

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE) Docket No. 03-2035-02
APPLICATION OF PACIFICORP)
FOR APPROVAL OF ITS) PHASE III
PROPOSED ELECTRIC RATE)
SCHEDULES & ELECTRIC)
SERVICE REGULATIONS)
)

SEPTEMBER 2003

Testimony
David L. Taylor

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE)	Docket No. 03-2035-02
APPLICATION OF PACIFICORP)	
FOR APPROVAL OF ITS)	DIRECT TESTIMONY
PROPOSED ELECTRIC RATE)	OF DAVID L. TAYLOR
SCHEDULES & ELECTRIC)	
SERVICE REGULATIONS)	
)	

SEPTEMBER 2003

Q. Please state your name, business address and position with PacifiCorp dba Utah Power & Light Company (the Company).

3 A. My name is David L. Taylor. My business address is 825 N. E. Multnomah, Suite
4 800, Portland, Oregon, where I am employed as the Cost of Service Manager.

5 Qualifications

6 Q. Please briefly describe your education and business experience.

7 A. I received a BS in Accounting from Weber State College in 1979 and an MBA from
8 Brigham Young University in 1986. I have been employed by PacifiCorp since the
9 merger with Utah Power in 1989. Prior to the merger I was employed by Utah Power,
10 beginning in 1979. At the Company I have worked in the Accounting, Budgeting, and
11 Pricing and Regulatory areas. From 1987 to the present, I have held several
12 supervision and management positions in Pricing and Regulation.

13 Q. Have you appeared as a witness in previous regulatory proceedings?

14 A. Yes. I have testified on numerous occasions in California, Idaho, Montana, Oregon,
15 Utah, Washington and Wyoming.

16 Purpose of Testimony

17 Q. What is the purpose of your testimony?

18 A. I will present PacifiCorp's functionalized Class Cost of Service Study based on the
19 fiscal year ending March 2003. I will also present the cost support for the residential
20 summer tail block price proposed in Mr. Griffith's testimony

21 Summary of Results

22 Q. Please identify Exhibit UP&L ___ (DLT-1) and explain what it shows.

23 A. Exhibit UP&L (DLT-1) is the summary table from PacifiCorp's fiscal year end

1 March 2003 Class Cost of Service Study for the State of Utah. It is based on
2 Pacificorp's annual results of operations for the State of Utah presented in the
3 testimony of J. Ted Weston with some minor corrections.

4 It summarizes, both by customer group and by function, the results of the
5 fiscal year end March 2003 cost study. Page 1 presents results at the Company's
6 March 2003 Earned Rate of Return. Page 2 presents the results using the return
7 provided by the \$125 million requested price increase.

8 **Q. What were the minor revisions to the results of operations?**

9 A. The normalized revenues incorporated in the results of operations were understated by
10 \$822,869. The cost of service study includes the revised revenue. The corrected
11 normalized test year operating revenues will be included in the updated results of
12 operations that will be filed on October 15, 2003.

13 **Q. Please identify Exhibit UP&L____(DLT-2) and explain what it shows.**

14 A. Exhibit UP&L____(DLT-2) shows the cost of service results in more detail by class
15 and by function. Page 1 summarizes the total cost of service summary by class and
16 pages 2 through 6 contain a summary by class for each major function.

17 **Description of Procedures**

18 **Q. Please explain how the Cost of Service Study was developed.**

19 A. Using the March 2003 annual results of operations for the State of Utah filed by J.
20 Ted Weston, the study employs a three-step process generally referred to as
21 functionalization, classification, and allocation. These three steps recognize the way a
22 utility provides electrical service and assigns cost responsibility to the groups of
23 customers for whom those costs were incurred.

1 Q. Please describe functionalization and how it is employed in the Cost of Service
2 Study.

3 A. Functionalization is the process of separating expenses and rate base items according
4 to utility function. The production function consists of the costs associated with
5 power generation, including coal mining, and wholesale purchases. The transmission
6 function includes the costs associated with the high voltage system utilized for the
7 bulk transmission of power from the generation source and interconnected utilities to
8 the load centers. The distribution function includes the costs associated with all the
9 facilities that are necessary to connect individual customers to the transmission
10 system. This includes distribution substations, poles and wires, line transformers,
11 service drops and meters. The retail services function includes the costs of meter
12 reading, billing, collections and customer service. The miscellaneous function
13 includes costs associated with Demand Side Management, franchise taxes, regulatory
14 expenses, and other miscellaneous expenses.

17 A. Classification identifies the component of utility service being provided. The
18 Company provides, and customers purchase, service that includes at least three
19 different components; demand-related, energy-related, and customer-related.
20 Demand-related costs are incurred by the Company to meet the maximum demand
21 imposed on generating units, transmission lines, and distribution facilities. Energy-
22 related costs vary with the output of a kWh of electricity. Customer-related costs are
23 driven by the number of customers served.

1 **Q. How does PacifiCorp determine cost responsibility between customer groups?**

2 A. After the costs have been functionalized and classified, the next step is to allocate
3 them among the customer classes. This is achieved by the use of allocation factors
4 that specify each class' share of a particular cost driver such as system peak demand,
5 energy consumed, or number of customers. The appropriate allocation factor is then
6 applied to the respective cost element to determine each class' share of cost. A
7 detailed description of PacifiCorp's functionalization, classification and allocation
8 procedures and the supporting calculations for the allocation factors are contained in
9 Exhibit UP&L____(DLT-4).

10 **Q. How are generation and transmission costs apportioned among customer
11 classes?**

12 A. Production and transmission plant and non-fuel related expenses are classified as 75
13 percent demand-related and 25 percent energy-related. The demand-related portion is
14 allocated using 12 monthly peaks coincident with the PacifiCorp system firm peak.
15 The energy portion is allocated using class MWhs adjusted for losses to generation
16 level.

17 **Q. Are distribution costs determined using the same methodology?**

18 A. No. Distribution costs are classified as either demand-related or customer-related. In
19 this study only meters and services are considered as customer-related with all other
20 costs considered demand-related. Distribution substations and primary lines are
21 allocated using the weighted monthly coincident distribution peaks. Distribution line
22 transformers and secondary lines are allocated using the weighted NCP method.
23 Services costs are allocated to secondary voltage delivery customers only. The

1 allocation factor is developed using the installed cost of new services for different
2 types of customers. Meter costs are allocated to all customers. The meter allocation
3 factor is developed using the installed costs of new metering equipment for different
4 types of customers.

5 **Q. Please explain how customer accounting and customer service expenses are
6 allocated.**

7 A. Customer accounting expenses are allocated to classes using weighted customer
8 factors. The weightings reflect the resources required to perform such activities as
9 meter reading, billing, and collections for different types of customers. Customer
10 service expenses are split between Demand Side Management (DSM) expenditures
11 and other customer service expenses. The DSM expenditures are allocated based on
12 50 percent demand and 50 percent energy. The other customer service expenses are
13 allocated on the number of customers in each class.

14 **Q. How are administrative & general expenses, general plant and intangible plant
15 allocated by PacifiCorp?**

16 A. Most General plant, intangible plant, and administrative and general expenses are
17 functionalized and allocated to classes based on generation, transmission, and
18 distribution plant. Employee Pensions and Benefits have been assigned to functions
19 and classes on the basis of labor. Costs that have been identified as supporting
20 customer systems are considered part of the retail services function and have been
21 allocated using customer factors. Coal Mine plant is allocated on the energy factor.

1 **Q. Are costs and revenues associated with wholesale contracts included in the cost**
2 **of service study?**

3 A. No costs are assigned to wholesale contracts. The revenues from these transactions
4 are treated as revenue credits and are allocated to customer groups using appropriate
5 allocation factors. Other electric revenues are also treated as revenue credits.
6 Revenue credits reduce the revenue requirement that is to be collected from firm retail
7 customers.

8 **Partial Requirements Service**

9 **Q. Does the Cost of Service Study include results for partial requirements or back-**
10 **up service customers?**

11 A. No. Cost of service results were not calculated for customers taking partial
12 requirements or back-up service customers. This includes one back-up service special
13 contract customer (Kennecott) and customers taking service on Schedule No. 31.

14 **Q. Why are these customers removed from the cost of service study?**

15 A. Partial requirements or back-up service customers are not included in the embedded
16 cost of service study because they do not lend themselves well to this type of analysis.
17 These customers usually have very sporadic loads from year to year producing
18 volatile cost of service results depending on whether or not service is required during
19 the hour of monthly system peak. It is the Company's practice to derive prices for
20 this type of service from the prices and costs for full requirements service.

