionize Distribution Revenue (S-7)	FAS 106 Deferred Charges (S-8)	
<b>Income Tax Calculations</b>										
38	Book Revenues	\$2,151	(\$238)	\$794	(\$3,278)	\$0	\$2,697	\$2,119	(\$3,079)	\$0
39	Book Expenses Other than Depreciation	45	(5)	16	(189)	2,098	2,149	0	(53)	(489)
40	State Tax Depreciation	0	0	0	0	0	0	0	0	0
41	Interest	1	(0)	0	(2)	1	95	1	(1)	(4)
42	Book-Tax (Schedule M) Differences	0	0	0	0	0	0	0	0	0
43	State Taxable Income	\$2,105	(\$233)	\$778	(\$3,087)	(\$2,099)	\$453	\$2,118	(\$3,025)	\$493
44	State Income Tax @ 4.438%	\$93	(\$10)	\$35	(\$137)	(\$93)	\$20	\$94	(\$134)	\$22
45	Net State Income Tax	\$93	(\$10)	\$35	(\$137)	(\$93)	\$20	\$94	(\$134)	\$22
46	Additional Tax Depreciation	0	0	0	0	0	0	0	0	0
47	Other Schedule M Differences									
48	Federal Taxable Income	\$2,012	(\$223)	\$743	(\$2,950)	(\$2,006)	\$433	\$2,024	(\$2,891)	\$471
49	Federal Tax @ 35%	\$704	(\$78)	\$260	(\$1,033)	(\$702)	\$152	\$708	(\$1,012)	\$165
50	Wind Power Tax Credits									
51	Current Federal Tax	\$704	(\$78)	\$260	(\$1,033)	(\$702)	\$152	\$708	(\$1,012)	\$165
52	PMI									
53	ITC Adjustment									
54	Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	Restoration									
56	Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57	Provision for Deferred Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	Total Income Tax	\$797	(\$88)	\$295	(\$1,170)	(\$795)	\$172	\$802	(\$1,146)	\$187



**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	1998 Early Retirement (S-9)	Proforma 1998 Early Retirement (S-10)	Early Retire Labor Savings (S-11)	Remove Prior Year Incentive (S-12)	Refocus Program Savings (S-13)	Nonregulated Pension Expense (S-14)	Market Position & Futures (S-15)	Modified Accord Allocations (S-16)	Annualize 1998 Labor (S-17)
<b>Income Tax Calculations</b>									
38 Book Revenues	\$0	\$0	\$0	\$0	\$0	\$0	(\$455,918)	\$0	\$0
39 Book Expenses Other than Depreciation	(34,662)	55	(8,657)	(895)	(5,473)	(190)	(458,385)	2,283	353
40 State Tax Depreciation	0	0	0	0	0	0	0	0	0
41 Interest	41	10	(56)	(1)	(4)	(0)	(506)	2	2
42 Book-Tax (Schedule M) Differences	21,265	(55)	0	0	0	0	0	0	0
43 State Taxable Income	\$13,356	(\$10)	\$8,713	\$896	\$5,477	\$190	\$2,973	(\$2,285)	(\$355)
44 State Income Tax @ 4.438%	\$593	\$-0	\$387	\$40	\$243	\$8	\$132	(\$101)	(\$16)
45 Net State Income Tax	\$593	\$-0	\$387	\$40	\$243	\$8	\$132	(\$101)	(\$16)
46 Additional Tax Depreciation	0	0	0	0	0	0	0	0	0
47 Other Schedule M Differences									
48 Federal Taxable Income	\$12,763	(\$10)	\$8,326	\$856	\$5,234	\$182	\$2,841	(\$2,184)	(\$339)
49 Federal Tax @ 35%	\$4,467	(\$3)	\$2,914	\$299	\$1,832	\$64	\$994	(\$764)	(\$119)
50 Wind Power Tax Credits									
51 Current Federal Tax	\$4,467	(\$3)	\$2,914	\$299	\$1,832	\$64	\$994	(\$764)	(\$119)
52 PMI									
53 ITC Adjustment									
54 Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Restoration									
56 Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Provision for Deferred Taxes	\$8,060	(\$21)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58 Total Income Tax	\$13,120	(\$24)	\$3,301	\$339	\$2,075	\$72	\$1,126	(\$865)	(\$135)

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	Officer Severance Compensation (S-18)	Bonus & Incentive Pay (S-19)	Supplemental Executive Retirement (S-20)	Property Insurance Adjustment (S-21)	Aircraft Transportation Charge (S-22)	OPUC Fee Adjustment (S-23)	Memberships Dues & Donations (S-24)	Nonrecurring Nonregulated Charges (S-25)	Remove Y2K Expense (S-26)
<b>Income Tax Calculations</b>									
38	Book Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Book Expenses Other than Depreciation	(96)	(1,150)	(784)	(1,097)	(996)	(166)	(1,796)	(2,408)
40	State Tax Depreciation	0	0	0	0	0	0	0	0
41	Interest	(0)	(9)	(1)	(1)	(1)	(0)	(19)	(2)
42	Book-Tax (Schedule M) Differences	0	0	0	0	0	0	0	0
43	State Taxable Income	\$96	\$1,159	\$785	\$1,098	\$997	\$166	\$1,815	\$2,410
44	State Income Tax @ 4.438%	\$4	\$51	\$35	\$49	\$23	\$7	\$81	\$107
45	Net State Income Tax	\$4	\$51	\$35	\$49	\$23	\$7	\$81	\$107
46	Additional Tax Depreciation	0	0	0	0	0	0	0	0
47	Other Schedule M Differences								
48	Federal Taxable Income	\$92	\$1,108	\$750	\$1,049	\$953	\$159	\$1,734	\$2,303
49	Federal Tax @ 35%	\$32	\$388	\$262	\$367	\$176	\$56	\$607	\$806
50	Wind Power Tax Credits								
51	Current Federal Tax	\$32	\$388	\$262	\$367	\$176	\$56	\$607	\$806
52	PMI								
53	ITC Adjustment								
54	Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	Restoration								
56	Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57	Provision for Deferred Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	Total Income Tax	\$36	\$439	\$297	\$416	\$199	\$63	\$688	\$913

00-580

Attachment A  
Page 12 of 16

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission.**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	Production Cost Study (CONTESTED) (S-27)	Incremental Coal Discount Adjustment (S-28)	Annualized Depreciation Expense (S-29)	Annualized Accumulated Depreciation (S-30)	Correct Accum Deprec Reserve (S-31)	Property Tax Adjustment (S-32)	Income Tax Unadjusted Results (S-33)	Environmental Settlement Adjustment (S-34)	Annualized Major Plant Additions (S-35)	
<b>Income Tax Calculations</b>										
38	Book Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
39	Book Expenses Other than Depreciation	0	1,257	(1,510)	0	0	(235)	0	0	
40	State Tax Depreciation	0	0	3,742	0	0	0	0	0	
41	Interest	0	1	2	(76)	291	(0)	1	(320)	268
42	Book-Tax (Schedule M) Differences	0	0	(2,232)	0	0	0	0	0	
43	State Taxable Income	\$0	(\$1,258)	(\$2)	\$76	(\$291)	\$235	(\$1)	\$320	(\$268)
44	State Income Tax @ 4.438%	\$0	(\$56)	\$-0	\$3	(\$13)	\$10	(\$656)	\$14	(\$12)
45	Net State Income Tax	\$0	(\$56)	\$-0	\$3	(\$13)	\$10	(\$656)	\$14	(\$12)
48	Additional Tax Depreciation	0	0	0	0	0	0	0	0	0
47	Other Schedule M Differences									
48	Federal Taxable Income	\$0	(\$1,202)	(\$2)	\$73	(\$278)	\$225	\$655	\$306	(\$256)
49	Federal Tax @ 35%	\$0	(\$421)	(\$1)	\$26	(\$97)	\$79	\$1,867	\$107	(\$90)
50	Wind Power Tax Credits						735			
51	Current Federal Tax	\$0	(\$421)	(\$1)	\$26	(\$97)	\$79	\$1,132	\$107	(\$90)
52	PMI									
53	ITC Adjustment									
54	Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	Restoration									
56	Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57	Provision for Deferred Taxes	\$0	\$0	(\$853)	\$0	\$0	\$0	\$0	\$0	\$0
58	Total Income Tax	\$0	(\$477)	(\$854)	\$29	(\$110)	\$89	\$476	\$121	(\$102)

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	Trapper Mine Rate Base Adjustment (S-36)	Bridger Coal Company Rate Base (S-37)	Materials Allocation Correction (S-38)	Cash Working Capital (S-39)	SAP Adjustments (S-40)	Remove SERP Reserve (S-41)	Remove Pen & Benefits Reserve (S-42)	Plant Held For Future Use (S-43)	Wyoming Wind Adjustment (S-44)
<b>Income Tax Calculations</b>									
38	Book Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Book Expenses Other than Depreciation	0	0	0	0	3,429	0	0	0
40	State Tax Depreciation	0	0	0	0	0	0	0	626
41	Interest	61	468	126	(257)	726	(112)	(27)	(35)
42	Book-Tax (Schedule M) Differences	0	0	0	0	(3,429)	0	0	(78)
43	State Taxable Income	(\$61)	(\$468)	(\$126)	\$257	(\$726)	\$112	\$27	\$35
44	State Income Tax @ 4.438%	(\$3)	(\$21)	(\$6)	\$11	(\$32)	\$5	\$1	\$2
45	Net State Income Tax	(\$3)	(\$21)	(\$6)	\$11	(\$32)	\$5	\$1	\$2
46	Additional Tax Depreciation	0	0	0	0	0	0	0	0
47	Other Schedule M Differences								
48	Federal Taxable Income	(\$58)	(\$447)	(\$120)	\$246	(\$694)	\$107	\$26	\$33
49	Federal Tax @ 35%	(\$20)	(\$156)	(\$42)	\$86	(\$243)	\$38	\$9	\$11
50	Wind Power Tax Credits								
51	Current Federal Tax	(\$20)	(\$156)	(\$42)	\$86	(\$243)	\$38	\$9	\$11
52	PMI								
53	ITC Adjustment								
54	Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	Restoration								
56	Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57	Provision for Deferred Taxes	\$0	\$0	\$0	\$0	(\$1,317)	\$0	\$0	\$0
58	Total Income Tax	(\$23)	(\$177)	(\$48)	\$97	(\$1,592)	\$43	\$10	\$13

