

Rocky Mountain Power
Exhibit RMP___(SRM-1R)
Docket No. 10-035-124
Witness: Steven R. McDougal

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Rebuttal Testimony of Steven R. McDougal

Summary of Revenue Requirement Adjustments

June 2011

**Rocky Mountain Power
UTAH
Normalized Results of Operations - 2010 PROTOCOL
Twelve Months Ending June 30, 2012**

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	1,702,237,831	188,057,278	1,890,295,108
3 Interdepartmental	-		
4 Special Sales	211,875,980		
5 Other Operating Revenues	106,088,782		
6 Total Operating Revenues	<u>2,020,202,592</u>		
7			
8 Operating Expenses:			
9 Steam Production	458,024,984		
10 Nuclear Production	-		
11 Hydro Production	18,990,616		
12 Other Power Supply	533,194,014		
13 Transmission	84,355,496		
14 Distribution	98,555,292		
15 Customer Accounting	38,105,230	591,731	38,696,961
16 Customer Service & Info	5,660,783		
17 Sales	-		
18 Administrative & General	65,191,412		
19			
20 Total O&M Expenses	1,302,077,827		
21			
22 Depreciation	232,141,225		
23 Amortization	20,147,733		
24 Taxes Other Than Income	54,861,581	-	54,861,581
25 Income Taxes - Federal	(78,653,432)	62,634,114	(16,019,318)
26 Income Taxes - State	(6,955,775)	8,510,936	1,555,161
27 Income Taxes - Def Net	161,038,984		
28 Investment Tax Credit Adj.	(1,558,186)		
29 Misc Revenue & Expense	(2,723,765)		
30			
31 Total Operating Expenses:	1,680,376,193	71,736,781	1,752,112,973
32			
33 Operating Rev For Return:	<u>339,826,399</u>	<u>116,320,497</u>	<u>456,146,896</u>
34			
35 Rate Base:			
36 Electric Plant In Service	9,844,427,224		
37 Plant Held for Future Use	16,435,632		
38 Misc Deferred Debits	34,883,816		
39 Elec Plant Acq Adj	21,994,998		
40 Nuclear Fuel	-		
41 Prepayments	17,271,004		
42 Fuel Stock	94,944,355		
43 Material & Supplies	76,882,096		
44 Working Capital	27,242,237		
45 Weatherization Loans	5,006,194		
46 Misc Rate Base	-		
47			
48 Total Electric Plant:	10,139,087,556	-	10,139,087,556
49			
50 Rate Base Deductions:			
51 Accum Prov For Deprec	(2,902,359,670)		
52 Accum Prov For Amort	(202,675,935)		
53 Accum Def Income Tax	(1,424,567,181)		
54 Unamortized ITC	(121,260)		
55 Customer Adv For Const	(6,402,542)		
56 Customer Service Deposits	(12,766,401)		
57 Misc Rate Base Deductions	(24,149,001)		
58			
59 Total Rate Base Deductions	(4,573,041,990)	-	(4,573,041,990)
60			
61 Total Rate Base:	<u>5,566,045,566</u>	<u>-</u>	<u>5,566,045,566</u>
62			
63 Return on Rate Base	6.105%		8.195%
64			
65 Return on Equity	6.473%		10.500%
66			
67 TAX CALCULATION:			
68 Operating Revenue	413,697,991	187,465,547	601,163,538
69 Other Deductions			
70 Interest (AFUDC)	(17,974,419)	-	(17,974,419)
71 Interest	151,918,534	-	151,918,534
72 Schedule "M" Additions	334,716,270	-	334,716,270
73 Schedule "M" Deductions	760,086,473	-	760,086,473
74 Income Before Tax	(145,616,327)	187,465,547	41,849,220
75			
76 State Income Taxes	(6,955,775)	8,510,936	1,555,161
77 Taxable Income	<u>(138,660,552)</u>	<u>178,954,611</u>	<u>40,294,059</u>
78			
79 Federal Income Taxes + Other	<u>(78,653,432)</u>	<u>62,634,114</u>	<u>(16,019,318)</u>

Rocky Mountain Power
Normalized Results of Operations - 2010 Protocol
Adjustment Summary
Twelve Months Ending June 30, 2012