21 **Special Contracts**

22 **Q. Have you included cost of service results for the Utah special contracts?**

23 A. Yes. Each special contract customer is treated as a single customer class of service.

1 Consistent with all other customer classes, costs were allocated to the special contract
2 customers on the basis of their contributions to system peak, their annual energy
3 usage, and other cost drivers. The loads associated with service to these customers
4 were also included as part of the jurisdictional allocation and included in the
5 development of the revenue requirement.

6 **Q. Does the cost of service study recognize the interruptibility provisions in the US**
7 **Magnesium contract?**

8 A. Yes. Pursuant to the order issued by the Utah Public Service Commission in Docket
9 01-035-38, US Magnesium was included in the cost study as a situs customer
10 according to the terms and conditions of interruptibility congruent with their current
11 short-term, experimental contract. During the base test period US Magnesium was
12 subject to economic curtailment during July and August. On a going-forward basis,
13 US Magnesium will also be subject to economic curtailment during June and
14 September of 2003 (in addition to July and August). Their contribution to system
15 peak and energy consumption during the June through September curtailment periods
16 were removed from the study. During the economic curtailment periods, the cost of
17 any buy through purchased power, and the corresponding revenue, were direct
18 assigned to US Magnesium.

19 **Residential Summer Tail Block**

20 **Q. As discussed in Mr. Griffith's testimony, the Company is proposing a summer**
21 **only tail block price of 10 cents per kilowatt-hour. Is the proposed tail block**
22 **justified on a cost basis?**

23 A. Yes. Cost support for the 10 cent tail block price is summarized on page one of

1 Exhibit UP&L____(DLT-3). Column two lists the generation and non-generation
2 components of the residential embedded cost of service. This is taken from the Unit
3 Cost section of the embedded cost of service study contained in Exhibit
4 UP&L____(DLT-4). This is the year-round flat rate kWh charge that would produce
5 the residential class' share of the proposed revenue requirement. Columns two and
6 three adjust the generation component to reflect recent summer season, peak period
7 generation costs.

8 The 8.2 cents per kWh generation cost in column two represents recent
9 summer season, super peak purchases as adjusted for residential losses. These are the
10 actual costs the Company is incurring today, and for at least the next two years, to
11 meet a portion of the summer peak load. The 8.2 cent summer peak purchases costs
12 combined with the 4.0 cent embedded non-generation costs supports a summer tail
13 block rate of over 12 cents per kWh, which is above the proposed 10 cent price.

14 The 7.7 cents per kWh generation cost in column three represents costs
15 associated with meeting summer peak load with new investment; a new combined
16 cycle combustion turbine. The 7.7 cents on peak cost was developed using an
17 approach similar to current avoided costs methodology and assigning the capacity
18 component of the avoided costs to the 40 hours per week (8 hours per day, five days
19 per week) super peak period. The summer peak combined cycle combustion turbine
20 costs combined with the embedded non-generation costs supports a summer tail block
21 rate of 11.6 cents per kWh, which also is above the proposed 10 cent price.

22 The summer peak purchases are detailed on page 2 of Exhibit
23 UP&L____(DLT-3) and a summary of the avoided costs calculation with the capacity

1 costs allocated to super peak hours is shown on page 3.

2 **Q. Does this assignment of higher costs to the summer peak period increase the**
3 **allocated revenue requirement for the residential class?**

4 A. No. The assignment of higher costs to the summer peak period was done for rate
5 design purposes. It was not incorporated in the embedded cost of service study and
6 had no impact on the calculation of the total residential revenue requirement.

7 **Work Papers**

8 **Q. Have you included your workpapers?**

9 A. Yes. Work papers showing the complete functionalized results of operations and class
10 cost of service detail are included as Exhibit UP&L____(DLT-4). Also included in the
11 workpapers is a detailed narrative describing the Company's functionalization,
12 classification and allocation procedures.

13 **Q. Does this conclude your testimony?**

14 A. Yes it does.

Exhibit
UP&L_(DLT-1)

PacifiCorp
Exhibit UP&L____(DLT-1)
Docket No. _____
Witness: David L. Taylor

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

PACIFICORP

Exhibit Accompanying Direct Testimony of David L. Taylor
Class Cost of Service Study – Summary Table
12 Months Ending March 2003

September 2003

PaciCorp
Cost Of Service By Rate Schedule
State of Utah
12 Months Ending March 2003
Rolled-In
BaseCase Allocation Factors

6.06% = Earned Return on Rate Base

Line No.	Schedule No.	Description	Annual Revenue	Return on Rate Base	Rate of Return Index	Total Cost of Service	Generation Cost of Service	Transmission Cost of Service	Distribution Cost of Service	Retail Cost of Service	Misc Cost of Service	Increase (Decrease)	Percentage Change from Current Revenues to = ROR
1	1	Residential	341,548,393	6.70%	1.11	334,464,331	160,795,166	24,375,786	117,834,935	28,247,842	3,210,602	(7,084,062)	-2.07%
2	6	General Service - Large	335,286,059	5.88%	0.97	337,321,302	214,508,721	33,446,765	84,379,846	2,994,319	2,035,243	0.61%	
3	7,11,12,13	Street & Area Lighting	8,909,461	-3.57%	(0.59)	10,837,073	1,329,448	115,128	9,011,181	327,134	54,182	1,927,612	21.64%
4	9	General Service - High Voltage	114,190,778	5.52%	0.91	115,962,852	97,351,528	15,554,431	923,919	905,994	1,226,381	1,772,074	1.55%
5	10	Irrigation	8,374,347	2.11%	0.35	9,689,245	5,871,542	858,310	2,860,283	17,973	81,137	1,314,898	15.70%
6	12	Traffic Signals	642,595	3.58%	0.59	691,192	355,070	49,281	170,378	108,980	7,504	48,597	7.56%
7	12	Outdoor Lighting	652,831	64.94%	10.71	268,316	177,873	13,325	58,311	14,917	3,689	(384,515)	-58.90%
8	21	Electric Furnace	248,483	25.28%	4.17	160,890	98,603	16,364	16,499	27,745	1,678	(87,593)	-35.25%
9	23	General Service - Small	66,117,067	7.58%	1.25	62,807,542	33,912,886	5,397,352	20,833,920	2,084,603	578,782	(3,309,525)	-5.01%
10	25	Mobile Home Parks	571,720	6.52%	1.08	562,563	326,234	49,268	183,091	(743)	4,713	(9,157)	-1.60%
11	SpC	Customer A	7,573,907	7.46%	1.23	7,292,217	6,275,920	867,742	59,437	9,557	79,560	(281,690)	-3.72%
12	SpC	Customer B	11,635,244	-4.03%	(0.67)	15,198,619	13,436,639	1,514,914	89,059	14,649	143,358	3,563,375	30.63%
13	SpC	Customer C	17,026,571	5.05%	0.83	17,521,313	15,010,795	2,206,576	103,421	13,567	186,954	494,742	2.91%
14		Total Utah Jurisdiction	912,777,456	6.06%	1.00	912,777,456	549,450,431	84,465,222	236,524,280	33,766,536	8,570,986	0	0.00%

Footnotes:

- Column C : Annual revenues based on April 2002 thru March 2003 usage priced at Utah Tariff No. 44.
- Column D : Calculated Return on Ratebase per April 2002 thru March 2003 Embedded Cost of Service Study
- Column E : Rate of Return Index. Rate of return by rate schedule, divided by Utah Jurisdiction's normalized rate of return.
- Column F : Calculated Full Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.
- Column G : Calculated Generation Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.
- Column H : Calculated Transmission Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.
- Column I : Calculated Distribution Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.
- Column J : Calculated Retail Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.
- Column K : Calculated Miscellaneous Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.
- Column L : Increase or Decrease Required to Move From Annual Revenue at T-44 to Full Cost of Service Dollars.
- Column M : Increase or Decrease Required to Move From Annual Revenue at T-44 to Full Cost of Service Percent.