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	Remove Garfield Coal (S-45)	Remove Dave Johnston Mine (S-46)	Remove Software & Hardware (S-47)	Trojan Disallowance Adjustment (S-48)	Miscellaneous Deferred Debits (S-49)	CSS Disallowance Adjustments (S-50)	Company Corrections (S-51)	Total Adjustments (Base Rates)	Y2K Deferral & Amortization (S-52)
<b>Income Tax Calculations</b>									
38 Book Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$2,008	(\$452,744)	\$0
39 Book Expenses Other than Depreciation	0	0	(1,241)	0	(62)	(492)	(1,167)	(\$511,039)	367
40 State Tax Depreciation	0	0	0	0	0	0	0	\$4,368	0
41 Interest	(9)	(106)	(61)	(18)	(33)	(125)	0	\$543	49
42 Book-Tax (Schedule M) Differences	0	0	0	0	0	0	0	15,471	0
43 State Taxable Income	\$9	\$106	\$1,302	\$18	\$95	\$617	\$3,175	\$37,913	(\$416)
44 State Income Tax @ 4.438%	\$0	\$5	\$58	\$1	\$4	\$27	\$141	\$1,025	(\$18)
45 Net State Income Tax	\$0	\$5	\$58	\$1	\$4	\$27	\$141	\$1,025	(\$18)
46 Additional Tax Depreciation	0	0	0	0	0	0	0	\$0	0
47 Other Schedule M Differences								0	
48 Federal Taxable Income	\$9	\$101	\$1,244	\$17	\$91	\$590	\$3,034	\$36,888	(\$398)
49 Federal Tax @ 35%	\$3	\$35	\$435	\$6	\$32	\$207	\$1,062	\$14,547	(\$139)
50 Wind Power Tax Credits								735	
51 Current Federal Tax	\$3	\$35	\$435	\$6	\$32	\$207	\$1,062	\$13,812	(\$139)
52 PMI								\$0	
53 ITC Adjustment									
54 Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Restoration								0	
56 Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Provision for Deferred Taxes	(\$5)	\$0	\$0	\$0	\$0	\$0	\$0	\$5,834	\$0
58 Total Income Tax	(\$2)	\$40	\$493	\$7	\$36	\$234	\$1,203	\$20,671	(\$157)

00-580

Attachment A  
Page 15 of 16

APPENDIX B  
PAGE 11 OF 20

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

Income Tax Calculations		Centralia Gain (ESTIMATE) (S-53)
38	Book Revenues	\$0
39	Book Expenses Other than Depreciation	(18,740)
40	State Tax Depreciation	0
41	Interest	(13)
42	Book-Tax (Schedule M) Differences	0
43	State Taxable Income	\$18,753
44	State Income Tax @ 4.438%	\$832
45	Net State Income Tax	\$832
46	Additional Tax Depreciation	0
47	Other Schedule M Differences	0
48	Federal Taxable Income	\$17,921
49	Federal Tax @ 35%	\$6,272
50	Wind Power Tax Credits	
51	Current Federal Tax	\$6,272
52	PMI	
53	ITC Adjustment	
54	Deferral	\$0
55	Restoration	
56	Total ITC Adjustment	\$0
57	Provision for Deferred Taxes	\$0
58	Total Income Tax	\$7,104

## BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UE 111

In the Matter of Revised Tariff Schedules  
Applicable to Electric Service Filed by  
PacifiCorp

**STIPULATION  
REGARDING REMAINING ISSUES**

This Stipulation is entered into for the purpose of resolving all remaining revenue requirement, rate spread and rate design issues in this Docket.

**PARTIES**

1. The parties to this Stipulation are PacifiCorp, the Staff of the Public Utility Commission of Oregon (Staff), the Industrial Customers of Northwest Utilities (ICNU), the Citizens' Utility Board (CUB) and J. Tim Watson (Watson). As used in this Stipulation, the term "Parties" refers to the foregoing parties to this Stipulation collectively and the term "Party" refers to such parties individually. The Parties represent all of the parties in this Docket who have filed testimony and participated in settlement conferences.

**BACKGROUND**

2. On November 5, 1999, PacifiCorp filed revised tariff schedules to effect a \$61.8 million or 8.5 percent average increase in its base prices to Oregon electric customers. The filing was based on normalized results of operations for PacifiCorp's generation and transmission functionalized costs of service for the test period ending December 31, 1998. The filing was suspended by the Commission at its November 30, 1999 public meeting.



3. On March 1, 2000, pursuant to Commission Order No. 00-90, PacifiCorp filed supplemental direct testimony that developed functionalized costs and revenue requirements separately for its generation, transmission and distribution functions.

4. On April 14, 2000, the Staff served on all parties its report of issues and proposed adjustments to PacifiCorp's revenue requirement filing. The Staff's report was provided for settlement purposes only.

5. Pursuant to Administrative Law Judge Michael Grant's Prehearing Conference Memorandum of March 20, 2000, settlement conferences were held commencing on May 4, 2000. Further settlement conferences were held by notice to all parties in this Docket. The settlement conferences were open to all parties.

6. On May 5, 2000, PacifiCorp and the Staff entered into a Stipulation Relating to Weather Normalization (Weather Normalization Stipulation) under which the Staff agreed to accept PacifiCorp's weather normalization coefficients and methodology in this Docket and PacifiCorp agreed to work with Staff diligently and in good faith to review updated weather normalization coefficients and study PacifiCorp's methodology.

7. On June 2, 2000, PacifiCorp and the Staff entered into a Stipulation Regarding Revenue Requirement (First Revenue Requirement Stipulation) providing for specified adjustments to PacifiCorp's revenue requirement and agreeing to an overall rate of return. The First Revenue Requirement Stipulation did not resolve issues regarding PacifiCorp's net power costs, including coal costs.

8. Since the filing of the First Stipulation, the following testimony and exhibits have been filed: direct testimony of Staff on June 12, 2000; Staff-PacifiCorp joint testimony on June 16, 2000; direct testimony of CUB, ICNU and Watson on July 10, 2000; rebuttal

testimony of PacifiCorp and Staff-PacifiCorp on August 2, 2000; surrebuttal testimony of Staff, ICNU and Watson on August 23, 2000; and sur-surrebuttal testimony of PacifiCorp on September 1, 2000.

9. As a result of the settlement conferences and the several rounds of testimony filed in this Docket, the Parties have agreed on a total revenue requirement for PacifiCorp and on all rate spread and rate design issues. The Parties submit this Stipulation to the Commission and request that the Commission approve the settlement as presented.

#### AGREEMENT

10. PacifiCorp and the Staff will jointly offer the Weather Normalization Stipulation and the First Revenue Requirement Stipulation for adoption by the Commission. ICNU, CUB and Watson agree not to oppose the Commission's adoption of these Stipulations.

11. The Parties agree to a total annual revenue requirement increase for PacifiCorp's Oregon electric operations in the amount of \$13,625,000. This revenue requirement increase has been calculated as provided in Attachment A to this Stipulation. The calculations in Attachment A are for the purpose of reconciling PacifiCorp's unadjusted results of operations as filed with the revenue requirement increase agreed to in this Stipulation and do not constitute an agreement on any of the individual adjustments. This revenue requirement increase resolves (a) all revenue requirement issues raised by the Staff that were not resolved in the First Revenue Requirement Stipulation and (b) all revenue requirement issues raised by ICNU, CUB and Watson. This revenue requirement increase does not include any amortization of PacifiCorp's net gain from the sale of the Centralia plant and mine or any amortization of Year 2000 deferred expenses. These amortizations will be addressed in separate tariff filings by PacifiCorp.

12. The Parties agree to the rate spread and rate design recommendations specified in Attachment B to this Stipulation.

13. The Parties agree to recommend and urge the Commission to issue an Order in time for PacifiCorp's revised tariff schedules incorporating the \$13,625,000 annual revenue requirement increase to go into effect for service on and after October 1, 2000.

14. The Parties agree to the receipt into evidence in this Docket of all prefiled testimony and exhibits, waive the appearance of witnesses to sponsor the prefiled testimony and exhibits, and waive cross-examination of witnesses and post-hearing briefing except as provided in paragraphs 18 and 19, below.

15. The Parties agree that neither this Stipulation nor the Commission's adoption of the terms of this Stipulation may be used as a precedent for or the basis of any rate filing in compliance with the Commission's rules under SB 1149 or other Commission Orders. PacifiCorp agrees that it will support any such rate filing independently from this Stipulation.

16. The Parties agree that this Stipulation represents a compromise in their positions in this Docket. As such, conduct, statements and documents disclosed in the negotiation of this Stipulation shall not be admissible as evidence in this or any other proceeding.

17. This Stipulation will be offered into the record of this proceeding as evidence pursuant to OAR 860-14-0085. The Parties agree to support this Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor this Stipulation at any hearing, if required, and recommend that the Commission issue an order adopting the settlements contained herein.

18. If this Stipulation is challenged by any other party to this proceeding, or any other party seeks a revenue requirement, rate spread or rate design for PacifiCorp that departs

from the terms of this Stipulation, the Parties reserve the right to cross-examine witnesses and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in this Stipulation. Notwithstanding this reservation of rights, the Parties agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

19. The Parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving this Stipulation, any Party shall be entitled to file any testimony it chooses, cross-examine witnesses and in general put on such case as it deems appropriate, and shall be entitled to seek reconsideration or appeal of the Commission's Order.

20. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. No Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding. The provisions of this paragraph include, but are not limited to, the specific revenue requirement adjustments listed in Attachment A to this Stipulation and issues Watson raised regarding the treatment of any gain or loss from the sale of PacifiCorp's Montana and California transmission assets and other related normalization adjustments.

21. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document. Delivery shall be effective upon receipt of an original or faxed signed counterpart.

This Stipulation is entered into by each Party on the date entered below such Party's signature.

DATED: September 6, 2000.

PACIFICORP

STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

By: James A. Hall  
Date: 9-6-00

By: ELP/86  
Date: 9/7/00

CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF  
NORTHWEST UTILITIES

By: Robert Galus  
Date: 9-6-00

By: Mark J. Powers  
Date: 9/6/00

J. TIM WATSON

By: \_\_\_\_\_  
Date: \_\_\_\_\_

This Stipulation is entered into by each Party on the date entered below such Party's signature.

DATED: September \_\_, 2000.

