

**SCHEDULE 146
COLSTRIP POWER PLANT
OPERATING LIFE ADJUSTMENT**

PURPOSE

This schedule establishes the mechanism to implement in rates the Company's share of the revenue requirement effect of the change in the Colstrip Power Plant Units 3 and 4 and associated common facilities currently assumed end of depreciable life year from 2042 to 2030 as specified in 2016 Oregon Laws, Chapter 28 (SB 1547), Section 1. This schedule is implemented as an "automatic adjustment clause" as defined in ORS 757.210.

APPLICABLE

To all bills for Electricity Service except Schedules 76R, 485, 489, 490, 491, 492, 495, 576R and 689.

(C)
(C)

ADJUSTMENT RATES

Schedule 146 Adjustment Rates will be set based on an equal percent of Energy Charge revenues applicable at the time of any filing that revises rates pursuant to this schedule.

<u>Schedule</u>		<u>Adjustment Rate</u>
7	0.000	¢ per kWh
15/515	0.000	¢ per kWh
32/532	0.000	¢ per kWh
38/538	0.000	¢ per kWh
47	0.000	¢ per kWh
49/549	0.000	¢ per kWh
75/575		
Secondary	0.000	¢ per kWh
Primary	0.000	¢ per kWh
Subtransmission	0.000	¢ per kWh
83/583	0.000	¢ per kWh
85/585		
Secondary	0.000	¢ per kWh
Primary	0.000	¢ per kWh
89/589		
Secondary	0.000	¢ per kWh
Primary	0.000	¢ per kWh
Subtransmission	0.000	¢ per kWh

SCHEDULE 146 (Concluded)

ADJUSTMENT RATE (Continued)

<u>Schedule</u>		<u>Adjustment Rate</u>	
90/590	0.000	¢ per kWh	(R)
91/591	0.000	¢ per kWh	
92/592	0.000	¢ per kWh	
95/595	0.000	¢ per kWh	(R)

DETERMINATION OF ADJUSTMENT AMOUNT

Any revision to this schedule's Adjustment Rates requires Commission authorization (by order, approval of a filing, acknowledgement of an Integrated Resource Plan's Action Plan, or approval of a depreciation study) to revise for rate setting and accounting purposes, the end of depreciable life assumption of 2042 for the Colstrip Power Plant Units 3 and 4 and associated common facilities. The revised Adjustment Rates will be set to recover an Adjustment Amount reflecting the change in depreciation revenue requirements.

The Adjustment Amount is the difference between the Colstrip Power Plant Units 3 and 4 and associated common facilities depreciation/amortization revenue requirement for the year 2017 as determined in UE 294 that reflects a plant end of depreciable life date of 2042, and the same depreciation/amortization revenue requirement determination using a plant end of depreciable life assumption of 2030. The depreciation/amortization revenue requirement change computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return, and return on equity rates. Only changes to depreciation expense, amortization expense and related Schedule M and rate base adjustments as of the date of the filing revisions to this rate schedule are included in the depreciation/amortization revenue requirements.

The Adjustment Rates will be updated annually to reflect the subsequent year's change in the Colstrip Power Plant Units 3 and 4 depreciation revenue requirement, if the Company has not incorporated the revised depreciable life into base rates in a general rate case or other proceeding.

The docket reference numbers and dates in this schedule will be revised as necessary to a subsequent docket if no change to the Colstrip Power Plant Units 3 and 4 and associated common facilities depreciable life occurs prior to a subsequent general rate case order.

TERM

This schedule will terminate at the date that base rates include the revised end of life assumption or when all remaining investment in the Colstrip Power Plant Units 3 and 4 and associated facilities have been recovered.