PacifiCorp
Cost Of Service By Rate Schedule
State of Utah
12 Months Ending March 2003
Rolled-In
BaseCase Allocation Factors

8.68% = Target Return on Rate Base

A	B	C	D	E	F	G	H	I	J	K	L	M
Line No.	Schedule No.	Description	Annual Revenue	Return on Rate Base	Total Cost of Service	Generation Cost of Service	Transmission Cost of Service	Distribution Cost of Service	Retail Cost of Service	Misc Cost of Service	Increase (Decrease) to = ROR	Percentage Change from Current Revenues
1	1	Residential	341,548,393	6.70%	1,11	380,998,366	176,399,245	31,353,237	140,354,118	29,336,212	3,495,554	39,449,973
2	6	General Service - Large	335,286,059	5.88%	0.97	385,837,990	236,052,021	43,113,352	101,245,237	2,053,908	3,373,473	50,551,931
3	7,11,12,13	Street & Area Lighting	8,909,461	-3.57%	(0.59)	11,633,591	1,407,827	145,845	9,722,602	351,045	56,272	2,774,130
4	9	General Service - High Voltage	114,190,778	5.52%	0.91	129,890,825	106,550,075	20,007,415	983,040	921,257	1,399,038	15,670,047
5	10	Irrigation	8,374,347	2.11%	0.36	11,05,076	6,431,501	1,107,118	3,433,027	31,960	91,471	2,720,729
6	12	Traffic Signals	642,595	3.58%	0.59	774,154	387,408	63,535	202,372	112,710	8,129	131,559
7	12	Outdoor Lighting	652,831	64.94%	10.71	265,926	188,754	17,558	69,977	15,453	4,183	(356,905)
8	21	Electric Furnace	248,483	25.28%	4.17	180,162	108,849	21,028	19,126	29,301	1,857	(68,321)
9	23	General Service - Small	66,117,067	7.58%	1.25	71,987,761	37,345,820	6,943,155	24,881,335	2,178,190	639,262	5,870,694
10	25	Mobile Home Parks	571,720	6.52%	1.08	647,166	358,129	63,498	220,865	(615)	5,289	75,446
11	SpC	Customer A	7,573,907	7.46%	1.23	8,141,222	6,853,353	1,123,667	63,331	10,272	90,599	567,315
12	SpC	Customer B	11,635,244	-4.03%	(0.67)	16,691,113	14,484,733	1,968,170	92,743	(18,919)	164,387	5,055,869
13	SpC	Customer C	17,026,571	5.05%	0.83	19,594,105	16,400,263	2,848,548	107,067	14,847	213,379	2,557,534
14		Total Utah Jurisdiction	912,777,456	6.06%	1.00	1,037,777,456	602,967,977	108,776,125	281,394,839	35,095,621	9,542,893	125,000,000
												13.69%

Footnotes:

Column C : Annual revenues based on April 2002 thru March 2003 usage priced at Utah Tariff No. 44.

Column D : Calculated Return on Ratebase per April 2002 thru March 2003 Embedded Cost of Service Study

Column E : Rate of Return Index. Rate of return by rate schedule, divided by Utah Jurisdiction's normalized rate of return.

Column F : Calculated Full Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study

Column G : Calculated Generation Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.

Column H : Calculated Transmission Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.

Column I : Calculated Distribution Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.

Column J : Calculated Retail Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.

Column K : Calculated Miscellaneous Cost of Service at Jurisdictional Rate of Return per the April 2002 thru March 2003 Embedded COS Study.

Column L : Increase or Decrease Required to Move From Annual Revenue at T-44 to Full Cost of Service Dollars.

Column M : Increase or Decrease Required to Move From Annual Revenue at T-44 to Full Cost of Service Percent.

Exhibit
UP&L_(DLT-2)

PacifiCorp
Exhibit UP&L____(DLT-2)
Docket No. _____
Witness: David L. Taylor

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH**

PACIFICORP

Exhibit Accompanying Direct Testimony of David L. Taylor
Class Cost of Service Study by Class and Function
12 Months Ended March 2003

September 2003

PacificCorp
Cost Of Service By Date Schedules - All Functions
State of Utah
Rolled-In
12 Months Ending March 2003

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	
		Utah	Jurisdiction Normalized	Residential Schedule 1	General Large Dist. Schedule 6	Street & Area Lighting Sched. 7,11,12	Transmission Schedule 9	Irrigation Schedule 10	Traffic Signals Schedule 12	Outdoor Lighting Schedule 12	Electric Furnace	General Small Dist.	Mobile Home Park	Industrial Schedule 25	Industrial Cust B	Industrial Cust C	
14	Operating Revenues	1,358,404,418	475,380,911	511,883,419	9,863,980	188,348,624	13,228,457	932,825	765,051	331,925	96,126,128	834,384	12,242,096	20,231,274	28,245,333		
15	Operating Expenses																
16	Operation & Maintenance Expenses	306,085,059	349,570,933	7,528,629	144,847,118	9,731,764	69,439,339	277,540	178,267	61,022,646	536,289	9,208,458	18,868,378	22,059,501			
17	Depreciation Expense	138,108,245	50,320,331	52,028,120	2,065,462	15,524,659	9,159,284	91,315	24,430	10,102,960	90,302	943,150	1,675,618	2,285,375			
18	Amortization Expense	21,865,674	9,783,340	6,396,382	201,260	2,271,544	245,430	22,369	5,042	7,887	1,630,946	11,477	133,161	235,943	327,915		
19	Taxes Other Than Income	42,740,774	16,772,891	21,023,549	281,082	4,867,836	479,747	28,174	9,362	6,055	28,830	28,830	285,954	521,617	719,982		
20	Income Taxes - Federal	40,632,300	15,721,260	16,014,635	339,053	3,686,619	470,747	25,561	5,013	3,124,802	28,435	28,435	427,656	550,712			
21	Income Taxes - State	5,943,450	2,222,723	2,408,275	48,792	542,205	69,236	3,395	1,320	480,263	4,445	33,592	68,061	81,109			
22	Income Taxes Deferred	5,739,203	3,489,999	2,922,514	148,713	(501,116)	95,725	1,331	1,389	(1,689)	718,366	7,531	(35,444)	(87,847)	(83,349)		
23	Investment Tax Credit Adj	(4,876,135)	(1,772,261)	(1,912,443)	(31,239)	(561,448)	(54,675)	(1,113)	(1,058)	(70,0)	(365,218)	(3,160)	(34,272)	(61,612)	(71,302)		
24	Misc Revenues & Expense	(2,558,566)	(647,443)	(1,086,322)	(3,712)	(480,906)	(28,333)	(1,683)	(1,498)	(512)	(172,334)	(1,659)	(29,551)	(52,815)			
25	Total Operating Expenses	1,179,205,333	401,585,999	444,365,493	10,578,040	170,196,666	12,527,367	862,859	330,955	216,704	70,942	10,743,260	21,655,018	25,782,472			