PACIFICORP

STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

By: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Date: \_\_\_\_\_

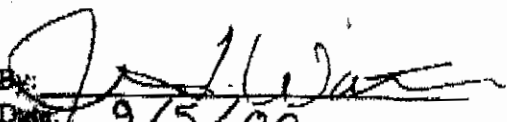
CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES

By: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Date: \_\_\_\_\_

J. TIM WATSON

By:   
Date: 9/5/00

**PUBLIC UTILITY COMMISSION OF OREGON**

**DOCKET UE 111**

**STIPULATION  
REGARDING REMAINING ISSUES**

**Attachment A  
Revenue Requirement**



00-580

**PACIFICORP - OREGON**  
**Issues Summary**  
**Generation and Transmission**  
**UE 111 - December 1998 Test Year**  
**(\$000)**

<u>Item</u>	<u>Issue</u>	<u>Revenue Requirement Effect</u> <u>1998</u>
<b><u>Revenue Requirement on the Company's Filed Unadjusted Results</u></b>		<b>82,732</b>
<b><u>Stipulated Adjustments (Base Rates)</u></b>		
S-ROR	Rate of Return	(10,060)
S-00	Refunctionalize Revenues	(2,148)
S-1	Weather Normalization	238
S-2	System Contracts Demand/Energy	(793)
S-3	Pilot Program Revenues & Expenses	3,148
S-4	SO2 Emission Allowances Sales	2,149
S-5	USBR/UKRB Adjustment	(208)
S-6	SMUD Adjustment	(2,161)
S-7	Functionalize Distribution Revenues	3,085
S-8	FAS 106 Deferred Charges	(515)
S-9	1998 Early Retirement Adjustment	(35,238)
S-10	Proforma 1998 Early Retirement Adjustment	93
S-11	Early Retirement Labor Savings	(9,047)
S-12	Remove Prior Year Incentive	(917)
S-13	Refocus Program Adjustment	(5,603)
S-14	Non-Regulated Pension Expense	(195)
S-15	Market Position & Futures Adjustment	(4,397)
S-16	Modified Accord Adjustment	2,338
S-17	Annualize 1998 Labor	367
S-18	Officer Severance Compensation	(99)
S-19	Bonus/Incentive Pay	(1,210)
S-20	Supplemental Executive Retirement Plan	(803)
S-21	Property Insurance	(1,123)
S-22	Aircraft Transportation Charge	(1,021)
S-23	OPUC Fee	(539)
S-24	Memberships, Dues & Donations	(170)
S-25	Nonrecurring/Nonregulated Charges	(1,905)
S-26	Nonrecurring Y2K Expenses	(2,465)
S-27	Power Cost Adjustment (Production Cost Study)	(8,052)
S-28	Incremental Coal Discount Adjustment	1,286
S-29	Annualized Depreciation Expense	2,272
S-30	Annualized Accumulated Depreciation	(282)
S-31	Correct Accumulated Depreciation Reserve	1,082
S-32	Property Tax Adjustment	(241)
S-33	Income Tax - Unadjusted Results	785
S-34	Environmental Settlement Adjustment	(1,187)
S-35	Annualize Major Plant Additions	995
S-36	Trapper Mine Adjustment	226
S-37	Bridger Coal Company Adjustment	1,737
S-38	Materials & Supplies	469
S-39	Cash Working Capital	(956)
S-40	SAP Adjustment	6,169
S-41	Remove SERP Reserve	(416)
S-42	Remove Pensions & Benefits Reserve	(102)
S-43	Plant Held For Future Use Adjustment	(129)
S-44	Wyoming Wind Adjustment	1,497
S-45	Remove Garfield Coal	(43)
S-46	Remove Dave Johnston Adjustment	(392)
S-47	Software/Hardware Adjustment	(1,494)
S-48	Trojan Plant	(66)
S-49	Miscellaneous Deferred Debits	(185)
S-50	CSS Disallowance	(968)
S-51	Company Corrections	(3,242)
S-*	Revenue Sensitive Costs, State Income Taxes, & Rounding	1,329
<b>Total Stipulated Adjustments (Base Rates)</b>		<b>(869,107)</b>
<b>Total Revenue Requirements Change</b>		<b>\$13,625</b>
<b><u>Other Adjustments (Revenue Requirement Impact Tariffed Separately)</u></b>		
S-52	Y2K Deferral & Amortization	556
S-53	Centralia Gain	amount to be determined

Reflects all stipulated items @ 9/1/00

**PACIFICORP - OREGON**  
**Oregon Allocated Results of Operations**  
**Generation and Transmission**  
**Twelve Months Ended December 31, 1998**  
**(\$000)**

44-399-00  
01-26 PM

\* Excludes Y2K and Centralia Gain Adjustments  
 (Adjustments S-52 & S-53 tariffed separately.)

	1998 Per Company Filing (1)	Adjustments (2)	1998 Adjusted (3)	Required Change for Reasonable Return (4)	Results at Reasonable Return (5)
1 <b>Operating Revenues</b>					
2 Retail Sales	\$490,242	(\$2,965)	487,277	\$13,625 *	\$500,902
3 Wholesale Sales	487,225	(111,271)	375,954	0	375,954
4 Other Revenues	467,877	(455,713)	12,164	0	12,164
5 <b>Total Operating Revenues</b>	<b>\$1,445,344</b>	<b>(\$569,949)</b>	<b>\$875,395</b>	<b>\$13,625</b>	<b>\$889,020</b>
6 <b>Operating Expenses</b>					
7 Production	\$1,077,373	(\$591,467)	\$485,907	\$0	\$485,907
8 Transmission	32,959	2,696	35,655	0	35,655
9 Distribution	0	0	0	0	0
10 Customer Accounts & Services	0	0	0	0	0
11 Administrative and General	109,892	(52,461)	57,431	0	57,431
12 <b>Total Operation &amp; Maintenance</b>	<b>\$1,220,224</b>	<b>(\$641,232)</b>	<b>\$578,993</b>	<b>\$0</b>	<b>\$578,993</b>
13 Depreciation	63,596	4,368	67,964	0	67,964
14 Amortization	11,928	1,666	13,594	0	13,594
15 Taxes Other than Income	31,508	(454)	31,054	283	31,337
16 Income Taxes	30,506	23,523	54,029	5,052	59,081
17 Miscellaneous Revenue and Expense	(4,034)	4,381	347	0	347
18 <b>Total Operating Expenses</b>	<b>\$1,353,728</b>	<b>(\$607,748)</b>	<b>\$745,981</b>	<b>\$5,335</b>	<b>\$751,316</b>
19 <b>Net Operating Revenues</b>	<b>\$91,616</b>	<b>\$37,799</b>	<b>\$129,415</b>	<b>\$8,288</b>	<b>\$137,702</b>
20 <b>Average Rate Base</b>					
21 Electric Plant in Service	\$2,475,351	\$47,506	\$2,522,857	\$0	\$2,522,857
22 Accumulated Depreciation & Amortization	(924,493)	3,761	(920,732)	0	(920,732)
23 Accumulated Deferred Income Taxes	(124,985)	(3,572)	(128,557)	0	(128,557)
24 Accumulated Deferred Inv. Tax Credit	(10,624)	0	(10,624)	0	(10,624)
25 <b>Net Utility Plant</b>	<b>\$1,415,249</b>	<b>\$47,695</b>	<b>\$1,462,944</b>	<b>\$0</b>	<b>\$1,462,944</b>
26 Plant Held for Future Use	1,050	(1,050)	0	0	0
27 Acquisition Adjustments	45,411	0	45,411	0	45,411
28 Working Capital	53,140	(29,250)	23,890	179	24,069
29 Fuel Stock	13,575	(119)	13,456	0	13,456
30 Materials & Supplies	21,539	3,833	25,372	0	25,372
31 Customer Adv for Const	299	0	299	0	299
32 Weatherization	0	0	0	0	0
33 Prepayments	4,157	2,790	6,947	0	6,947
34 Misc. Deferred Debits	35,242	(11,537)	23,705	0	23,705
35 Misc. Rate Base Additions/(Deductions)	(20,694)	0	(20,694)	0	(20,694)
36 <b>Total Average Rate Base</b>	<b>\$1,568,968</b>	<b>\$12,362</b>	<b>\$1,581,330</b>	<b>\$179</b>	<b>\$1,581,509</b>
37 <b>Rate of Return</b>	<b>5.84%</b>		<b>8.18%</b>		<b>8.71%</b>
38 <b>Implied Return on Equity</b>	<b>4.61%</b>		<b>9.94%</b>		<b>11.13%</b>

**OREGON**  
**Oregon Allocated Results of Operations**  
**Generation and Transmission**  
**Twelve Months Ended December 31, 1998**  
**(\$000)**

	1998 Per Company Filing (1)	Adjustments (2)	1998 Adjusted (3)	Required Change for Reasonable Return (4)	Results at Reasonable Return (5)
<b>Income Tax Calculations</b>					
1 Book Revenues	\$1,445,344	(\$569,949)	\$875,395	\$13,625	\$889,020
2 Book Expenses Other than Depreciation	1,259,626	(635,639)	623,988	283	624,271
3 State Tax Depreciation	63,596	4,368	67,964		67,964
4 Interest	56,643	408	57,051	6	57,057
5 Schedule M Differences	(17,410)	15,471	(1,939)		(1,939)
6 State Taxable Income	\$82,889	\$45,442	\$128,331	\$13,336	\$141,668
7 State Income Tax @ 4.438%	\$4,658	\$1,359	\$6,017	\$592	\$6,609
8 Net State Income Tax	<u>\$4,658</u>	<u>\$1,359</u>	<u>\$6,017</u>	<u>\$592</u>	<u>\$6,609</u>
9 Additional Tax Depreciation	0	0	0	0	0
10 Other Schedule M Differences	0	0	0	0	0
11 Federal Taxable Income	<u>\$78,231</u>	<u>\$44,083</u>	<u>\$122,314</u>	<u>\$12,744</u>	<u>\$135,059</u>
12 Federal Tax @ 35%	\$27,381	\$17,065	\$44,446	\$4,460	\$48,906
13 Wind Power Tax Credits	0	735	735	0	735
14 Current Federal Tax	<u>\$27,381</u>	<u>\$16,330</u>	<u>\$43,711</u>	<u>\$4,460</u>	<u>\$48,171</u>
15 PMI	\$1,488	\$0	\$1,488	\$0	\$1,488
16 ITC Adjustment					
17 Deferral	\$0	\$0	\$0	\$-0	\$0
18 Restoration	0	0	0		0
19 Total ITC Adjustment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$-0</u>	<u>\$0</u>
20 Provision for Deferred Taxes	(\$3,021)	\$5,834	\$2,813	\$0	\$2,813
21 Total Income Tax	<u><u>\$30,506</u></u>	<u><u>\$23,523</u></u>	<u><u>\$54,029</u></u>	<u><u>\$5,052</u></u>	<u><u>\$59,081</u></u>

00-580 Page 3 of 18

APPENDIX C  
 PAGE 11 OF 30

PACIFICORP - OREGON  
 Oregon Allocated Results of Operations  
 Generation and Transmission  
 Twelve Months Ended December 31, 1998  
 (\$millions)

**INPUT ASSUMPTIONS**

COST OF CAPITAL - 1998				WEIGHTED
		% of CAPITAL	COST	COST
Long Term Debt		47.50%	6.95%	3.301%
Preferred Stock		8.50%	6.02%	0.511%
Common Equity		44.00%	11.125%	4.895%
<b>Total</b>		<b>100.00%</b>		<b>8.707%</b>

REVENUE SENSITIVE COSTS	
Revenues	1.00000
<b>Operating Revenue Deductions</b>	
Uncollectible Accounts	0.00000
Taxes Other - Franchise	0.02028
- OPUC fee	0.00000
- Resource supplier	0.00050
State Taxable Income	0.97922
<b>State Income Tax @ 4.438%</b>	<b>0.04346</b>
Federal Taxable Income	0.93576
Federal Income Tax @ 35%	0.32752
ITC	0.00000
<b>Current FIT</b>	<b>0.32752</b>
Other	0.00000
Total Excise Taxes	<u>0.37097</u>
Total Revenue Sensitive Costs	<u>0.39175</u>
Utility Operating Income	0.60825
<b>Net-to-Gross Factor</b>	<b>1.64407</b>

PACIFICORP - OREGON  
 Stipulated Adjustments to Oregon Allocated Results  
 Generation and Transmission  
 UE 111 Test Year Ending December 1998  
 (\$000)