	Exhibit RMP___(SRM-3)		Exhibit RMP___(SRM-3)			
	Tab 10	Tab 10	Tab 3	Tab 4	Tab 5	Tab 6
	Total Company Actual Results June 2010	Utah Allocated Actual Results June 2010	Revenue Adjustments	O&M Adjustments	Net Power Cost Adjustments	Depreciation & Amortization Adjustments
1 Operating Revenues:						
2 General Business Revenues	3,531,064,561	1,496,868,201	205,369,630	-	-	-
3 Interdepartmental	-	-	-	-	-	-
4 Special Sales	582,689,682	248,414,941	-	-	(44,829,200)	-
5 Other Operating Revenues	296,074,722	147,312,391	(7,823,638)	(52,334,389)	661,682	-
6 Total Operating Revenues	4,409,828,965	1,892,595,533	197,545,991	(52,334,389)	(44,167,519)	-
7						
8 Operating Expenses:						
9 Steam Production	922,394,908	395,337,252	-	9,074,153	59,843,033	-
10 Nuclear Production	-	-	-	-	-	-
11 Hydro Production	38,391,334	16,617,348	-	1,017,379	-	-
12 Other Power Supply	956,283,650	424,979,441	-	1,977,939	90,871,915	-
13 Transmission	181,821,260	78,667,162	(186,282)	1,300,780	4,878,759	-
14 Distribution	213,670,478	91,050,002	-	8,698,300	-	-
15 Customer Accounting	90,779,128	36,451,656	-	2,328,175	-	-
16 Customer Service & Info	105,668,821	69,260,359	-	(63,293,252)	-	-
17 Sales	-	-	-	-	-	-
18 Administrative & General	153,460,561	61,017,808	-	5,010,367	-	-
19						
20 Total O&M Expenses	2,662,470,141	1,173,381,028	(186,282)	(33,886,159)	155,593,707	-
21						
22 Depreciation	479,131,582	199,272,628	-	-	-	31,792,816
23 Amortization	43,823,879	18,509,996	-	-	-	697,902
24 Taxes Other Than Income	129,162,101	44,530,933	-	-	-	-
25 Income Taxes - Federal	(89,629,736)	(50,794,312)	65,409,787	(6,895,651)	(66,725,281)	(8,177,348)
26 Income Taxes - State	(12,179,193)	(6,902,103)	8,888,104	(937,004)	(9,066,858)	(1,111,166)
27 Income Taxes - Def Net	426,417,883	183,386,679	520,916	845,591	(31,540)	-
28 Investment Tax Credit Adj.	(1,874,204)	(1,558,186)	-	-	-	-
29 Misc Revenue & Expense	(7,099,221)	(3,873,564)	589,812	-	-	-
30						
31 Total Operating Expenses:	3,630,223,232	1,555,953,100	75,222,336	(40,873,223)	79,770,028	23,202,205
32						
33 Operating Rev For Return:	779,605,733	336,642,433	122,323,655	(11,461,165)	(123,937,547)	(23,202,205)
34						
35 Rate Base:						
36 Electric Plant In Service	19,629,839,670	8,417,407,922	-	-	-	-
37 Plant Held for Future Use	13,576,776	6,925,775	-	-	-	-
38 Misc Deferred Debits	151,046,883	29,879,816	-	-	(904,176)	-
39 Elec Plant Acq Adj	61,849,405	26,770,965	-	-	-	-
40 Nuclear Fuel	-	-	-	-	-	-
41 Prepayments	37,521,643	17,266,821	-	-	-	-
42 Fuel Stock	164,099,546	69,884,514	-	-	-	-
43 Material & Supplies	181,520,497	76,889,721	-	-	-	-
44 Working Capital	55,750,154	25,745,029	1,137,861	(640,524)	1,225,221	(142,610)
45 Weatherization Loans	26,953,205	5,408,857	-	-	-	-
46 Misc Rate Base	1,809,172	941,704	-	-	-	-
47						
48 Total Electric Plant:	20,323,966,953	8,677,121,126	1,137,861	(640,524)	321,045	(142,610)
49						
50 Rate Base Deductions:						
51 Accum Prov For Deprec	(6,623,109,291)	(2,676,150,238)	-	-	-	(271,693,580)
52 Accum Prov For Amort	(429,694,648)	(180,342,758)	-	-	-	(16,791,193)
53 Accum Def Income Tax	(2,089,491,417)	(883,815,079)	769,701	(708,976)	203,476	-
54 Unamortized ITC	(7,294,222)	(148,272)	-	-	-	-
55 Customer Adv For Const	(20,616,068)	(7,487,349)	-	-	-	-
56 Customer Service Deposits	-	-	-	-	-	-
57 Misc Rate Base Deductions	(57,893,629)	(22,326,640)	(2,028,145)	-	642,167	-
58						
59 Total Rate Base Deductions	(9,228,099,274)	(3,770,270,336)	(1,258,443)	(708,976)	845,643	(288,484,773)
60						
61 Total Rate Base:	11,095,867,678	4,906,850,790	(120,582)	(1,349,500)	1,166,688	(288,627,383)
62						
63 Return on Rate Base	7.026%	6.861%	2.493%	-0.231%	-2.528%	-0.090%
64						
65 Return on Equity	8.155%	7.837%	4.804%	-0.445%	-4.871%	-0.174%
66						
67 TAX CALCULATION:						
68 Operating Revenue		460,774,512	197,142,462	(18,448,230)	(199,761,226)	(32,490,718)
69 Other Deductions						
70 Interest (AFUDC)		(34,825,592)	-	-	-	-
71 Interest		136,272,079	(3,349)	(37,478)	32,401	(8,015,702)
72 Schedule "M" Additions		363,895,364	-	561,824	-	-
73 Schedule "M" Deductions		875,252,097	1,372,601	2,789,936	(83,108)	-
74 Income Before Tax		(152,028,709)	195,773,210	(20,638,864)	(199,710,519)	(24,475,016)
75						
76 State Income Taxes		(6,902,103)	8,888,104	(937,004)	(9,066,858)	(1,111,166)
77 Taxable Income		(145,126,605)	186,885,106	(19,701,859)	(190,643,661)	(23,363,851)
78						
79 Federal Income Taxes + Other		(50,794,312)	65,409,787	(6,895,651)	(66,725,281)	(8,177,348)
APPROXIMATE REVENUE REQUIREMENT IMPACT		109,658,339	(197,778,753)	18,349,615	200,527,368	(952,672)