26	Operating Revenue For Return																
27	Operating Revenue For Return	179,199,085	73,794,912	67,917,926	(714,080)	18,151,958	700,491	70,336	424,096	115,221	16,470,219	130,443	1,498,816	(1,423,745)	2,462,461		
28	Total Rate Base Additions																
29	Rate Base : Electric Plant In Service	5,112,516,425	1,908,681,420	1,954,221,286	45,922,097	579,264,641	56,832,676	3,438,882	1,111,234	818,713	375,329,722	3,389,949	35,153,596	62,980,480	85,401,629		
30	Plant Held For Future Use	653,184	221,615	271,343	1,877	71,680	8,333	435	251	74	45,321	445	4,810	10,081	11,407		
31	Nuclear Fuel	39,476,121	11,584,230	15,327,768	52,455	6,707,672	411,229	21,786	7,009	7,808	2,556,029	23,446	418,273	746,545	1,007,860		
32	Prepayments	4,226,451	2,373,670	905,053	45,530	327,684	47,654	6,149	1,116	2,717	320,028	1,350	1,350	31,129	42,167		
33	Fuel Stock	23,460,512	6,859,323	8,765,411	92,359	4,450,681	26,1482	16,774	12,663	13,974	1,349,084	26,930	629,948	709,416			
34	Materials & Supplies	36,975,184	11,974,343	14,677,456	180,682	5,434,641	39,282	23,005	7,000	16,622	23,096	336,856	600,459	812,836			
35	Misc Deferred Debts	26,065,338	31,723,102	37,983,925	478,302	1,032,609	60,166	18,425	16,826	6,630	6,630	1,505,136	2,505,108	2,505,108			
36	Customer Advance For Construction	33,076,347	11,647,126	12,235,621	524,201	4,461,214	346,533	24,222	9,276	9,747	2,274,041	19,263	281,271	568,375	874,529		
37	Weatherization Loans	12,099,229	6,770,506	9,085,836	50,780	4,077,440	246,233	14,784	6,850	4,235	1,439,998	13,733	261,403	497,984	626,006		
38	Miscellaneous Rate Base	6,738,222	1,973,866	2,648,731	15,054	1,191,128	7,994	4,523	2,044	1,231	419,349	4,006	76,452	145,998	183,043		
39	Total Rate Base Additions	5,376,389,712	1,993,810,704	2,055,745,430	47,343,348	619,831,368	3,613,505	1,75,908	867,823	392,890,419	3,541,894	37,655,847	67,687,336	91,525,901			
40	Rate Base Reductions :																
41	Accum Provision For Depreciation	(1,873,411,291)	(67,879,080)	(70,81,603)	(23,662,247)	(22,726,480)	(19,987,601)	(1,256,167)	(403,590)	(304,917)	(134,565,672)	(1,202,250)	(14,204,011)	(25,469,857)	(34,425,818)		
42	Accum Provision For Amortization	(85,548,185)	(40,945,574)	(25,785,946)	(859,251)	(81,183,831)	(970,241)	(95,417)	(20,866)	(34,770)	(6,475,811)	(42,588)	(471,030)	(83,082)	(1,131,779)		
43	Accum Deferred Income Taxes	(39,334,556)	(152,802,244)	(153,160,224)	(2,485,658)	(1,812,216)	(5,677,145)	(267,158)	(87,141)	(63,788)	(29,710,058)	(270,965)	(2,507,016)	(4,478,056)	(6,23,928)		
44	Unamortized ITC	(239,846)	(87,446)	(93,828)	(1,472)	(27,543)	(2,701)	(2,701)	(51)	(36)	(117,530)	(162)	(1,674)	(3,000)	(4,073)		
45	Customer Advance For Construction	(5,095,080)	(2,243,548)	(3,257,397)	(5,100,076)	(5,143,950)	(802,875)	(224,390)	(551,982)	(554,509)	(6,943,509)	(654,525)	(32,320)	(3,554,311)	(32,320)		
46	Customer Service Deposits	(50,884,839)	(17,555,999)	(19,535,623)	(316,246)	(316,246)	(6,943,509)	(6,943,509)	(6,943,509)	(6,943,509)	(6,943,509)	(6,943,509)	(6,943,509)	(3,554,311)	(3,554,311)		
47	Misc Rate Base Deductions	(2,419,583,042)	(893,075,562)	(903,109,694)	(27,319,450)	(291,021,416)	(26,399,640)	(1,851,515)	(52,228,13)	(411,952)	(175,231,358)	(1,544,663)	(17,613,109)	(32,383,188)	(42,722,693)		
48	Total Rate Base	2,956,006,670	1,100,737,142	1,147,635,736	20,023,918	328,748,953	33,254,164	1,962,112	63,035	455,891	217,153,963	2,001,231	20,082,738	35,304,448	48,794,208		
49	Calculated Return On Rate Base																
50	Return On Rate Base @ Jurisdictional Ave.	6.05%	179,199,085	66,710,851	69,551,169	1,213,562	19,924,032	2,015,389	118,933	39,581	27,628	13,160,995	121,286	1,217,127	2,139,630	2,457,203	
51	Total Operating Expenses	1,179,205,333	401,585,999	444,365,493	10,578,040	170,196,666	12,527,367	862,849	30,955	216,704	70,942	10,743,280	21,665,018	28,782,872			
52	Revenue Credits	(445,626,562)	(133,535,518)	(171,597,380)	(934,529)	(74,157,846)	(4,654,110)	(4,654,110)	(12,220)	(12,220)	(30,029,61)	(30,029,61)	(4,668,189)	(8,696,030)	(11,216,762)		
53	Total Revenue Requirements	912,777,456	334,464,331	337,321,302	10,837,073	115,962,852	9,689,245	691,192	268,316	160,890	62,407,442	562,563	7,292,217	15,198,819	17,321,313		
54	Class Revenue	912,777,456	341,548,393	335,286,059	8,909,461	114,190,778	8,374,347	642,595	652,831	248,483	62,831	65,117,067	571,720	7,573,907	11,635,244	17,025,571	
55	Increase / (Decrease) Required to Earn Equal Rates of Return	(70)	(7,084,062)	2,035,243	1,937,612	1,772,074	1,314,988	48,597	(34,515)	(87,553)	(3,305,625)	(9,157)	(281,590)	3,663,375	494,742		
56	Percent %	0.00%	-2.07%	0.61%	21.64%	1.55%	21.11%	5.52%	5.58%	5.58%	-35.25%	-5.01%	-1.60%	-3.72%	30.63%	2.91%	
57	Return On Rate Base @ Target ROR Total Operating Expenses Adjusted for Taxes	8.68%	256,760,335	95,584,754	95,657,289	1,738,818	28,547,585	2,887,693	170,410	56,713	39,586	18,856,929	173,781	1,743,925	3,065,708	4,237,145	
58	Revenue Credits	(1,226,444,083)	(419,426,130)	(462,778,061)	(10,859,302)	(175,697,360)	(954,529)	(74,157,846)	(13,061,494)	(893,974)	(31,413,433)	(29,029,61)	(76,049)	(11,655,886)	(22,22,435)	(25,565,722)	
59	Total Target Revenue Requirements	1,037,777,456	380,998,366	385,837,980	11,683,591	129,880,825	11,695,676	774,164	285,926	180,162	71,987,761	647,166	8,141,222	16,691,113	19,584,105		
60	Class Revenue	912,777,456	341,548,393	335,286,059	8,909,461	114,190,778	8,374,347	642,595	652,831	248,483	62,831	65,117,067	571,720	7,573,907	11,635,244	17,025,571	
61	Increase / (Decrease) Required to Earn Target Rate of Return	125,000,000	35,449,973	50,551,931	2,774,130	15,670,047	2,250,729	131,539	356,905	(68,321)	5,870,694	75,446	567,315	5,065,69	2,557,534		
62	Percent %	13.69%	11.55%	15.08%	31.14%	13.72%	32.49%	20.47%	-24.67%	-27.50%	8.88%	13.20%	7.49%	43.45%	15.02%		