	01-Sep-00 01:06 PM	Refunctionalize Revenues (S-00)	Weather Normalization (S-1)	System Contracts Dem/Energy (S-2)	Pilot Programs Adjustments (S-3)	SO2 Emmission Allowances (S-4)	USBR / UKRB Revenues (S-5)	SMUD Adjustment (S-6)	Functionalize Distribution Revenue (S-7)
1 Operating Revenues									
2 Retail Sales		\$2,151	(\$238)	\$794	(\$7,093)	\$0	\$2,697	\$0	(\$2,551)
3 Wholesale Sales					3,815			2,119	
4 Other Revenues									(528)
5 Total Operating Revenues		\$2,151	(\$238)	\$794	(\$3,278)	\$0	\$2,697	\$2,119	(\$3,079)
6 Operating Expenses									
7 Production		\$0	\$0	\$0	\$0	\$0	\$2,093	\$0	\$0
8 Transmission									
9 Distribution									
10 Customer Accounts & Services									
11 Administrative and General					(42)				
12 Total Operation & Maintenance		\$0	\$0	\$0	(\$42)	\$0	\$2,093	\$0	\$0
13 Depreciation									
14 Amortization									
15 Taxes Other than Income		45	(5)	16	(147)	0	56	0	(53)
16 Income Taxes		797	(88)	295	(1,170)	(795)	172	802	(1,146)
17 Miscellaneous Revenue and Expense						2,098			
18 Total Operating Expenses		\$842	(\$93)	\$311	(\$1,359)	\$1,303	\$2,321	\$802	(\$1,199)
19 Net Operating Revenues		\$1,309	(\$145)	\$483	(\$1,919)	(\$1,303)	\$376	\$1,317	(\$1,880)
20 Average Rate Base									
21 Electric Plant in Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 Accumulated Depreciation & Amortization									
23 Accumulated Deferred Income Taxes									
24 Accumulated Deferred Inv. Tax Credit									
25 Net Utility Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Plant Held for Future Use									
27 Acquisition Adjustments									
28 Working Capital		28	(3)	10	(46)	44	78	27	(40)
29 Fuel Stock									
30 Materials & Supplies									
31 Customer Adv for Const									
32 Weatherization									
33 Prepayments							2,790		
34 Misc. Deferred Debits									
35 Misc. Rate Base Additions/( Deductions)									
36 Total Average Rate Base		\$28	(\$3)	\$10	(\$46)	\$44	\$2,868	\$27	(\$40)
37 Revenue Requirement Effect		(\$2,148)	\$238	(\$793)	\$3,148	\$2,149	(\$208)	(\$2,161)	\$3,085

**PACIFICORP - OREGON**  
**Supplimented Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	01-Sep-00 01:06 PM	FAS 106 Deferred Charges (S-8)	1998 Early Retirement (S-9) ←	Proforma 1998 Early Retirement (S-10)	Early Retire Labor Savings (S-11)	Remove Prior Year Incentive (S-12)	Refocus Program Savings (S-13)	Nonregulated Pension Expense (S-14)	Market Position & Futures (S-15)
1	Operating Revenues								
2	Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Wholesale Sales								
4	Other Revenues								(455,918)
5	<b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$455,918)</b>
6	Operating Expenses								
7	Production	\$0	(\$7,272)	\$0	\$0	\$0	\$0	\$0	(\$458,385)
8	Transmission								
9	Distribution								
10	Customer Accounts & Services								
11	Adminlstrative and General	(459)	(27,390)	55	(8,657)	(895)	(5,473)	(190)	
12	<b>Total Operation &amp; Maintenance</b>	<b>(\$459)</b>	<b>(\$34,662)</b>	<b>\$55</b>	<b>(\$8,657)</b>	<b>(\$895)</b>	<b>(\$5,473)</b>	<b>(\$190)</b>	<b>(\$458,385)</b>
13	Depreciation								
14	Amortization	(30)							
15	Taxes Other than Income	0	0	0	0	0	0	0	0
16	Income Taxes	187	13,120	(24)	3,301	339	2,075	72	1,126
17	Miscellaneous Revenue and Expense								
18	<b>Total Operating Expenses</b>	<b>(\$302)</b>	<b>(\$21,542)</b>	<b>\$31</b>	<b>(\$5,356)</b>	<b>(\$556)</b>	<b>(\$3,398)</b>	<b>(\$118)</b>	<b>(\$457,259)</b>
19	<b>Net Operating Revenues</b>	<b>\$302</b>	<b>\$21,542</b>	<b>(\$31)</b>	<b>\$5,356</b>	<b>\$556</b>	<b>\$3,398</b>	<b>\$118</b>	<b>\$1,341</b>
20	Average Rate Base								
21	Electric Plant in Service	\$0	\$6,243	\$282	(\$1,505)	\$0	\$0	\$0	\$0
22	Accumulated Depreciation & Amortization								
23	Accumulated Deferred Income Taxes		(4,274)	11					
24	Accumulated Deferred Inv. Tax Credit								
25	<b>Net Utility Plant</b>	<b>\$0</b>	<b>\$1,969</b>	<b>\$293</b>	<b>(\$1,505)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
26	Plant Held for Future Use								
27	Acquisition Adjustments								
28	Working Capital	(10)	(722)	1	(179)	(19)	(114)	(4)	(15,318)
29	Fuel Stock	(119)							
30	Materials & Supplies								
31	Customer Adv for Const								
32	Weatherization								
33	Prepayments								
34	Misc. Deferred Debits								
35	Misc. Rate Base Additions/( Deductions)								
36	<b>Total Average Rate Base</b>	<b>(\$129)</b>	<b>\$1,247</b>	<b>\$294</b>	<b>(\$1,684)</b>	<b>(\$19)</b>	<b>(\$114)</b>	<b>(\$4)</b>	<b>(\$15,318)</b>
37	<b>Revenue Requirement Effect</b>	<b>(\$515)</b>	<b>(\$35,238)</b>	<b>\$93</b>	<b>(\$9,047)</b>	<b>(\$917)</b>	<b>(\$5,603)</b>	<b>(\$195)</b>	<b>(\$4,397)</b>

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

01-Sep-00  
01:06 PM

	Modified Accord Allocations (S-16)	Annualize 1998 Labor (S-17)	Officer Severance Compensation (S-18)	Bonus & Incentive Pay (S-19)	Supplemental Executive Retirement (S-20)	Property Insurance Adjustment (S-21)	Aircraft Transportation Charge (S-22)	OPUC Fee Adjustment (S-23)
1 Operating Revenues								
2 Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Wholesale Sales								
4 Other Revenues								
5 <b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
6 Operating Expenses								
7 Production	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Transmission								
9 Distribution								
10 Customer Accounts & Services								
11 Administrative and General		318	(96)	(1,036)	(706)	(1,097)	(996)	(526)
12 <b>Total Operation &amp; Maintenance</b>	<b>\$0</b>	<b>\$318</b>	<b>(\$96)</b>	<b>(\$1,036)</b>	<b>(\$706)</b>	<b>(\$1,097)</b>	<b>(\$996)</b>	<b>(\$526)</b>
13 Depreciation								
14 Amortization								
15 Taxes Other than Income	0	35	0	(114)	(78)	0	0	0
16 Income Taxes	(865)	(135)	36	439	297	416	377	199
17 Miscellaneous Revenue and Expense	2,283							
18 <b>Total Operating Expenses</b>	<b>\$1,418</b>	<b>\$218</b>	<b>(\$60)</b>	<b>(\$711)</b>	<b>(\$487)</b>	<b>(\$681)</b>	<b>(\$619)</b>	<b>(\$327)</b>
19 <b>Net Operating Revenues</b>	<b>(\$1,418)</b>	<b>(\$218)</b>	<b>\$60</b>	<b>\$711</b>	<b>\$487</b>	<b>\$681</b>	<b>\$619</b>	<b>\$327</b>
20 <b>Average Rate Base</b>								
21 Electric Plant in Service	\$0	\$56	\$0	(\$260)	\$0	\$0	\$0	\$0
22 Accumulated Depreciation & Amortization								
23 Accumulated Deferred Income Taxes								
24 Accumulated Deferred Inv. Tax Credit								
25 <b>Net Utility Plant</b>	<b>\$0</b>	<b>\$56</b>	<b>\$0</b>	<b>(\$260)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
26 Plant Held for Future Use								
27 Acquisition Adjustments								
28 Working Capital	48	7	(2)	(24)	(16)	(23)	(21)	(11)
29 Fuel Stock								
30 Materials & Supplies								
31 Customer Adv for Const								
32 Weatherization								
33 Prepayments								
34 Misc. Deferred Debits								
35 Misc. Rate Base Additions/( Deductions)								
36 <b>Total Average Rate Base</b>	<b>\$48</b>	<b>\$63</b>	<b>(\$2)</b>	<b>(\$284)</b>	<b>(\$16)</b>	<b>(\$23)</b>	<b>(\$21)</b>	<b>(\$11)</b>
37 <b>Revenue Requirement Effect</b>	<b>\$2,338</b>	<b>\$367</b>	<b>(\$99)</b>	<b>(\$1,210)</b>	<b>(\$803)</b>	<b>(\$1,123)</b>	<b>(\$1,021)</b>	<b>(\$539)</b>

**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	Memberships Dues & Donations (S-24)	Nonrecurring Nonregulated Charges (S-25)	Remove Y2K Expense (S-26)	Production Cost Study Adjustment (S-27)	Incremental Coal Discount Adjustment (S-28)	Annualized Depreciation Expense (S-29)	Annualized Accumulated Depreciation (S-30)	Correct Accum Deprec Reserve (S-31)
1 Operating Revenues								
2 Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Wholesale Sales				(117,205)				
4 Other Revenues								
5 <b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$117,205)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
6 Operating Expenses								
7 Production	\$0	\$0	\$0	(\$127,296)	\$1,257	(\$1,510)	\$0	\$0
8 Transmission				2,696				
9 Distribution								
10 Customer Accounts & Services								
11 Administrative and General	(166)	(1,796)	(2,408)					
12 <b>Total Operation &amp; Maintenance</b>	<b>(\$166)</b>	<b>(\$1,796)</b>	<b>(\$2,408)</b>	<b>(\$124,600)</b>	<b>\$1,257</b>	<b>(\$1,510)</b>	<b>\$0</b>	<b>\$0</b>
13 Depreciation						3,742		
14 Amortization								
15 Taxes Other than Income	0	0	0	0	0	0	0	0
16 Income Taxes	63	688	913	2,852	(477)	(854)	29	(110)
17 Miscellaneous Revenue and Expense								
18 <b>Total Operating Expenses</b>	<b>(\$103)</b>	<b>(\$1,108)</b>	<b>(\$1,495)</b>	<b>(\$121,748)</b>	<b>\$780</b>	<b>\$1,378</b>	<b>\$29</b>	<b>(\$110)</b>
19 <b>Net Operating Revenues</b>	<b>\$103</b>	<b>\$1,108</b>	<b>\$1,495</b>	<b>\$4,543</b>	<b>(\$780)</b>	<b>(\$1,378)</b>	<b>(\$29)</b>	<b>\$110</b>
20 <b>Average Rate Base</b>								
21 Electric Plant in Service	\$0	(\$652)	\$0	\$0	\$0	\$0	\$0	\$0
22 Accumulated Depreciation & Amortization		104					(2,491)	8,823
23 Accumulated Deferred Income Taxes							190	
24 Accumulated Deferred Inv. Tax Credit								
25 <b>Net Utility Plant</b>	<b>\$0</b>	<b>(\$548)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,301)</b>	<b>\$8,823</b>
26 Plant Held for Future Use								
27 Acquisition Adjustments								
28 Working Capital	(3)	(37)	(50)	(4,079)	26	46	1	(4)
29 Fuel Stock								
30 Materials & Supplies								
31 Customer Adv for Const								
32 Weatherization								
33 Prepayments								
34 Misc. Deferred Debits								
35 Misc. Rate Base Additions/(Deductions)								
36 <b>Total Average Rate Base</b>	<b>(\$3)</b>	<b>(\$585)</b>	<b>(\$50)</b>	<b>(\$4,079)</b>	<b>\$26</b>	<b>\$46</b>	<b>(\$2,300)</b>	<b>\$8,819</b>
37 <b>Revenue Requirement Effect</b>	<b>(\$170)</b>	<b>(\$1,905)</b>	<b>(\$2,465)</b>	<b>(\$8,052)</b>	<b>\$1,286</b>	<b>\$2,272</b>	<b>(\$282)</b>	<b>\$1,082</b>