Rocky Mountain Power
Normalized Results of Operations - 2010 Protocol
Adjustment Summary
Twelve Months Ending June 30, 2012

	Exhibit RMP___(SRM-3)		Tab 10 Utah Normalized Results June 2012	Exhibit RMP___(SRM-2R)	
	Tab 7 Tax Adjustments	Tab 8 Rate Base Adjustments		Tab 12 Rebuttal Adjustments	Tab 2 Rebuttal Normalized Results June 2012
1 Operating Revenues:					
2 General Business Revenues	-	-	1,702,237,831	-	1,702,237,831
3 Interdepartmental	-	-	-	-	-
4 Special Sales	-	-	203,585,741	8,290,240	211,875,980
5 Other Operating Revenues	-	-	87,816,046	18,272,735	106,088,782
6 Total Operating Revenues	-	-	1,993,639,617	26,562,975	2,020,202,592
7					
8 Operating Expenses:					
9 Steam Production	-	-	464,254,438	(6,229,454)	458,024,984
10 Nuclear Production	-	-	-	-	-
11 Hydro Production	-	1,751,252	19,385,978	(395,362)	18,990,616
12 Other Power Supply	-	7,271,561	525,100,856	8,093,158	533,194,014
13 Transmission	-	-	84,660,419	(304,924)	84,355,496
14 Distribution	-	-	99,748,303	(1,193,011)	98,555,292
15 Customer Accounting	-	-	38,779,831	(674,601)	38,105,230
16 Customer Service & Info	-	(201,259)	5,765,848	(105,065)	5,660,783
17 Sales	-	-	-	-	-
18 Administrative & General	1,571,000	(454,856)	67,144,319	(1,952,907)	65,191,412
19					
20 Total O&M Expenses	1,571,000	8,366,698	1,304,839,992	(2,762,165)	1,302,077,827
21					
22 Depreciation	-	1,966,281	233,031,726	(890,501)	232,141,225
23 Amortization	-	1,269,416	20,477,315	(329,582)	20,147,733
24 Taxes Other Than Income	10,309,594	-	54,840,527	21,055	54,861,581
25 Income Taxes - Federal	(5,536,717)	(17,949,613)	(90,669,134)	12,015,702	(78,653,432)
26 Income Taxes - State	2,979,572	(2,439,054)	(8,588,509)	1,632,734	(6,955,775)
27 Income Taxes - Def Net	(22,599,593)	34,107	162,156,159	(1,117,175)	161,038,984
28 Investment Tax Credit Adj.	-	-	(1,558,186)	-	(1,558,186)
29 Misc Revenue & Expense	-	756,442	(2,527,310)	(198,455)	(2,723,765)
30					
31 Total Operating Expenses:	(13,276,144)	(7,995,723)	1,672,002,579	8,373,614	1,680,376,193
32					
33 Operating Rev For Return:	13,276,144	7,995,723	321,637,039	18,189,361	339,826,399
34					
35 Rate Base:					
36 Electric Plant In Service	-	1,481,026,874	9,898,434,796	(54,007,572)	9,844,427,224
37 Plant Held for Future Use	-	-	6,925,775	9,509,857	16,435,632
38 Misc Deferred Debits	-	5,906,874	34,882,514	1,302	34,883,816