PacificCorp
Cost Of Service By Rate Schedule - Generation Function
State of Utah
Rolled-In
12 Months Ending March 2003

C	D	E	F	G	H	I	J	K	L	M	N	O	P
Utah	Jurisdiction Normalized	Residential Schedule 1	General Large Dist Schedule 6	Street & Area Lighting Sch. 7,11,12	General Transmission Schedule 9	Irrigation Schedule 10	Traffic Signals Schedule 12	Outdoor Lighting Schedule 21	Electric Furnace Schedule 23	General Small Dist. Schedule 23	Mobile Home Park	Industrial Cust A	Industrial Cust B
743,892,041	217,881,124	291,554,298	1,704,743	131,262,339	7,929,546	477,616	228,612	135,336	46,179,010	441,539	8,431,852	17,482,453	20,183,070
651,102,722	19,103,334	26,259,458	87,512	11,089,570	673,461	39,289	11,686	4,212,575	38,667	4,212,575	1,234,185	1,663,913	1,724,123
9,370,602	2,867,720	3,884,920	18,859,572	1,605,846	101,947	6,169	1,767	2,046	637,110	5,277	99,831	204,609	369,325
18,855,387	4,985,629	6,877,375	27,619	3,241,382	197,317	11,395	3,834	3,610	1,209,889	121,339	203,474	485,618	334,606
17,085,566	4,981,629	6,877,733	25,022	2,936,652	178,758	10,324	3,474	3,271	1,059,970	101,822	184,346	413,590	443,457
2,482,677	723,973	999,393	3,336	426,720	25,976	1,560	505	475	155,254	1,480	26,787	48,621	149,440
(7,730,646)	(634,564)	(867,305)	(1,178)	(1,315)	(79,840)	(1,551)	(4,611)	(1,461)	(489,475)	(4,348)	(82,332)	(42,633)	(56,519)
(2,176,904)	(2,176,904)	(849,038)	(2,796)	(374,164)	(22,777)	(1,316)	(443)	(417)	(139,640)	(1,297)	(23,488)	(1,297)	(33,718)
(2,104,032)	(617,119)	(849,138)	(357,511)	(21,918)	(21,918)	(374)	(416)	(416)	(136,233)	(1,250)	(22,283)	(39,790)	(53,718)
845,240,410	247,880,353	332,350,144	1,850,007	148,499,265	6,987,480	559,080	247,520	455,306	52,728,260	501,839	9,508,799	19,45,450	22,776,907
2,250,050,826	660,243,782	903,888,448	3,337,145	384,851,083	23,534,922	1,371,186	446,906	439,774	144,749,195	1,336,553	24,119,126	43,581,820	56,051,087
366,427	107,143	136,843	1,443	69,515	4,084	282	198	57	21,071	218	4,675	9,839	11,080
39,475,121	15,929,768	52,465	6,707,672	411,229	23,786	7,009	7,808	23,446	2,556,029	418,273	746,545	1,007,860	
1,957,688	1,043,475	467,216	16,022	199,744	22,072	2,884	500	1,248	145,297	637	11,366	20,123	27,094
23,659,512	6,859,623	8,761,471	92,359	205,681	16,452	16,774	12,663	3,624	1,349,084	13,974	628,948	703,416	
28,815,929	8,749,539	12,031,539	39,326	5,066,240	310,597	17,985	5,294	5,839	1,330,544	17,708	315,918	563,858	761,227
61,938,114	18,175,881	24,993,839	82,318	50,524,352	645,219	37,320	10,987	12,251	4,010,415	36,877	656,271	1,171,330	1,581,334
20,319,696	5,951,517	7,963,917	46,566	3,585,481	216,589	13,046	6,245	3,687	1,261,397	12,064	230,319	477,540	551,308
6,738,222	1,974,688	2,648,731	15,054	1,191,228	71,894	4,323	2,044	1,231	419,349	4,006	76,452	149,988	183,043
2,434,123,534	714,889,975	976,821,771	3,682,198	416,645,985	25,478,058	1,487,556	491,855	475,588	156,442,383	1,445,93	26,131,701	47,347,001	62,883,456
(969,088,797)	(284,513,803)	(389,230,851)	(1,446,102)	(165,884,858)	(10,139,232)	(590,729)	(194,028)	(189,057)	(62,307,809)	(575,668)	(10,399,178)	(18,808,232)	(25,027,150)
(30,206,772)	(5,935,526)	(12,151,504)	(47,912)	(5,090,244)	(315,543)	(18,328)	(5,556)	(5,334)	(1,559,898)	(17,990)	(317,682)	(568,828)	(765,329)
(135,697,905)	(42,692,538)	(52,541,532)	(282,284)	(22,396,382)	(1,429,439)	(93,175)	(27,808)	(31,813)	(8,643,986)	(77,964)	(1,397,008)	(2,523,755)	(3,360,528)
(107,095)	(31,406)	(42,990)	(158)	(16,299)	(11,119)	(65)	(21)	(81)	(6,385)	(64)	(1,147)	(2,071)	(2,760)
(33,102,772)	(9,710,534)	(13,259,361)	(52,542)	(5,689,601)	(347,220)	(20,314)	(7,085)	(6,406)	(2,119,619)	(19,966)	(357,830)	(652,041)	(860,573)
(1,168,195,250)	(345,884,007)	(467,226,338)	(1,228,997)	(199,059,384)	(12,232,553)	(722,611)	(234,477)	(233,231)	(75,238,209)	(690,751)	(12,472,844)	(22,554,906)	(30,016,339)
1,265,928,283	369,105,968	509,594,333	1,854,901	217,586,611	13,245,515	764,944	257,378	242,356	81,204,173	754,441	13,658,857	24,792,056	32,887,110
76,722,361	22,369,894	30,884,308	112,363	13,186,970	802,753	46,380	15,589	14,688	4,921,429	45,723	827,803	1,502,540	1,991,931
845,240,410	247,680,353	332,350,444	1,850,007	148,499,265	8,987,480	539,080	247,520	155,306	52,226,360	501,139	9,508,799	19,45,450	22,776,907
(312,512,340)	(109,255,081)	(148,725,725)	(632,222)	(64,334,708)	(3,918,681)	(230,370)	(85,245)	(71,390)	(23,36,203)	(221,328)	(4,086,683)	(7,481,351)	(9,756,043)
549,450,431	160,795,166	214,508,727	1,329,448	97,351,528	5,871,542	355,070	177,873	98,603	33,912,886	326,234	6,275,920	13,436,639	15,010,795
109,929,463	32,052,069	44,251,706	1,150,201	1,150,201	66,426	22,350	25,169	7,051,530	65,513	1,186,095	2,152,872	2,854,083	
863,510,854	253,802,257	340,526,040	1,979,753	151,980,206	551,353	159,194	54,031,093	513,943	9,727,941	19,813,712	23,304,224		
(372,512,340)	(109,255,081)	(148,725,725)	(632,222)	(64,334,708)	(3,918,681)	(230,370)	(85,245)	(71,390)	(23,36,203)	(221,328)	(4,086,683)	(7,481,351)	(9,756,043)

PacificCorp
Cost Of Service By Rate Schedule - Transmission Function
State of Utah
Rate-in
12 Months Ending March 2003

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
DESCRIPTION	Utah Jurisdiction Normalized	Residential Schedule 1	General Large Dist. Schedule 6	Street & Area Lighting Sch. 7,11,12	Transmission Schedule 9	Irrigation Schedule 10	Traffic Signals Schedule 12	Outdoor Lighting Schedule 12	Electric Furnace Schedule 21	General Small Dist. Schedule 23	Mobile Home Park Schedule 25	Industrial Cust A	Industrial Cust B	Industrial Cust C	
14	Operating Expenses														
15	Operation & Maintenance Expenses	62,807,288	18,467,168	24,951,539	110,247,408	651,965	38,105	12,478	12,136	4,027,219	37,110	660,505	1,187,000	1,624,408	
16	Depreciation Expense	23,375,357	6,742,601	9,271,921	30,537	4,271,678	239,356	13,844	4,080	4,545	1,087,737	13,647	245,371	434,526	615,555
17	Amortization Expense	3,059,850	894,233	1,228,682	4,050	566,238	31,744	1,836	541	603	1,810	341	57,626	81,615	227,429
18	Taxes Other Than Income	8,612,544	2,471,879	3,424,550	10,892	1,577,544	88,144	5,057	1,500	1,652	547,826	5,041	90,685	160,574	66,017
19	Income Taxes - Federal	3,540,879	1,016,265	1,407,937	4,474	648,576	26,239	2,079	617	679	2,146	2,073	37,754	66,017	93,503
20	Income Taxes - State	550,598	158,027	218,931	696	100,852	5,655	323	96	106	35,010	322	5,786	10,285	14,539
21	Income Taxes Deferred	4,436,491	1,273,313	1,276,053	5,606	812,624	45,405	2,605	773	851	282,993	2,597	46,704	82,715	117,153
22	Investment Tax Credit Adj	(1,010,515)	(280,027)	(401,804)	(1277)	(185,094)	(10,342)	(5,985)	(176)	(194)	(64,553)	(592)	(10,638)	(18,840)	(44,688)
23	Misc Revenues & Expense	(574,552)	(168,596)	(231,840)	(784)	(97,623)	(5,985)	(346)	(102)	(104)	(37,200)	(341)	(6,085)	(10,885)	(14,688)
24	Total Operating Expenses	104,837,981	30,584,861	41,634,958	164,452	18,722,204	1,092,161	62,910	19,805	20,265	6,700,687	61,667	1,102,131	1,969,020	2,732,850
25		26													
26															
27															
28	Rate Base Additions :														
29	Electric Plant In Service	1,030,689,705	297,680,684	406,591,588	1,356,625	188,243,742	10,555,387	611,749	179,988	201,050	65,614,017	601,337	10,812,220	19,147,216	27,124,093
30	Plant Held For Future Use	12,805	3,758	5,167	17	2,176	133	8	2	3	829	8	136	242	327
31	Electric Plant Acquisition Adj	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Nuclear Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Fuel Stock	533,682	372,083	65,857	6,889	30,956	6,312	1,110	165	502	42,967	74	1,323	2,270	3,175
35	Materials & Supplies	1,937,906	559,009	768,708	2,532	354,152	19,844	1,148	338	377	123,344	1,131	20,343	36,025	51,034
36	Misc Deferred Debits	18,074,910	5,213,683	7,169,467	23,613	3,303,054	165,061	10,705	3,154	1,560,385	10,552	189,732	335,995	475,975	
37	Cash Working Capital	4,228,593	1,243,329	1,679,899	7,423	742,436	43,894	2,565	840	817	271,138	2,498	44,489	79,916	109,386
38	Weatherization Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Miscellaneous Rate Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Total Rate Base Additions	1,055,487,681	305,052,545	415,280,686	1,397,098	192,676,516	10,810,652	627,255	184,497	206,263	67,202,681	615,600	11,088,223	19,601,685	27,763,869
41															
42	Rate Base Deductions :														
43	Accum Provision For Depreciation	(353,421,859)	(101,944,045)	(140,185,835)	(461,707)	(64,585,185)	(3,648,915)	(61,680)	(68,716)	(22,493,677)	(209,320)	(61,680)	(3,709,856)	(6,569,775)	(9,306,818)
44	Accum Provision For Amortization	(13,146,799)	(3,836,067)	(5,201,748)	(21,287)	(2,310,786)	(155,141)	(78,851)	(2,381)	(2,541)	(840,640)	(77,098)	(10,471)	(124,252)	(342,014)
45	Accum Deferred Income Taxes	(107,113,687)	(32,279,275)	(41,560,275)	(178,724)	(19,155,241)	(1,102,121)	(1,102,121)	(1,102,121)	(1,102,121)	(6,874,004)	(6,874,004)	(6,107,388)	(1,942,748)	(2,732,850)
46	Unamortized ITC	(49,672)	(14,351)	0	(65)	(9,071)	(509)	(9)	(30)	(31,162)	(31,162)	(29)	(521)	(923)	(1,307)
47	Customer Advance For Construction	0	0	0	0	0	0	0	0	0	0	0	-	-	-
48	Customer Service Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Misc Rate Base Deductions	(6,694,544)	(1,931,029)	(2,655,407)	(8,746)	(1,223,376)	(68,550)	(3,965)	(1,168)	(1,302)	(426,076)	(3,908)	(70,272)	(124,445)	(176,280)
50	Total Rate Base Deductions	(480,426,560)	(140,004,766)	(185,622,853)	(670,508)	(37,343,609)	(4,925,235)	(289,654)	(84,357)	(95,332)	(30,637,580)	(275,988)	(5,014,479)	(6,880,143)	(12,578,477)
51															
52	Total Rate Base	575,051,121	165,047,779	228,657,833	726,590	105,352,907	5,895,417	337,631	100,141	110,331	35,565,121	336,612	6,033,744	10,721,523	15,185,492
53															
54															
55															
56	Return On Rate Base	6.06%	34,851,933	10,002,822	13,857,948	44,035	6,383,766	356,689	20,462	6,059	6,687	2,216,052	20,401	366,881	649,784
57	Total Operating Expenses	104,857,931	30,564,861	41,634,958	164,452	18,722,204	1,082,161	62,910	19,805	20,265	6,700,687	61,667	1,102,131	1,969,020	2,732,850
58	Revenue Credits	(55,224,631)	(16,191,837)	(22,046,152)	(93,359)	(9,551,639)	(580,541)	(34,111)	(12,549)	(10,588)	(3,519,386)	(32,800)	(601,280)	(1,103,890)	(1,446,600)
59	Total Revenue Requirements	84,465,222	24,375,786	33,446,765	115,128	15,554,431	858,310	49,261	13,325	16,364	5,397,352	49,268	867,742	1,514,914	2,206,576
60															
61															
62															
63	Return On Rate Base @ Target ROR	8.68%	49,936,605	14,332,260	19,855,969	63,095	9,146,798	511,072	29,319	8,696	9,581	3,175,207	29,230	525,589	931,025
64	Total Operating Expenses Adjusted for Taxes	114,064,212	33,212,874	45,303,535	176,109	20,412,156	1,176,566	68,327	21,412	22,035	7,287,335	67,067	1,199,287	2,141,035	2,976,485
65	Revenue Credits	(55,224,631)	(16,191,837)	(22,046,152)	(93,359)	(9,551,539)	(580,541)	(34,111)	(12,549)	(10,588)	(3,519,386)	(32,800)	(601,280)	(1,103,890)	(1,446,600)
66	Total Target Revenue Requirements	108,776,125	31,353,237	43,113,352	145,845	20,007,415	1,107,118	63,555	17,558	21,028	6,943,155	63,498	1,123,667	1,968,170	2,848,548
67															
68															