**PACIFICORP - OREGON**  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	01-Sep-00 01:06 PM	Property Tax Adjustment (S-32)	Income Tax Unadjusted Results (S-33)	Environmental Settlement Adjustment (S-34)	Annualized Major Plant Additions (S-35)	Trapper Mine Rate Base Adjustment (S-36)	Bridger Coal Company Rate Base (S-37)	Materials Allocation Correction (S-38)	Cash Working Capital (S-39)
1	Operating Revenues								
2	Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Wholesale Sales								
4	Other Revenues								
5	<b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
6	Operating Expenses								
7	Production	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Transmission								
9	Distribution								
10	Customer Accounts & Services								
11	Administrative and General								
12	<b>Total Operation &amp; Maintenance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
13	Depreciation								
14	Amortization								
15	Taxes Other than Income	(235)	0	0	0	0	0	0	0
16	Income Taxes	89	476	121	(102)	(23)	(177)	(48)	97
17	Miscellaneous Revenue and Expense								
18	<b>Total Operating Expenses</b>	<b>(\$146)</b>	<b>\$476</b>	<b>\$121</b>	<b>(\$102)</b>	<b>(\$23)</b>	<b>(\$177)</b>	<b>(\$48)</b>	<b>\$97</b>
19	<b>Net Operating Revenues</b>	<b>\$146</b>	<b>(\$476)</b>	<b>(\$121)</b>	<b>\$102</b>	<b>\$23</b>	<b>\$177</b>	<b>\$48</b>	<b>(\$97)</b>
20	Average Rate Base								
21	Electric Plant in Service	\$0	\$0	\$0	\$8,125	\$1,846	\$14,173	\$0	\$0
22	Accumulated Depreciation & Amortization								
23	Accumulated Deferred Income Taxes								
24	Accumulated Deferred Inv. Tax Credit								
25	<b>Net Utility Plant</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,125</b>	<b>\$1,846</b>	<b>\$14,173</b>	<b>\$0</b>	<b>\$0</b>
26	Plant Held for Future Use								
27	Acquisition Adjustments								
28	Working Capital	(5)	16	4	(3)	(1)	(6)	(2)	(7,790)
29	Fuel Stock								
30	Materials & Supplies							3,833	
31	Customer Adv for Const								
32	Weatherization								
33	Prepayments								
34	Misc. Deferred Debits			(9,685)					
35	Misc. Rate Base Additions/(Deductions)								
36	<b>Total Average Rate Base</b>	<b>(\$5)</b>	<b>\$16</b>	<b>(\$9,681)</b>	<b>\$8,122</b>	<b>\$1,845</b>	<b>\$14,167</b>	<b>\$3,831</b>	<b>(\$7,790)</b>
37	<b>Revenue Requirement Effect</b>	<b>(\$241)</b>	<b>\$785</b>	<b>(\$1,187)</b>	<b>\$995</b>	<b>\$226</b>	<b>\$1,737</b>	<b>\$469</b>	<b>(\$956)</b>

PACIFICORP - OREGON  
 Stipulated Adjustments to Oregon Allocated Results  
 Generation and Transmission  
 UE 111 Test Year Ending December 1998  
 (\$000)

01-Sep-00  
 01:06 PM

	SAP Adjustments (S-40)	Remove SERP Reserve (S-41)	Remove Pen & Benefits Reserve (S-42)	Plant Held For Future Use (S-43)	Wyoming Wind Adjustment (S-44)	Remove Garfield Coal (S-45)	Remove Dave Johnston Mine (S-46)	Remove Software & Hardware (S-47)
1 Operating Revenues								
2 Retail Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Wholesale Sales								
4 Other Revenues								
5 <b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
6 Operating Expenses								
7 Production	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Transmission								
9 Distribution								
10 Customer Accounts & Services								
11 Administrative and General								
12 <b>Total Operation &amp; Maintenance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
13 Depreciation					626			
14 Amortization	3,429							(1,241)
15 Taxes Other than Income	0	0	0	0	0	0	0	0
16 Income Taxes	(1,592)	43	10	13	(326)	(2)	40	493
17 Miscellaneous Revenue and Expense								
18 <b>Total Operating Expenses</b>	<b>\$1,837</b>	<b>\$43</b>	<b>\$10</b>	<b>\$13</b>	<b>\$300</b>	<b>(\$2)</b>	<b>\$40</b>	<b>(\$748)</b>
19 <b>Net Operating Revenues</b>	<b>(\$1,837)</b>	<b>(\$43)</b>	<b>(\$10)</b>	<b>(\$13)</b>	<b>(\$300)</b>	<b>\$2</b>	<b>(\$40)</b>	<b>\$748</b>
20 Average Rate Base								
21 Electric Plant in Service	\$23,621	\$0	\$0	\$0	\$7,823	\$0	(\$5,512)	(\$1,820)
22 Accumulated Depreciation & Amortization	(2,347)		(828)		(626)			
23 Accumulated Deferred Income Taxes	658				(192)	35		
24 Accumulated Deferred Inv. Tax Credit								
25 <b>Net Utility Plant</b>	<b>\$21,932</b>	<b>\$0</b>	<b>(\$828)</b>	<b>\$0</b>	<b>\$7,005</b>	<b>\$35</b>	<b>(\$5,512)</b>	<b>(\$1,820)</b>
26 Plant Held for Future Use				(1,050)				
27 Acquisition Adjustments								
28 Working Capital	62	(3,403)	0	0	10	0	2,311	(25)
29 Fuel Stock								
30 Materials & Supplies								
31 Customer Adv for Const								
32 Weatherization								
33 Prepayments								
34 Misc. Deferred Debits						(315)		
35 Misc. Rate Base Additions/(Deductions)								
36 <b>Total Average Rate Base</b>	<b>\$21,994</b>	<b>(\$3,403)</b>	<b>(\$828)</b>	<b>(\$1,050)</b>	<b>\$7,015</b>	<b>(\$280)</b>	<b>(\$3,201)</b>	<b>(\$1,845)</b>
37 Revenue Requirement Effect	\$6,169	(\$416)	(\$102)	(\$129)	\$1,497	(\$43)	(\$392)	(\$1,494)

Stipulated Adjustments to Oregon Allocated Results  
 Generation and Transmission  
 UE 111 Test Year Ending December 1998  
 (\$000)

01-Sc-p00  
 01:06PM

	Trojan Disallowance Adjustment (S-48)	Miscellaneous Deferred Debits (S-49)	CSS Disallowance Adjustments (S-50)	Company Corrections (S-51)	Total Adjustments (Base Rates)	Y2K Deferral & Amortization (S-52)	Centralia Gain (ESTIMATE) (S-53)
1 Operating Revenues							
2 Retail Sales	\$0	\$0	\$0	\$1,275	(\$2,965)	\$0	\$0
3 Wholesale Sales					(\$111,271)		
4 Other Revenues				733	(455,713)		
5 Total Operating Revenues	\$0	\$0	\$0	\$2,008	(\$569,949)	\$0	\$0
6 Operating Expenses							
7 Production	\$0	(\$62)	\$0	(\$292)	(\$591,467)	\$0	\$0
8 Transmission					\$2,696		
9 Distribution					\$0		
10 Customer Accounts & Services					\$0		
11 Administrative and General				(901)	(52,461)	367	
12 Total Operation & Maintenance	\$0	(\$62)	\$0	(\$1,193)	(\$641,232)	\$367	\$0
13 Depreciation					\$4,368		
14 Amortization			(492)		\$1,666		
15 Taxes Other than Income	0	0	0	26	(\$454)	0	0
16 Income Taxes	7	36	234	1,203	\$23,523	(157)	7,104
17 Miscellaneous Revenue and Expense					4,381		(18,740)
18 Total Operating Expenses	\$7	(\$26)	(\$258)	\$36	(\$607,748)	\$210	(\$11,636)
19 Net Operating Revenues	(\$7)	\$26	\$258	\$1,972	\$37,799	(\$210)	\$11,636
20 Average Rate Base							
21 Electric Plant in Service	\$0	\$0	(\$4,914)	\$0	\$47,506	\$0	\$0
22 Accumulated Depreciation & Amortization			1,126		\$3,761		
23 Accumulated Deferred Income Taxes					(\$3,572)		
24 Accumulated Deferred Inv. Tax Credit					0		
25 Net Utility Plant	\$0	\$0	(\$3,788)	\$0	\$47,695	\$0	\$0
26 Plant Held for Future Use					(\$1,050)		
27 Acquisition Adjustments					\$0		
28 Working Capital	0	(1)	(9)	1	(\$29,250)	7	(390)
29 Fuel Stock					(\$119)		
30 Materials & Supplies					\$3,833		
31 Customer Adv for Const					\$0		
32 Weatherization					\$0		
33 Prepayments					\$2,790		
34 Misc. Deferred Debits	(541)	(996)			(\$11,537)	1,468	
35 Misc. Rate Base Additions/(Deductions)					0		
36 Total Average Rate Base	(\$541)	(\$997)	(\$3,797)	\$1	\$12,362	\$1,475	(\$390)
37 Revenue Requirement Effect	(\$66)	(\$185)	(\$968)	(\$3,242)	(\$60,376)	\$556	(\$19,186)

