DPU Data Request 3.3

Please refer to the "Form 1 – ROO Bal Sheet" tab in the "FERC From 1 and 10K – Results of Operations Reconciliations" excel file. This spreadsheet does not appear to explain any of the adjustments made to the FERC Form 1 to arrive at the Regulatory Results.

(a) Please explain what the "Non-Co. Code 1000 in Regulatory Results" column means.
(b) For the following accounts/account categories, how does the Company determine which FERC From 1 items are "non-regulatory?"
-Utility Plant Accounts
-Other Property and Investments
-Current and Accrued Assets
-Deferred Debits
-Other Non-current liabilities
-Current and Accrued liabilities
-Deferred Credits
(c) Please provide the key, table or other spreadsheets or workpapers used in determining which FERC Form 1 accounts or components of those accounts are "non-regulatory."

Response to DPU Data Request 3.3

(a) The FERC Form 1 requires investment in subsidiaries to be recorded under the equity method. For regulatory purposes, the Company includes wholly owned subsidiaries on a consolidated basis. Amounts in the "Non-Co. Code 1000 in Regulatory Results" column are balances of wholly owned PacifiCorp subsidiaries that are included in regulatory results on a consolidated basis. "Company Code 1000" is the company code assigned to PacifiCorp in SAP.

(b) Items are designated "non-regulatory" on an item by item basis according to how each item is treated in rate case and regulatory results filings. Provided below is an explanation for a sample item from each category identified in part b above.

Utility Plant Account – All $53.7 million shown as "non-regulatory" for FERC Accounts 310-317 are balances associated with legal ARO obligations on PacifiCorp's steam generation plants. As discussed in the Company's response to DPU Data Request 3.2, entries associated with ARO removal costs are not reflected in above-the-line regulatory results. Rather, all removal costs, whether a legal ARO is established or not, are accrued through depreciation expense. Accordingly, the ARO items are classified as "non-regulatory" in this reconciliation.

Investment in Subsidiary Companies – The majority of the $239.0 million balance shown as “non-regulatory” for FERC Account 123 is for PacifiCorp’s investment in Pacific Minerals, Inc. (PMI) which operates the Bridger mine in Wyoming. As addressed in subpart (a) above, wholly owned subsidiaries are recorded using the equity method in the Form 1, but are consolidated in results in regulatory filings. For PMI, the equity method treatment is excluded from regulatory results and PMI balances are consolidated. O&M amounts are included in the cost of fuel and rate base balances are included in results through the Bridger Mine adjustment (8.3 in the December 2012 ROO).

Current and Accrued Assets - The FERC Account 131, Cash, balance is removed from regulatory results and replaced by the balance produced by the cash working capital calculation utilizing the lead-lag study.

Deferred Debits – Over a third of the $1.6 billion balance show for account 182.3, Other Regulatory Assets, are related to prepaid pension and other post-retirement welfare costs. Through the December 2012 results of operations, these costs had been excluded from rate base in regulatory filings. However, as noted in the 10K-Form 1 reconciliation and the December 2012 ROO, the Company intends to seek rate base recovery of these items in the next general rate case filing.

Other Non-Current Liabilities – Account 230, Asset Retirement Obligations, reflects the liability balances for legal AROs that are included in the Form 1, but are excluded from regulatory results as addressed in the Company’s response to DPU Data Request 3.2.

Current and Accrued Liabilities – Account 244, Derivative Instrument Liabilities, reflects changes in the market value of derivative instrument liabilities as governed by FAS 133. Mark-to-market FAS 133 entries are excluded from regulatory results.

Deferred Credits – Account 254, Other Regulatory Liabilities, contains regulatory liability balances related to the Blue Sky program that are excluded from ROO filings and rate cases as Blue Sky program costs are recovered through a separate tariff rider.

Please refer to Attachment DPU 3.3 for a listing of accounts assigned non-regulatory status on a case by case basis and those where the balances were assigned non-regulatory in their entirety for calendar year 2012 operations.