PaciCorp Cost Of Service By Rate Schedule - Distribution Function
State of Utah
Rolled-In
12 Months Ending March 2003

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
DESCRIPTION	Utah Jurisdiction Normalized	Residential Schedule 1	General Large Dist. Schedule 6	Street & Area Lighting Sch. 7,11,12	Transmission Schedule 9	Irrigation Schedule 10	Traffic Signals Schedule 12	Outdoor Lighting Schedule 12	Electric Furnace Schedule 21	General Small Dist. Schedule 23	Mobile Home Park Schedule 25	Industrial Cust A	Industrial Cust B	Industrial Cust C	
14	Operating Expenses														
15	Operating & Maintenance Expenses	80,957,404	38,403,552	28,196,221	5,321,824	784,106	883,196	60,932	17,263	6,518	7,006,652	52,862	44,355	76,202	
16	Depreciation Expense	48,848,545	24,448,856	17,260,313	1,934,777	165,469	581,844	36,249	12,386	3,656	4,136,902	38,379	6,958	6,727	
17	Amortization Expense	4,711,210	2,410,633	1,689,731	1,08,676	(13)	3,667	3,463	1,238	267	4,26,993	3,986	(204)	(1,303)	
18	Taxes Other Than Income Taxes	18,482,682	7,449,196	5,578,959	235,333	19,557	189,460	10,583	3,859	889	1,338,458	12,985	1,219	1,206	
19	Income Taxes - Federal	20,113,925	7,574,667	7,574,667	219,517	26,117	257,233	5,240	1,180	1,810	1,811,795	18,965	1,749	1,638	
20	Income Taxes - State	3,117,921	1,171,926	49,435	4,108	39,798	2,223	811	183	281,244	2,225	214	214	214	
21	Income Taxes Deferred	11,436,295	5,739,532	4,298,533	181,322	15,958	145,977	8,154	2,973	670	1,031,377	932	939	929	
22	Investment Tax Credit Adj.	(1,688,716)	(847,516)	(637,734)	(26,775)	(46,085)	(19,406)	(1,190)	(69)	(439)	(1,204)	(1,422)	(147)	(1,210)	
23	Misc Revenues & Expense	(33,514)	(24,207)												
24	Total Operating Expenses	182,263,819	89,249,455	65,101,510	8,123,958	933,218	2,153,431	134,702	43,310	13,221	16,073,398	135,549	54,053	83,896	
25														98,119	
26															
27	Rate Base														
28	Electric Plant In Service														
29	Plant Held For Future Use	908,127,976	638,178,262	40,352,535	4,875,306	22,082,956	4,116	1,327,461	466,046	119,466	160,381,896	1,449,116	202,767	196,061	
30	Electric Plant Acquisition Adj.	273,952	110,714	134,332	418	-	-	4,116	156	51	15	23,921	-	-	
31	Nuclear Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	
33	Fuel Stock	916,098	684,150	104,628	16,102	17,062	11,272	1,941	300	839	79,074	171	188	187	
34	Materials & Supplies	5,221,269	2,665,878	1,875,150	118,524	14,250	64,851	3,883	347	471,005	4,258	555	575	575	
35	Misc Deferred Debits	16,500,080	8,424,618	5,925,787	374,555	45,031	204,939	12,301	4,324	1,097	1,483,455	13,457	1,880	1,818	
36	Cash Working Capital	6,931,487	3,288,071	2,414,302	455,649	67,134	76,474	5,217	1,478	558	599,902	4,526	3,798	3,524	
37	Weatherization Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	
38	Miscellaneous Rate Base	-	-	-	-	-	-	-	-	-	-	-	-	-	
39															
40															
41	Total Rate Base Additions	1,807,786,799	923,301,407	645,632,459	41,317,781	5,018,782	22,444,609	1,350,979	473,557	122,322	163,644,253	1,471,747	209,228	205,166	
42	Rate Base Deductions :														
43	Accum Provision For Depreciation	(547,613,297)	(289,868,550)	(176,811,207)	(21,701,267)	(2,224,769)	(6,189,084)	(447,902)	(146,744)	(43,353)	(49,483,792)	(420,211)	(94,221)	(91,083)	
44	Accum Provision For Amortization	(20,058,454)	(10,142,401)	(7,710,954)	(445,559)	(141,560)	(14,945)	(5,302)	(1,408)	(1,795,311)	(1,795,311)	(1,238)	(1,045)	(1,045)	
45	Accum Deferred Income Taxes	(161,374,877)	(82,614,119)	(59,262,297)	(2,087,487)	(420,401)	(2,084,849)	(129,925)	(42,610)	(14,653)	(15,444,204)	(13,595)	(13,802)	(12,808)	
46	Unamortized TIC	(6,093,081)	(41,708)	(31,149)	(1,249)	(1,172)	(1,073)	(59)	(22)	(5)	(7,483)	(683)	(7)	(6)	
47	Customer Advance For Construction	(2,243,549)	(2,357,397)	-	-	(802,875)	(224,380)	-	-	-	(64,869)	-	-	-	
48	Customer Service Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	
49	Misc Rate Base Deductions	(11,187,533)	(5,712,135)	(4,017,855)	(253,989)	(30,532)	(138,985)	(8,340)	(2,932)	(744)	(1,008,216)	(9,124)	(1,275)	(1,233)	
50															
51	Total Rate Base Deductions	(746,410,251)	(390,632,463)	(249,630,859)	(3,620,309)	(8,856,671)	(594,172)	(197,610)	(60,173)	(67,30,875)	(57,235)	(117,113)	(118,026)	(120,245)	
52															
53	Total Rate Base	1,061,386,548	532,678,944	398,941,600	16,828,250	1,338,474	13,547,938	756,807	275,958	62,149	95,739,378	89,512	92,115	87,140	
54															
55		10,055,644	3,697,854	4,898,765	132,665	154,054	114,228	10,191	1,724	489	1,047,822	6,610	199	118	
1	Return On Rate Base	6.06%	64,326,105	32,283,335	24,178,101	1,019,888	84,755	821,081	45,867	16,725	5,802,344	54,152	5,583	5,281	
2	Total Operating Expenses		162,253,819	89,249,455	65,101,510	8,123,958	983,218	2,153,431	134,702	43,310	13,221	16,078,398	135,549	54,053	58,896
3	Revenue Credits		(10,055,644)	(3,697,854)	(4,898,765)	(132,665)	(154,054)	(114,228)	(10,191)	(1,724)	(489)	(1,047,822)	(6,610)	(118)	74
4	Total Revenue Requirements		236,524,280	117,834,935	84,379,846	9,011,181	923,919	2,860,283	170,378	58,311	16,499	20,833,920	183,091	59,437	89,059
5															
6															
7	Return On Rate Base @ Target ROR	8.68%	92,167,838	46,256,262	34,642,907	1,461,318	121,439	1,176,463	65,719	23,863	5,397	8,313,724	77,590	7,989	7,567
8	Total Operating Expenses Adjusted for Taxes		(10,055,644)	(3,697,854)	(4,898,765)	(132,665)	(154,054)	(114,228)	(10,191)	(1,724)	(47,738)	17,515,433	14,218	1,878,85	55,531
9	Revenue Credits														
10															
11	Total Target Revenue Requirements		281,394,839	140,354,118	101,245,237	9,722,602	983,040	3,433,027	202,372	69,977	19,126	24,881,335	220,865	63,331	92,743
12															