**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	Refuncionalize Revenues (S-00)	Weather Normalization (S-1)	System Contracts Dem/Energy (S-2)	Pilot Programs Adjustments (S-3)	SO2 Emmission Allowances (S-4)	USBR/ UKRB Revenues (S-5)	SMUD Adjustment (S-6)	Functionalize Distribution Revenue (S-7)	FAS 106 Deferred Charges (S-8)
<b>Income Tax Calculations</b>									
38 Book Revenues	\$2,151	(\$238)	\$794	(\$3,278)	\$0	\$2,697	\$2,119	(\$3,079)	\$0
39 Book Expenses Other than Depreciation	45	(5)	16	(189)	2,098	2,149	0	(53)	(489)
40 State Tax Depreciation	0	0	0	0	0	0	0	0	0
41 Interest	1	(0)	0	(2)	1	95	1	(1)	(4)
42 Book-Tax (Schedule M) Differences	0	0	0	0	0	0	0	0	0
43 State Taxable Income	\$2,105	(\$233)	\$778	(\$3,087)	(\$2,099)	\$453	\$2,118	(\$3,025)	\$493
44 State Income Tax @ 4.438%	\$93	(\$10)	\$35	(\$137)	(\$93)	\$20	\$94	(\$134)	\$22
45 Net State Income Tax	\$93	(\$10)	\$35	(\$137)	(\$93)	\$20	\$94	(\$134)	\$22
46 Additional Tax Depreciation	0	0	0	0	0	0	0	0	0
47 Other Schedule M Differences									
48 Federal Taxable Income	\$2,012	(\$223)	\$743	(\$2,950)	(\$2,006)	\$433	\$2,024	(\$2,891)	\$471
49 Federal Tax @ 35%	\$704	(\$78)	\$260	(\$1,033)	(\$702)	\$152	\$708	(\$1,012)	\$165
50 Wind Power Tax Credits									
51 Current Federal Tax	\$704	(\$78)	\$260	(\$1,033)	(\$702)	\$152	\$708	(\$1,012)	\$165
52 PMI									
53 ITC Adjustment									
54 Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Restoration									
56 Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Provision for Deferred Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58 Total Income Tax	\$797	(\$88)	\$295	(\$1,170)	(\$795)	\$172	\$802	(\$1,146)	\$187

PACIFICORP - OREGON  
 Stipulated Adjustments to Oregon Allocated Results  
 Generation and Transmission  
 UE 111 Test Year Ending December 1998  
 (\$000)

	1998 Early Retirement (S-9)	Proforma 1998 Early Retirement (S-10)	Early Retire Labor Savings (S-11)	Remove Prior Year Incentive (S-12)	Refocus Program Savings (S-13)	Nonregulated Pension Expense (S-14)	Market Position & Futures (S-15)	Modified Accord Allocations (S-16)	Annualize 1998 Labor (S-17)
Income Tax Calculations									
38 Book Revenues	\$0	\$0	\$0	\$0	\$0	\$0	(\$455,918)	\$0	\$0
39 Book Expenses Other than Depreciation	(34,662)	55	(8,657)	(895)	(5,473)	(190)	(458,385)	2,283	353
40 State Tax Depreciation	0	0	0	0	0	0	0	0	0
41 Interest	41	10	(56)	(1)	(4)	(0)	(506)	2	2
42 Book-Tax (Schedule M) Differences	21,265	(55)	0	0	0	0	0	0	0
43 State Taxable Income	\$13,356	(\$10)	\$8,713	\$896	\$5,477	\$190	\$2,973	(\$2,285)	(\$355)
44 State Income Tax @ 4.438%	\$593	\$-0	\$387	\$40	\$243	\$8	\$132	(\$101)	(\$16)
45 Net State Income Tax	\$593	\$-0	\$387	\$40	\$243	\$8	\$132	(\$101)	(\$16)
46 Additional Tax Depreciation	0	0	0	0	0	0	0	0	0
47 Other Schedule M Differences									
48 Federal Taxable Income	\$12,763	(\$10)	\$8,326	\$856	\$5,234	\$182	\$2,841	(\$2,184)	(\$339)
49 Federal Tax @ 35%	\$4,467	(\$3)	\$2,914	\$299	\$1,832	\$64	\$994	(\$764)	(\$119)
50 Wind Power Tax Credits									
51 Current Federal Tax	\$4,467	(\$3)	\$2,914	\$299	\$1,832	\$64	\$994	(\$764)	(\$119)
52 PMI									
53 ITC Adjustment									
54 Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Restoration									
56 Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Provision for Deferred Taxes	\$8,060	(\$21)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58 Total Income Tax	\$13,120	(\$24)	\$3,301	\$339	\$2,075	\$72	\$1,126	(\$865)	(\$135)

Stipulated Adjustments to Oregon Allocated Results  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

	Officer Severance Compensation (S-18)	Bonus & Incentive Pay (S-19)	Supplemental Executive Retirement (S-20)	Property Insurance Adjustment (S-21)	Aircraft Transportation Charge (S-22)	OPUC Fee Adjustment (S-23)	Memberships Dues & Donations (S-24)	Nonrecurring Nonregulated Charges (S-25)	Remove Y2K Expense (S-26)
<b>Income Tax Calculations</b>									
38	Book Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Book Expenses Other than Depreciation	(96)	(1,150)	(784)	(1,097)	(996)	(526)	(166)	(2,408)
40	State Tax Depreciation	0	0	0	0	0	0	0	0
41	Interest	(0)	(9)	(1)	(1)	(0)	(0)	(19)	(2)
42	Book-Tax (Schedule M) Differences	0	0	0	0	0	0	0	0
43	State Taxable Income	\$96	\$1,159	\$785	\$1,098	\$997	\$526	\$166	\$2,410
44	State Income Tax @ 4.438%	\$4	\$51	\$35	\$49	\$44	\$23	\$7	\$107
45	Net State Income Tax	\$4	\$51	\$35	\$49	\$44	\$23	\$7	\$107
46	Additional Tax Depreciation	0	0	0	0	0	0	0	0
47	Other Schedule M Differences								
48	Federal Taxable Income	\$92	\$1,108	\$750	\$1,049	\$953	\$503	\$159	\$2,303
49	Federal Tax @ 35%	\$32	\$388	\$262	\$367	\$333	\$176	\$56	\$806
50	Wind Power Tax Credits								
51	Current Federal Tax	\$32	\$388	\$262	\$367	\$333	\$176	\$56	\$806
52	PMI								
53	ITC Adjustment								
54	Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	Restoration								
56	Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57	Provision for Deferred Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	Total Income Tax	\$36	\$439	\$297	\$416	\$377	\$199	\$63	\$913

PACIFICORP - OREGON  
**Stipulated Adjustments to Oregon Allocated Results**  
**Generation and Transmission**  
**UE 111 Test Year Ending December 1998**  
**(\$000)**

Income Tax Calculations	Production Cost Study Adjustment (S-27)	Incremental Coal Discount Adjustment (S-28)	Annualized Depreciation Expense (S-29)	Annualized Accumulated Depreciation (S-30)	Correct Accum Deprec Reserve (S-31)	Property Tax Adjustment (S-32)	Income Tax Unadjusted Results (S-33)	Environmental Settlement Adjustment (S-34)	Annualized Major Plant Additions (S-35)
38 Book Revenues	(\$117,205)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39 Book Expenses Other than Depreciation	(124,600)	1,257	(1,510)	0	0	(235)	0	0	0
40 State Tax Depreciation	0	0	3,742	0	0	0	0	0	0
41 Interest	(135)	1	2	(76)	291	(0)	1	(320)	268
42 Book-Tax (Schedule M) Differences	0	0	(2,232)	0	0	0	0	0	0
43 State Taxable Income	\$7,529	(\$1,258)	(\$2)	\$76	(\$291)	\$235	(\$1)	\$320	(\$268)
44 State Income Tax @ 4.438%	\$334	(\$56)	\$-0	\$3	(\$13)	\$10	(\$656)	\$14	(\$12)
45 Net State Income Tax	\$334	(\$56)	\$-0	\$3	(\$13)	\$10	(\$656)	\$14	(\$12)
46 Additional Tax Depreciation	0	0	0	0	0	0	0	0	0
47 Other Schedule M Differences									
48 Federal Taxable Income	\$7,195	(\$1,202)	(\$2)	\$73	(\$278)	\$225	\$655	\$306	(\$256)
49 Federal Tax @ 35%	\$2,518	(\$421)	(\$1)	\$26	(\$97)	\$79	\$1,867	\$107	(\$90)
50 Wind Power Tax Credits							735		
51 Current Federal Tax	\$2,518	(\$421)	(\$1)	\$26	(\$97)	\$79	\$1,132	\$107	(\$90)
52 PMI									
53 ITC Adjustment									
54 Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Restoration									
56 Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Provision for Deferred Taxes	\$0	\$0	(\$853)	\$0	\$0	\$0	\$0	\$0	\$0
58 Total Income Tax	\$2,852	(\$477)	(\$854)	\$29	(\$110)	\$89	\$476	\$121	(\$102)

PACIFICORP - OREGON  
 Stipulated Adjustments to Oregon Allocated Results  
 Generation and Transmission  
 UE 111 Test Year Ending December 1998  
 (\$000)

	Trapper Mine Rate Base Adjustment (S-36)	Bridger Coal Company Rate Base (S-37)	Materials Allocation Correction (S-38)	Cash Working Capital (S-39)	SAP Adjustments (S-40)	Remove SERP Reserve (S-41)	Remove Pen & Benefits Reserve (S-42)	Plant Held For Future Use (S-43)	Wyoming Wind Adjustment (S-44)
<b>Income Tax Calculations</b>									
38	Book Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Book Expenses Other than Depreciation	0	0	0	3,429	0	0	0	0
40	State Tax Depreciation	0	0	0	0	0	0	0	626
41	Interest	61	468	126	(257)	726	(112)	(27)	(35)
42	Book-Tax (Schedule M) Differences	0	0	0	0	(3,429)	0	0	(78)
43	State Taxable Income	(\$61)	(\$468)	(\$126)	\$257	(\$726)	\$112	\$27	\$35
44	State Income Tax @ 4.438%	(\$3)	(\$21)	(\$6)	\$11	(\$32)	\$5	\$1	\$2
45	Net State Income Tax	(\$3)	(\$21)	(\$6)	\$11	(\$32)	\$5	\$1	\$2
46	Additional Tax Depreciation	0	0	0	0	0	0	0	0
47	Other Schedule M Differences								
48	Federal Taxable Income	(\$58)	(\$447)	(\$120)	\$246	(\$694)	\$107	\$26	\$33
49	Federal Tax @ 35%	(\$20)	(\$156)	(\$42)	\$86	(\$243)	\$38	\$9	\$11
50	Wind Power Tax Credits								
51	Current Federal Tax	(\$20)	(\$156)	(\$42)	\$86	(\$243)	\$38	\$9	\$11
52	PMI								
53	ITC Adjustment								
54	Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	Restoration								
56	Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57	Provision for Deferred Taxes	\$0	\$0	\$0	\$0	(\$1,317)	\$0	\$0	(\$30)
58	Total Income Tax	(\$23)	(\$177)	(\$48)	\$97	(\$1,592)	\$43	\$10	\$13

APPENDIX C  
PAGE 24 OF 30

00-580



PACIFICORP - OREGON  
 Stipulated Adjustments to Oregon Allocated Results  
 Generation and Transmission  
 UE 111 Test Year Ending December 1998  
 (\$000)

