

RMP 2014 GRC Filing Requirements

R746-700- 20.A.3

Accounting Policy Changes: A description of any significant changes in accounting policies for the 24-month period prior to the historical period and any subsequent accounting changes through the date of the general rate case application and, if a forecasted test period is used, any future significant changes included in a future test period, along with their impact on the filing. Significant changes for this purpose are anything referenced or that would be referenced in footnotes of financial statements or auditor's reports.

Response to R746-700-20-A.3

Significant changes referenced in the footnotes of PacifiCorp's financial statement were either disclosure-only pronouncements or did not significantly impact PacifiCorp's financial statements. Refer to the notes in PacifiCorp's financial statements for further discussions on the adoption of the following accounting pronouncements:

- Accounting Standards Update No. 2013-04, Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date (a consensus of the FASB Emerging Issues Task Force)
- Accounting Standards Update No. 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income
- Accounting Standards Update No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities
- Accounting Standards Update No. 2011-09, Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer's Participation in a Multiemployer Plan
- Accounting Standards Update No. 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income
- Accounting Standards Update No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs
- Accounting Standards Update No. 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements

There have been no other significant changes in accounting policies for the 24-month period prior to the historical period. Although no material changes are anticipated through the end of the Test Period, the Financial Accounting Standards Board currently has several exposure drafts outstanding, including those related to revenue recognition, accounting for leases and financial

instruments. At this time, PacifiCorp cannot predict the impact of these pending accounting standards updates on its revenue requirement.