103,421

107,067

PacificCorp
Cost Of Service By Rate Schedule - Retail Services Function
State of Utah
Rolled-In
12 Months Ending March 2003

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
DESCRIPTION		Utah Jurisdiction Normalized	Residential Schedule 1	General Large Dist. Schedule 6	Street & Area Lighting Sch. 7,11,12	General Transmission Schedule 9	Irrigation Schedule 10	Traffic Signals Schedule 12	Outdoor Lighting Schedule 12	Electric Furnace Schedule 21	General Small Dist. Schedule 23	Mobile Home Park Schedule 25	Industrial Cust A	Industrial Cust B	Industrial Cust C	
14	Operating Expenses															
15	Operation & Maintenance Expenses	35,556,214	28,326,552	2,421,070	336,262	801,129	190,288	111,026	15,668	22,847	3,297,709	795	8,651	11,433	12,766	
16	Depreciation Expense	781,681	634,639	36,528	12,635	9,584	1,952	270	898	66,633	10	180	180	180	180	
17	Amortization Expense	4,324,231	3,510,802	202,059	69,889	99,474	53,071	10,801	1,496	4,971	368,611	55	994	994	994	
18	Taxes Other Than Income	349,600	359,600	17,916	7,119	4,589	4,205	1,121	161	468	28,138	39	215	(10,093)	385	
19	Income Taxes - Federal	(608,869)	(526,012)	(27,286)	(10,984)	(6,982)	(6,408)	(1,709)	(246)	(42,873)	(713)	(59)	(328)	(587)	(587)	
20	Income Taxes - State	(245,859)	(246,933)	(12,816)	(5,143)	(3,282)	(3,008)	(802)	(115)	(315)	(50,128)	(28)	(154)	(146)	(146)	
21	Income Taxes Deferred	(1,502,935)	(1,298,532)	(67,333)	(27,039)	(15,816)	(17,260)	(4,216)	(606)	(1,759)	(105,829)	(146)	(809)	(37,959)	(1,448)	
22	Investment Tax Credit Adj	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Misc Revenues & Expense	233,815	172,083	40,033	-	13,634	160	-	-	-	7,894	-	-	-	-	
24	Total Operating Expenses	38,897,887	30,917,705	2,610,118	382,850	909,272	232,096	118,172	16,623	26,376	3,600,154	666	8,760	63,071	12,015	
25																
26																
27																
28	Rate Base :															
29	Electric Plant In Service	53,809,980	42,546,979	3,562,988	875,792	1,284,511	659,411	128,587	18,284	58,423	4,584,613	3,142	19,484	25,383	30,384	
30	Plant Held For Future Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	Nuclear Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	Prepayments	19,336	15,699	904	313	446	237	48	7	22	1,648	0	4	4	4	
33	Fuel Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	Materials & Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
35	Misc Deferred Debits	840,520	310,177	324,812	7,451	95,465	9,319	547	174	127	61,782	563	5,780	10,263	14,060	
36	Cash Working Capital	1,319,325	1,051,544	89,375	12,483	29,740	7,064	4,122	582	848	122,418	29	322	424	474	
37	Weatherization Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
38	Miscellaneous Rate Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40	Total Rate Base Additions	55,389,761	43,926,398	3,978,580	896,039	1,420,160	676,031	133,303	19,046	59,420	4,770,481	3,735	25,590	36,075	44,922	
41	Rate Base Deductions :															
42	Accum Provision For Depreciation	(3,288,338)	(2,870,582)	(153,709)	(53,171)	(75,667)	(40,370)	(8,216)	(1,138)	(3,781)	(280,393)	(42)	(756)	(756)	(756)	
43	Accum Provision For Amortization	(22,142,161)	(17,731,481)	(1,219,340)	(354,513)	(61,939)	(271,236)	(54,292)	(7,646)	(24,887)	(187,961)	(653)	(9,068)	(12,957)	(14,832)	
44	Accum Deferred Income Taxes	6,255,923	5,083,887	304,082	83,906	139,807	59,263	17,430	2,416	6,042	552,101	6	1,151	1,075	936	
45	Unamortized ITC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
46	Customer Advance For Construction	(5,371,405)	(1,443,450)	(1,500,076)	(0,0)	(6,646)	(561,962)	(92,838)	0	-	-	-	(948,458)	0	-	-
47	Customer Service Deposits	-	-	-	-	-	-	-	-	-	-	-	(817,475)	-	-	
48	Misc Rate Base Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
49	Total Rate Base Deductions	(24,559,981)	(16,762,326)	(2,568,044)	(330,423)	(1,051,114)	(345,181)	(45,078)	(6,369)	(22,626)	(2556,711)	(689)	(8,673)	(830,144)	(14,632)	
50	Total Rate Base	31,437,781	27,164,072	1,409,336	565,616	361,047	330,850	88,225	12,677	36,734	2,213,750	3,046	16,916	(784,039)	30,291	
51																
52																
53																
54																
55																
56																
57	Return On Rate Base	6.06%	1,905,367	1,646,295	85,426	34,280	21,881	20,051	5,347	768	2,230	134,166	185	1,025	1,836	
58	Total Operating Expenses	38,897,887	30,917,705	2,610,118	382,850	908,272	232,096	118,172	16,629	26,378	3,600,154	666	8,760	(48,123)	12,015	
59	Revenue Credits	(7,036,717)	(4,316,159)	(701,225)	(85,956)	(251,60)	(234,174)	(14,539)	(2,480)	(853)	(1,649,718)	(594)	(228)	(239)	(239)	
60	Total Revenue Requirements	33,768,536	28,247,842	1,994,319	327,134	905,994	17,973	108,980	14,917	27,745	2,084,603	(743)	9,557	14,649	13,567	
61																
62																
63																
64	Return On Rate Base @ Target ROR	8.68%	2,730,051	2,358,848	122,400	49,116	31,352	28,730	7,661	1,101	3,195	192,236	264	1,469	(68,952)	
65	Total Operating Expenses Adjusted for Taxes	39,402,288	31,355,523	2,632,733	391,924	915,065	237,404	119,558	16,832	26,968	3,635,372	715	9,031	50,352	2,630	
66	Revenue Credits	(7,035,717)	(4,316,159)	(701,225)	(85,956)	(251,60)	(234,174)	(14,539)	(2,480)	(863)	(1,649,718)	(594)	(228)	(239)	(239)	
67	Total Target Revenue Requirements	35,095,621	29,396,212	2,053,908	351,045	921,257	31,980	112,710	15,453	29,301	2,178,190	(615)	10,272	(18,919)	14,847	

PacificCorp
Cost Of Service By Rate Schedule - Miscellaneous Function
State of Utah
Rolled-In
12 Months Ending March 2003