	Remove Garfield Coal (S-45)	Remove Dave Johnston Mine (S-46)	Remove Software & Hardware (S-47)	Trojan Disallowance Adjustment (S-48)	Miscellaneous Deferred Debits (S-49)	CSS Disallowance Adjustments (S-50)	Company Corrections (S-51)	Total Adjustments (Base Rates)	Y2K Deferral & Amortization (S-52)
<b>Income Tax Calculations</b>									
38	Book Revenues	\$0	\$0	\$0	\$0	\$0	\$2,008	(\$569,949)	\$0
39	Book Expenses Other than Depreciation	0	0	(1,241)	0	(62)	(1,167)	(\$635,639)	367
40	State Tax Depreciation	0	0	0	0	0	0	\$4,368	0
41	Interest	(9)	(106)	(61)	(18)	(125)	0	\$408	49
42	Book-Tax (Schedule M) Differences	0	0	0	0	0	0	15,471	0
43	State Taxable Income	\$9	\$106	\$1,302	\$18	\$95	\$3,175	\$45,442	(\$416)
44	State Income Tax @ 4.438%	\$0	\$5	\$58	\$1	\$4	\$141	\$1,359	(\$18)
45	Net State Income Tax	\$0	\$5	\$58	\$1	\$4	\$141	\$1,359	(\$18)
46	Additional Tax Depreciation	0	0	0	0	0	0	\$0	0
47	Other Schedule M Differences							0	
48	Federal Taxable Income	\$9	\$101	\$1,244	\$17	\$91	\$3,034	\$44,083	(\$398)
49	Federal Tax @ 35%	\$3	\$35	\$435	\$6	\$32	\$1,062	\$17,065	(\$139)
50	Wind Power Tax Credits							735	
51	Current Federal Tax	\$3	\$35	\$435	\$6	\$32	\$1,062	\$16,330	(\$139)
52	PMI							\$0	
53	ITC Adjustment								
54	Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	Restoration							0	
56	Total ITC Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57	Provision for Deferred Taxes	(\$5)	\$0	\$0	\$0	\$0	\$0	\$5,834	\$0
58	Total Income Tax	(\$2)	\$40	\$493	\$7	\$36	\$1,203	\$23,523	(\$157)

PACIFICORP - OREGON  
 Stipulated Adjustments to Oregon Allocated Results  
 Generation and Transmission  
 UE 111 Test Year Ending December 1998  
 (\$000)

	Centralia Gain (ESTIMATE) (S-53)	
<b>Income Tax Calculations</b>		
38 Book Revenues	\$0	
39 Book Expenses Other than Depreciation	(18,740)	
40 State Tax Depreciation	0	
41 Interest	(13)	
42 Book-Tax (Schedule M) Differences	0	
43 State Taxable Income	\$18,753	
44 State Income Tax @ 4.438%	\$832	
45 Net State Income Tax	\$832	
46 Additional Tax Depreciation	0	
47 Other Schedule M Differences	0	
48 Federal Taxable Income	\$17,921	
49 Federal Tax @ 35%	\$6,272	
50 Wind Power Tax Credits		
51 Current Federal Tax	\$6,272	
52 PMI		
53 ITC Adjustment		
54 Deferral	\$0	
55 Restoration		
56 Total ITC Adjustment	\$0	
57 Provision for Deferred Taxes	\$0	
58 Total Income Tax	\$7,104	

**PUBLIC UTILITY COMMISSION OF OREGON**

**DOCKET UE 111**

**STIPULATION  
REGARDING REMAINING ISSUES**

**Attachment B  
Rate Spread and Rate Design**

STIPULATION  
REGARDING REMAINING ISSUES

Attachment B  
Rate Spread

The increase in PacifiCorp's annual revenue requirement of \$13,625,000 will be allocated to customer rate schedules in the manner illustrated in the following schedule. The Parties agree that this schedule will be replaced with a definitive rate spread schedule on or before September 19, 2000. The definitive rate spread schedule will incorporate actual or projected normalized retail sales volumes for a 12-month period which reasonably approximates the period rates will be in effect.

**STIPULATION  
REGARDING REMAINING ISSUES**

**Attachment B  
Rate Design**

The Parties recommend the following rate design for the increase in revenue requirement in Docket UE 111. Because this rate increase is limited to generation and transmission costs, the increase should be applied to non-customer charge elements of the applicable rate schedules. Rate designs for schedules other than Residential Schedule 4 and Schedule 25 follow the rate design principles used in PacifiCorp's Alternative Form of Regulation.

Rate Schedule	Rate Design
Schedule 4	Apply increase to energy charge
Schedule 25	Apply increase on a uniform percentage basis to demand charge and energy charge
Schedule 27	Apply increase to demand charge
Schedule 48T	Apply increase to demand charge
Schedule 41	Apply increase to energy charge
Street Lighting Schedules	Apply increase on an overall uniform cents/kWh basis

ESTIMATED EFFECT OF PROPOSED PRICE CHANGES  
ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS  
DISTRIBUTED BY RATE SCHEDULES IN OREGON  
12 MONTHS ENDED DECEMBER 31, 1998

Line No.	Description	Schedule No.	Average Customers	MWh	Present Revenues (\$000)			Settlement Proposed Revenues (\$000)			Change: Exclusive of Sch 191/192 & 195		Change: Inclusive of Sch 191/192 & 195		Line No.	
					Effective Prices	Sch 191/192 & Sch 195	Net	Effective Prices	Sch 191/192 & Sch 195	Net	Amount (\$000)	Percent	Amount (\$000)	Percent		
					(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
					(5) + (6)			(8) + (9)			(8) - (5)	(11)/(5)	(10) - (7)	(13)/(7)		
<b>Residential</b>																
1	Residential Service	4	401,082	5,133,902	\$315,708	\$6,417	\$322,125	\$323,569	\$6,417	\$329,986	\$7,861	2.49%	\$7,861	2.44%	1	
<b>Commercial &amp; Industrial</b>																
2	Outdoor Area Lighting Service	15	9,735	17,834	\$1,508	\$27	\$1,535	\$1,527	\$27	\$1,554	\$19	1.26%	\$19	1.24%	2	
3	Recreational Field Lighting	54	108	1,035	\$75	\$2	\$77	\$76	\$2	\$78	\$1	1.33%	\$1	1.30%	3	
4	General Service < 1,000 kW	25	69,297	1,816,404	\$115,523	\$1,907	\$117,430	\$117,644	\$1,907	\$119,551	\$2,121	1.84%	\$2,121	1.81%	4	
5	Gen. Svc. < 1,000 kW (Opt)	27	2,920	2,294,401	\$105,665	\$1,927	\$107,592	\$108,348	\$1,927	\$110,275	\$2,683	2.54%	\$2,683	2.49%	5	
6	Large General Service > 1,000 kW	48T	220	3,646,157	\$143,075	\$4,412	\$147,487	\$143,704	\$4,412	\$148,116	\$629	0.44%	\$629	0.43%	6	
7	Partial Req. Svc. < 1,000 kW	36	2	70	\$47	\$0	\$47	\$48	\$0	\$48	\$1	1.84%	\$1	2.13%	7	
8	Partial Req. Svc. > 1,000 kW	47T	2	32,077	\$1,338	\$39	\$1,377	\$1,344	\$39	\$1,383	\$6	0.44%	\$6	0.44%	8	
9	Agricultural Pumping Service	41	2,665	108,373	\$6,749	\$170	\$6,919	\$7,009	\$170	\$7,179	\$260	3.85%	\$260	3.76%	9	
10	Agricultural Pumping - Other	-	1,968	78,351	\$514	\$0	\$514	\$514	\$0	\$514	\$0	0.00%	\$0	0.00%	10	
11	Special Contracts	400	4	553,636	\$16,823	\$0	\$16,823	\$16,823	\$0	\$16,823	\$0	0.00%	\$0	0.00%	11	
12	Special Contracts - Tariff-Based	400	1	38,540	\$1,367	\$0	\$1,367	\$1,373	\$0	\$1,373	\$6	0.44%	\$6	0.44%	12	
13	<b>Total Commercial &amp; Industrial</b>		<b>86,922</b>	<b>8,586,878</b>	<b>\$392,684</b>	<b>\$8,484</b>	<b>\$401,168</b>	<b>\$398,410</b>	<b>\$8,484</b>	<b>\$406,894</b>	<b>\$5,726</b>	<b>1.46%</b>	<b>\$5,726</b>	<b>1.43%</b>	<b>13</b>	
<b>Public Street Lighting</b>																
14	Street Lighting Service	50	341	16,130	\$1,134	\$24	\$1,158	\$1,151	\$24	\$1,175	\$17	1.50%	\$17	1.47%	14	
15	Street Lighting Service HPS	51	621	16,274	\$1,814	\$24	\$1,838	\$1,831	\$24	\$1,855	\$17	0.94%	\$17	0.92%	15	
16	Street Lighting Service	52	115	2,571	\$221	\$4	\$225	\$224	\$4	\$228	\$3	1.36%	\$3	1.33%	16	
17	Street Lighting Service	53	196	9,440	\$385	\$14	\$399	\$395	\$14	\$409	\$10	2.60%	\$10	2.51%	17	
18	<b>Total Public Street Lighting</b>		<b>1,273</b>	<b>44,415</b>	<b>\$3,554</b>	<b>\$66</b>	<b>\$3,620</b>	<b>\$3,601</b>	<b>\$66</b>	<b>\$3,667</b>	<b>\$47</b>	<b>1.32%</b>	<b>\$47</b>	<b>1.30%</b>	<b>18</b>	
19	<b>Total Sales to Ultimate Consumers</b>		<b>489,277</b>	<b>13,765,195</b>	<b>\$711,946</b>	<b>\$14,967</b>	<b>\$726,913</b>	<b>\$725,580</b>	<b>\$14,967</b>	<b>\$740,547</b>	<b>\$13,634</b>		<b>\$13,634</b>	<b>1.88%</b>	<b>19</b>	
20	Employee Discount				(\$346)	(\$7)	(\$353)	(\$355)	(\$7)	(\$362)	(\$9)		(\$9)	2.55%	20	
21	<b>Total Sales with Employee Discount</b>				<b>\$711,600</b>	<b>\$14,960</b>	<b>\$726,560</b>	<b>\$725,225</b>	<b>\$14,960</b>	<b>\$740,185</b>	<b>\$13,625</b>	<b>1.91%</b>	<b>\$13,625</b>	<b>1.88%</b>	<b>21</b>	

Settlement Price Changes  
**PACIFIC POWER & LIGHT COMPANY**  
**ESTIMATED EFFECT OF PROPOSED PRICE CHANGES**  
**ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS**  
**DISTRIBUTED BY RATE SCHEDULES IN OREGON**  
**FORECASTED 12 MONTHS ENDED SEPTEMBER 30, 2001**

