

Rocky Mountain Power  
Exhibit RMP\_\_(JKL-2R)  
Docket No. 17-035-39  
Witness: Jeffrey K. Larsen

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

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Exhibit Accompanying Rebuttal Testimony of Jeffrey K. Larsen  
Example Annual RTM Deferral Calculation - Revenue Requirement

October 2017

**PacifiCorp  
Utah**  
Wind Repowering - Example Annual RTM Deferral Calculation  
Revenue Requirement

Line No.	Reference	(a) Total Company	(b) Factor	(c) Repowering Factor %	(d) Utah Allocated	(e) Total Company	(f) Factor	(g) Repowering Factor %	(h) Utah Allocated	(i) Total Company	(j) Factor	(k) Repowering Factor %	(l) Utah Allocated	(m) Total Company	(n) Factor	(o) Repowering Factor %	(p) Utah Allocated
1	Plant Revenue Requirement	164,481	SG	42.6283%	70,107	950,241	SG	42.6283%	405,072	1,086,036	SG	42.6283%	462,959	1,088,664	SG	42.6283%	464,079
2	Capital Investment	(896)	SG	42.6283%	(382)	(22,632)	SG	42.6283%	(9,646)	(96,758)	SG	42.6283%	(24,195)	(93,013)	SG	42.6283%	(38,660)
3	Depreciation Reserve	(19,479)	SG	42.6283%	(8,304)	(163,873)	SG	42.6283%	(78,382)	(255,603)	SG	42.6283%	(108,969)	(296,492)	SG	42.6283%	(126,390)
4	Accumulated DIT Balance	144,085			61,421	743,736			317,042	773,675			329,804	699,159			298,040
5	Net Rate Base	10,649%			10,649%	10,649%			10,649%	10,649%			10,649%	10,649%			10,649%
6	Pre-Tax Return on Rate Base	15,344			6,541	79,202			33,762	82,390			35,121	74,455			31,739
7	Wholesale Wheeling Revenue	-	SG	42.6283%	-	-	SG	42.6283%	-	-	SG	42.6283%	-	-	SG	42.6283%	-
8	Operation & Maintenance	3,876	SG	42.6283%	1,652	12,113	SG	42.6283%	5,164	12,755	SG	42.6283%	5,437	9,590	SG	42.6283%	4,088
9	Depreciation	8,120	SG	42.6283%	3,461	32,052	SG	42.6283%	13,663	36,213	SG	42.6283%	15,437	36,310	SG	42.6283%	15,478
10	Property Taxes	-	GPS	42.4704%	-	7,237	GPS	42.4704%	3,074	8,032	GPS	42.4704%	3,411	7,773	GPS	42.4704%	3,301
11	Wind Tax	92	SG	42.6283%	39	317	SG	42.6283%	135	395	SG	42.6283%	168	395	SG	42.6283%	168
12	<b>Total Plant Revenue Requirement</b>	<b>27,432</b>			<b>11,894</b>	<b>130,922</b>			<b>55,798</b>	<b>139,785</b>			<b>59,575</b>	<b>128,522</b>			<b>54,775</b>
13	<b>Net Power Cost</b>																
14	NPC Incremental Savings	921	SG	42.6283%	393	(10,934)	SG	42.6283%	(4,661)	(12,447)	SG	42.6283%	(5,306)	(12,973)	SG	42.6283%	(5,530)
15	PTC Benefit	(19,250)	SG	42.6283%	(8,206)	(75,507)	SG	42.6283%	(32,187)	(89,813)	SG	42.6283%	(38,286)	(89,813)	SG	42.6283%	(38,286)
16	PTC Benefit in Base Rates	(19,250)	SG	42.6283%	(8,206)	(75,507)	SG	42.6283%	(32,187)	(89,813)	SG	42.6283%	(38,286)	(89,813)	SG	42.6283%	(38,286)
17	Net PTC	(1,774)			(6,019)	(46,182)			(19,887)	(54,932)			(23,417)	(54,932)			(23,417)
18	Gross-up for taxes	(31,023)			(13,225)	(121,699)			(51,874)	(144,745)			(61,702)	(144,745)			(61,702)
19	<b>Rev. Requirement - UT Share</b>	<b>(2,671)</b>			<b>(1,138)</b>	<b>(1,701)</b>			<b>(737)</b>	<b>(17,407)</b>			<b>(7,433)</b>	<b>(29,195)</b>			<b>(12,458)</b>
20	<b>Adjustment for EBA Pass-through</b>																
21	NPC Incremental Savings	393			393	(10,934)			(4,661)	(12,447)			(5,306)	(12,973)			(5,530)
22	Percentage included in EBA (100%)	100%			100%	(75,507)			100%	(89,813)			100%	(89,813)			100%
23	EBA Pass-through	393			393	(75,507)			(4,661)	(89,813)			(5,306)	(89,813)			(5,530)
24	<b>Rev. Req. after EBA Pass-through</b>																
25	<b>Total Deferral - UT Share</b>																
26	<b>Net Customer Benefit</b>																
27	<b>Deferral Balance - UT Share</b>																
28	Beginning Deferral Balance																
29	Monthly Deferral																
30	Deferral Collection																
31	Carrying Charge																
32	<b>Ending Deferral Balance</b>																
33	Federal/State Combined Tax Rate	37.951%			JKL_4R, line 5												
34	Net to Gross Bump up Factor = (1/(1-tax rate))	1.6116			JKL_4R, line 6												
35	Delivered Balance Carrying Charge	6.00% EBA carrying charge rate under Electric Service Schedule 94			Footnote 2												
36	Pretax Return	10.649% 13-035-184 Capital Structure & Cost - Ordered			JKL_4R, line 4												
37	Property Tax Rate	0.77% Property Tax Expense as a percent of Net plant from 13-035-184			JKL_4R, line 4												
38	Utah SG Factor	42.6283%			JKL_4R, line 15												
39	Utah GPS Factor	42.4704%			JKL_4R, line 16												

Footnotes:  
1) Capital balances equal the average of the monthly balances in JKL-3 with a one month delay  
2) Carrying Charge (line 29) is applied to average monthly deferral balances  
3) Equals the sum of each year's monthly values in JKL-3  
4) Not Applicable for Repowering  
5) The Company is proposing to cap the RTM until the next general rate case so that, after taking into account the wind repowering benefits that will flow through the Company's EBA, it will not operate to surcharge customers  
6) As stated in testimony, actual depreciation expense will be adjusted by the impact of the retired assets until the next depreciation study