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
DESCRIPTION	Utah Normalized	Jurisdiction Normalized	Residential Schedule 1	General Large Dist. Schedule 6	Street & Area Lighting Scht. 7,11,12	General Transmission Schedule 9	Irrigation Schedule 10	Traffic Signals Schedule 12	Outdoor Lighting Schedule 12	Electric Furnace Schedule 21	General Small Dist. Schedule 23	Mobile Home Park Schedule 25	Industrial Cust A	Industrial Cust B	Industrial Cust C
14 Operating Expenses															
15 Operation & Maintenance Expenses															
16 Depreciation Expense															
17 Amortization Expense															
18 Taxes Other Than Income															
19 Income Taxes - Federal															
20 Income Taxes - State															
21 Income Taxes Deferred															
22 Investment Tax Credit Adj															
23 Misc Revenues & Expense															
24 Total Operating Expenses															
26 Total Operating Expenses	7,965,236	3,173,624	2,668,752	56,774	1,072,077	72,799	7,625	3,691	547,408	4,220	69,536	123,582	162,982		
27 Rate Base :															
28 Electric Plant In Service															
29 Plant Held For Future Use															
30 Electric Plant Acquisition Adj															
31 Nuclear Fuel															
32 Prepayments															
33 Fuel Stock															
34 Materials & Supplies															
35 Misc Deferred Debits															
36 Cash Working Capital															
37 Weatherization Loans															
38 Miscellaneous Rate Base															
40 Total Rate Base Additions															
41 Total Rate Base Additions	22,989,938	6,740,379	9,031,334	49,431	4,069,915	244,444	14,804	6,942	4,231	1,430,642	13,619	261,106	497,429	625,062	
42 Rate Base Deductions :															
43 Accum Provision For Depreciation															
44 Accum Provision For Amortization															
45 Accum Deferred Income Taxes															
46 Unamortized ITC															
47 Customer Advance For Construction															
48 Customer Service Deposits															
49 Misc Rate Base Deductions															
51 Total Rate Base Deductions															
53 Total Rate Base	22,989,938	6,740,379	9,031,334	49,431	4,069,915	244,444	14,804	6,942	4,231	1,430,642	13,619	261,106	497,429	625,062	
55 Return On Rate Base	6.06%	1,393,319	408,505	547,386	2,996	14,815	897	421	256	85,705	825	15,824	30,147	37,882	
56 Total Operating Expenses		7,985,236	3,173,624	2,668,752	56,774	1,072,077	72,799	7,625	3,691	547,408	4,220	69,536	123,582	162,982	
58 Revenue Credits		(787,589)	(371,527)	(224,493)	(5,588)	(32,386)	(6,476)	(1,019)	(222)	(113)	(55,332)	(312)	(5,800)	(10,371)	(13,910)
60 Total Revenue Requirements		8,570,986	3,210,602	2,991,645	54,182	1,226,981	81,137	7,504	3,889	1,678	578,782	4,713	79,580	143,358	186,954
62															
63															
64 Return On Rate Base @ Target ROR	8.68%	1,986,378	585,315	784,308	4,292	353,419	21,227	1,286	603	367	124,233	1,183	22,674	43,195	54,279
65 Total Operating Expenses Adjusted for Taxes		8,334,014	3,281,766	2,813,660	57,567	1,138,005	76,721	7,893	3,892	570,361	4,439	73,725	131,563	173,010	
66 Revenue Credits		(737,589)	(371,527)	(224,493)	(5,588)	(32,386)	(6,476)	(1,019)	(222)	(113)	(55,332)	(332)	(5,800)	(10,371)	(13,910)
67 Total Target Revenue Requirements		9,542,893	3,495,554	3,373,473	56,272	1,399,038	91,471	8,129	4,183	1,857	639,262	5,289	90,599	164,387	213,379

Exhibit
UP&L_(DLT-3)

PacifiCorp
Exhibit UP&L ___(DLT-3)
Docket No. _____
Witness: David L. Taylor

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

PACIFICORP

Exhibit Accompanying Direct Testimony of David L. Taylor
Residential Inverted Block Options

September 2003

PacifiCorp
State of Utah
Residential Inverted Block Options Summary
Cents Per kWh

<u>Line No.</u>	<u>Description</u>	<u>Embedded Cost of Service</u>	<u>Target ROR</u>	<u>Current Summer Peak Super Purchases</u>	<u>Draft 5X8 Super-Peak</u>	<u>Avoided Costs (CCCT)</u>
		(1)	(2)	(3)	(4)	
<u>Residential Cents/kWh</u>						
1	Generation Costs	3.41		8.25	7.65	
2	Non Generation Costs	3.96		<u>3.96</u>	<u>3.96</u>	
3	Total Cost of Service	7.37		12.21	11.61	

Sources:

- Column (2): Rows 1 & 2 - Exhibit UP&L (DLT-4) Tab 4 Unit Costs
- Column (3): Row 1 - Exhibit UP&L (DLT-3) Page 2 of 3
- Column (3): Row 2 - Exhibit UP&L (DLT-4) Tab 4 Unit Costs
- Column (4): Row 1 - Exhibit UP&L (DLT-3) Page 3 of 3 * 1.0964 losses
- Column (4): Row 2 - Exhibit UP&L (DLT-4) Tab 4 Unit Costs

<u>Line No.</u>	<u>Provider</u>	<u>Description</u>	<u>\$/MWh</u>
(1)	(2)	(3)	
1	Duke SuPk	25 MW, energy charge \$75.85 /MWh, starts June 2004 Ends 1/1/2011	\$ 75.85
2			
3	Public Service NM	100 MW for 8 hours/day super peak June through September, energy charge \$73.02 Ends 9/2005	\$ 73.02
4			
5			
6	Public Service NM	50 MW for 8 hours/day super peak June through August, energy charge \$76.00/MWH Ends 8/2005	\$ 76.00
7			
8			
9	Pinnacle West	50 MW for 8 hours/day super peak June through September, energy charge \$76 /MWH Ends 9/2005	\$ 76.00
10			
11			
12	Average		
13	Residential Losses		\$ 75.22 9.64%
14	Price @ Residential Meter		\$ 82.47

Residential Inverted Block Options
On- & Off-Peak Energy Prices
Super Peak 8 Hours 5 Days per Week

Year	Avoided Firm Capacity Costs (\$/kW-yr)	Total Avoided Energy Cost (\$/MWh)	Capacity Cost Allocated to On-Peak Hours (\$/MWH)	On-Peak 2,086 Hours 8 hrs 5 days (\$/MWH)	Off-Peak 6,674 Hours (\$/MWH)	(e) (b) + (c)
(a)	(b)	(c)	(d)	(e)	(b)	(b)
2003	\$64.56	\$33.39	\$36.41	\$69.80	\$33.39	
2004	\$66.17	\$33.22	\$37.32	\$70.54	\$33.22	
2005	\$67.83	\$31.38	\$38.26	\$69.64	\$31.38	
2006	\$69.52	\$31.42	\$39.21	\$70.63	\$31.42	
2007	\$71.26	\$31.76	\$40.19	\$71.95	\$31.76	
2008	\$73.04	\$32.42	\$41.20	\$73.62	\$32.42	
2009	\$74.87	\$31.86	\$42.23	\$74.09	\$31.86	
2010	\$76.74	\$29.60	\$43.29	\$72.89	\$29.60	
2011	\$78.66	\$28.58	\$44.37	\$72.95	\$28.58	
2012	\$80.62	\$29.48	\$45.48	\$74.95	\$29.48	
2013	\$82.64	\$30.38	\$46.61	\$77.00	\$30.38	
2014	\$84.71	\$27.42	\$47.78	\$75.20	\$27.42	
2015	\$86.82	\$28.03	\$48.97	\$77.00	\$28.03	
2016	\$88.99	\$29.86	\$50.20	\$80.05	\$29.86	
2017	\$91.22	\$31.54	\$51.45	\$82.99	\$31.54	
2018	\$93.50	\$32.41	\$52.74	\$85.15	\$32.41	
2019	\$95.84	\$33.36	\$54.06	\$87.41	\$33.36	
2020	\$98.23	\$34.36	\$55.41	\$89.77	\$34.36	
2021	\$100.69	\$34.41	\$56.79	\$91.21	\$34.41	
2022	\$103.21	\$35.34	\$58.21	\$93.56	\$35.34	
2023	\$105.79	\$36.32	\$59.67	\$95.99	\$36.32	
2024	\$108.43	\$37.33	\$61.16	\$98.49	\$37.33	
2025	\$111.14	\$38.45	\$62.69	\$101.14	\$38.45	

Source:
 Column (a) Company's Draft 2003 Utah Avoided Costs
 (b) Company's Draft 2003 Utah Avoided Costs

PacifiCorp
Exhibit UP&L____(DLT-4)
Docket No. _____
Witness: David L. Taylor

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

PACIFICORP

Exhibit Accompanying Direct Testimony of David L. Taylor
Functionalized Results of Operations and Cost of Service Detail
12 Months Ended March 2003

September 2003

**THIS EXHIBIT IS VOLUMINOUS AND IS
PROVIDED UNDER SEPARATE COVER**