Table 1

Line No.	Description	Schedule No.	Average Customers	MWh	Present Revenues (\$000)			Proposed Revenues (\$000)			Change: Exclusive of Sch 191/192 & 195		Change: Inclusive of Sch 191/192 & 195		Line No.
					Effective Prices	Sch 191/192 & Sch 195	Net	Effective Prices	Sch 191/192 & Sch 195	Net	Amount (\$000)	Percent	Amount (\$000)	Percent	
	(1)	(2)	(3)	(4)	(5)	(6)	(7) (5)+(6)	(8)	(9)	(10) (8)+(9)	(11) (8)-(5)	(12) (11)/(5)	(13) (10)-(7)	(14) (13)/(7)	
<b>Residential</b>															
1	Residential Service	4	426,138	5,220,362	\$322,299	\$14,721	\$337,020	\$330,160	\$14,721	\$344,881	\$7,861	2.44%	\$7,861	2.33%	1
<b>Commercial &amp; Industrial</b>															
2	Outdoor Area Lighting Service	15	8,956	14,325	\$1,396	\$27	\$1,423	\$1,415	\$27	\$1,442	\$19	1.36%	\$19	1.34%	2
3	Recreational Field Lighting	54	109	1,029	\$74	\$3	\$77	\$75	\$3	\$78	\$1	1.35%	\$1	1.30%	3
4	General Service < 1,000 kW	25	72,157	2,110,988	\$131,417	\$2,765	\$134,182	\$133,538	\$2,765	\$136,303	\$2,121	1.61%	\$2,121	1.58%	4
5	Gen. Svc. < 1,000 kW (Opt.)	27	2,656	2,090,156	\$96,010	\$2,153	\$98,163	\$98,693	\$2,153	\$100,846	\$2,683	2.79%	\$2,683	2.73%	5
6	Large General Service > 1,000kW	48T	211	3,978,613	\$156,051	\$6,406	\$162,457	\$156,680	\$6,406	\$163,086	\$629	0.40%	\$629	0.39%	6
7	Partial Req. Svc. < 1,000 kW	36	2	30	\$23	\$0	\$23	\$24	\$0	\$24	\$1	4.35%	\$1	4.35%	7
8	Partial Req. Svc. > 1,000 kW	47T	5	184,819	\$7,263	\$298	\$7,561	\$7,269	\$298	\$7,567	\$6	0.08%	\$6	0.08%	8
9	Agricultural Pumping Service	41	2,745	121,087	\$6,605	\$251	\$6,856	\$6,865	\$251	\$7,116	\$260	3.94%	\$260	3.79%	9
	total customers:		6,508												
10	Agricultural Pumping - Other	--	1,976	100,756	\$657	\$0	\$657	\$657	\$0	\$657	\$0	0.00%	\$0	0.00%	10
11	Special Contracts	400	1	160,293	\$7,933	\$0	\$7,933	\$7,933	\$0	\$7,933	\$0	0.00%	\$0	0.00%	11
12	Special Contracts - Tariff-Based	400	1	32,041	\$1,399	\$194	\$1,593	\$1,405	\$194	\$1,599	\$6	0.43%	\$6	0.38%	12
13	<b>Total Commercial &amp; Industrial</b>		<b>88,819</b>	<b>8,794,137</b>	<b>\$408,828</b>	<b>\$12,097</b>	<b>\$420,925</b>	<b>\$414,554</b>	<b>\$12,097</b>	<b>\$426,651</b>	<b>\$5,726</b>	<b>1.40%</b>	<b>\$5,726</b>	<b>1.36%</b>	<b>13</b>
<b>Public Street Lighting</b>															
14	Street Lighting Service	50	337	13,879	\$1,123	\$27	\$1,150	\$1,140	\$27	\$1,167	\$17	1.51%	\$17	1.48%	14
15	Street Lighting Service HPS	51	654	14,960	\$1,923	\$29	\$1,952	\$1,940	\$29	\$1,969	\$17	0.88%	\$17	0.87%	15
16	Street Lighting Service	52	117	2,155	\$211	\$4	\$215	\$214	\$4	\$218	\$3	1.42%	\$3	1.40%	16
17	Street Lighting Service	53	211	8,561	\$354	\$16	\$370	\$364	\$16	\$380	\$10	2.82%	\$10	2.70%	17
18	<b>Total Public Street Lighting</b>		<b>1,319</b>	<b>39,555</b>	<b>\$3,611</b>	<b>\$76</b>	<b>\$3,687</b>	<b>\$3,658</b>	<b>\$76</b>	<b>\$3,734</b>	<b>\$47</b>	<b>1.30%</b>	<b>\$47</b>	<b>1.27%</b>	<b>18</b>
19	<b>Total Sales to Ultimate Consumers</b>		<b>516,276</b>	<b>14,054,054</b>	<b>\$734,738</b>	<b>\$26,894</b>	<b>\$761,632</b>	<b>\$748,372</b>	<b>\$26,894</b>	<b>\$775,266</b>	<b>\$13,634</b>	<b>1.86%</b>	<b>\$13,634</b>	<b>1.79%</b>	<b>19</b>
20	Employee Discount				\$ (348)	\$ (15)	\$ (364)	\$ (357)	\$ (16)	\$ (373)	(\$9)		(\$9)		20
21	<b>Total Sales with Employee Discount</b>				<b>\$734,390</b>	<b>\$26,878</b>	<b>\$761,268</b>	<b>\$748,015</b>	<b>\$26,878</b>	<b>\$774,893</b>	<b>\$13,625</b>	<b>1.86%</b>	<b>\$13,625</b>	<b>1.79%</b>	<b>21</b>

APPENDIX D  
PAGE 1 OF 2

00-580

**ACTUAL PRICE CHANGES**  
**PACIFIC POWER & LIGHT COMPANY**  
**ESTIMATED EFFECT OF PROPOSED PRICE CHANGES**  
**ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS**  
**DISTRIBUTED BY RATE SCHEDULES IN OREGON**  
**FORECASTED 12 MONTHS ENDED SEPTEMBER 30, 2001**

Line No.	Description	Schedule No.	Average Customers	MWh	Present Revenues (\$000)			Proposed Revenues (\$000)			Change: Exclusive of Sch 191/192 & 195		Change: Inclusive of Sch 191/192 & 195		Line No.
					Effective Prices	Sch 191/192 & Sch 195	Net	Effective Prices	Sch 191/192 & Sch 195	Net	Amount (\$000)	Percent	Amount (\$000)	Percent	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
							(5) + (6)			(8) + (9)	(8) - (5)	(11)/(5)	(10) - (7)	(13)/(7)	
<b>Residential</b>															
1	Residential Service	4	426,138	5,220,362	\$322,299	\$14,721	\$337,020	\$330,159	\$14,721	\$344,880	\$7,860	2.44%	\$7,860	2.33%	1
<b>Commercial &amp; Industrial</b>															
2	Outdoor Area Lighting Service	15	8,956	14,325	\$1,396	\$27	\$1,423	\$1,415	\$27	\$1,442	\$19	1.36%	\$19	1.34%	2
3	Recreational Field Lighting	54	109	1,029	\$74	\$3	\$77	\$75	\$3	\$78	\$1	1.35%	\$1	1.30%	3
4	General Service < 1,000 kW	25	72,157	2,110,988	\$131,417	\$2,765	\$134,182	\$133,542	\$2,765	\$136,307	\$2,125	1.62%	\$2,125	1.58%	4
5	Gen. Svc. < 1,000kW (Opt.)	27	2,656	2,090,156	\$96,010	\$2,153	\$98,163	\$98,713	\$2,153	\$100,866	\$2,703	2.82%	\$2,703	2.75%	5
6	Large General Service > 1,000 kW	48T	211	3,978,613	\$156,051	\$6,406	\$162,457	\$156,669	\$6,406	\$163,075	\$618	0.40%	\$618	0.38%	6
7	Partial Req. Svc. < 1,000 kW	36	2	30	\$23	\$0	\$23	\$23	\$0	\$23	\$0	0.00%	\$0	0.00%	7
8	Partial Req. Svc. > 1,000 kW	47T	5	184,819	\$7,263	\$298	\$7,561	\$7,292	\$298	\$7,590	\$29	0.40%	\$29	0.38%	8
9	Agricultural Pumping Service	41	2,745	121,087	\$6,605	\$251	\$6,856	\$6,865	\$251	\$7,116	\$260	3.94%	\$260	3.79%	9
	total customers:		6,508												
10	Agricultural Pumping - Other	-	1,976	100,756	\$657	\$0	\$657	\$657	\$0	\$657	\$0	0.00%	\$0	0.00%	10
11	Special Contracts	400	1	160,293	\$7,933	\$0	\$7,933	\$7,933	\$0	\$7,933	\$0	0.00%	\$0	0.00%	11
12	Special Contracts - Tariff-Based	400	1	32,041	\$1,399	\$194	\$1,593	\$1,405	\$194	\$1,599	\$6	0.43%	\$6	0.38%	12
13	<b>Total Commercial &amp; Industrial</b>		<b>88,819</b>	<b>8,794,137</b>	<b>\$408,828</b>	<b>\$12,097</b>	<b>\$420,925</b>	<b>\$414,589</b>	<b>\$12,097</b>	<b>\$426,686</b>	<b>\$5,761</b>	<b>1.41%</b>	<b>\$5,761</b>	<b>1.37%</b>	<b>13</b>
<b>Public Street Lighting</b>															
14	Street Lighting Service	50	337	13,879	\$1,123	\$27	\$1,150	\$1,140	\$27	\$1,167	\$17	1.51%	\$17	1.48%	14
15	Street Lighting Service HPS	51	654	14,960	\$1,923	\$29	\$1,952	\$1,940	\$29	\$1,969	\$17	0.88%	\$17	0.87%	15
16	Street Lighting Service	52	117	2,155	\$211	\$4	\$215	\$214	\$4	\$218	\$3	1.42%	\$3	1.40%	16
17	Street Lighting Service	53	211	8,561	\$354	\$16	\$370	\$364	\$16	\$380	\$10	2.82%	\$10	2.70%	17
18	<b>Total Public Street Lighting</b>		<b>1,319</b>	<b>39,555</b>	<b>\$3,611</b>	<b>\$76</b>	<b>\$3,687</b>	<b>\$3,658</b>	<b>\$76</b>	<b>\$3,734</b>	<b>\$47</b>	<b>1.30%</b>	<b>\$47</b>	<b>1.27%</b>	<b>18</b>
19	<b>Total Sales to Ultimate Consumers</b>		<b>516,276</b>	<b>14,054,054</b>	<b>\$734,738</b>	<b>\$26,894</b>	<b>\$761,632</b>	<b>\$748,406</b>	<b>\$26,894</b>	<b>\$775,300</b>	<b>\$13,668</b>	<b>1.86%</b>	<b>\$13,668</b>	<b>1.79%</b>	<b>19</b>
20	Employee Discount				\$ (348)	\$ (16)	\$ (364)	\$ (357)	\$ (16)	\$ (373)	(\$9)		(\$9)		20
21	<b>Total Sales with Employee Discount</b>				<b>\$734,390</b>	<b>\$26,878</b>	<b>\$761,268</b>	<b>\$748,049</b>	<b>\$26,878</b>	<b>\$774,927</b>	<b>\$13,659</b>	<b>1.86%</b>	<b>\$13,659</b>	<b>1.79%</b>	<b>21</b>