39 Elec Plant Acq Adj	-	(4,775,967)	21,994,998	-	21,994,998
40 Nuclear Fuel	-	-	-	-	-
41 Prepayments	-	-	17,266,821	4,182	17,271,004
42 Fuel Stock	-	25,059,840	94,944,355	-	94,944,355
43 Material & Supplies	-	-	76,889,721	(7,624)	76,882,096
44 Working Capital	143,146	(400,262)	27,067,863	174,373	27,242,237
45 Weatherization Loans	-	(402,662)	5,006,195	(1)	5,006,194
46 Misc Rate Base	-	(941,704)	-	-	-
47					
48 Total Electric Plant:	143,146	1,505,472,993	10,183,413,038	(44,325,482)	10,139,087,556
49					
50 Rate Base Deductions:					
51 Accum Prov For Deprec	-	(3,082,421)	(2,950,926,240)	48,566,570	(2,902,359,670)
52 Accum Prov For Amort	-	(3,543,772)	(200,677,722)	(1,998,213)	(202,675,935)
53 Accum Def Income Tax	(604,565,545)	(515,861)	(1,488,632,284)	64,065,103	(1,424,567,181)
54 Unamortized ITC	27,012	-	(121,260)	-	(121,260)
55 Customer Adv For Const	-	1,084,807	(6,402,542)	-	(6,402,542)
56 Customer Service Deposits	-	(12,766,401)	(12,766,401)	-	(12,766,401)
57 Misc Rate Base Deductions	-	(431,204)	(24,143,821)	(5,180)	(24,149,001)
58					
59 Total Rate Base Deductions	(604,538,533)	(19,254,852)	(4,683,670,270)	110,628,280	(4,573,041,990)
60					
61 Total Rate Base:	(604,395,387)	1,486,218,141	5,499,742,768	66,302,798	5,566,045,566
62					
63 Return on Rate Base	1.310%	-1.966%	5.848%	0.257%	6.105%
64					
65 Return on Equity	2.525%	-3.789%	5.886%	0.588%	6.473%
66					
67 TAX CALCULATION:					
68 Operating Revenue	(11,880,594)	(12,358,837)	382,977,369	30,720,623	413,697,991
69 Other Deductions					
70 Interest (AFUDC)	16,878,631	-	(17,946,961)	(27,458)	(17,974,419)
71 Interest	(16,785,148)	41,274,953	152,737,756	(819,222)	151,918,534
72 Schedule "M" Additions	(29,609,648)	(89,872)	334,757,668	(41,397)	334,716,270
73 Schedule "M" Deductions	(114,807,646)	-	764,523,880	(4,437,407)	760,086,473
74 Income Before Tax	73,223,920	(53,723,662)	(181,579,639)	35,963,312	(145,616,327)
75					
76 State Income Taxes	2,979,572	(2,439,054)	(8,588,509)	1,632,734	(6,955,775)
77 Taxable Income	70,244,348	(51,284,607)	(172,991,130)	34,330,578	(138,660,552)
78					
79 Federal Income Taxes + Other	(5,536,717)	(17,949,613)	(90,669,134)	12,015,702	(78,653,432)
APPROXIMATE REVENUE REQUIREMENT IMPACT	(102,008,794)	185,134,732	212,929,833	(24,872,556)	188,057,278