

Rocky Mountain Power
Exhibit RMP__(JRS-1SD)
Docket No. 17-035-39
Witness: Joelle R. Steward

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Supplemental Direct Testimony of Joelle R. Steward

Revenue Requirement Overview – Wind Repowering

February 2018

Resource Tracking Mechanism

Revenue Requirement Overview – Wind Repowering

Category	Base	New	Deferral
Capital Investment	Zero until the next general rate case. After rate case, the base will be the amount included in the test period, beginning on the rate effective date of that case.	Actual monthly plant in-service balances associated with wind repowering, beginning with first repowering assets placed in service.	The difference between the base and new columns will be included in the mechanism calculation until the amounts are fully included in a general rate case, at which time this will end.
Accumulated Depreciation Reserve	Same as capital investment.	Monthly depreciation reserve of repowered assets.	
Accumulated Deferred Income Tax	Same as capital investment.	Actual accumulated deferred income tax balances associated with the repowering investment.	
Operation & Maintenance Expense	Four-year average O&M expense for wind projects from 2014 to 2017, (2018-2019 are excluded to avoid any changes in O&M related to repowering).	Actual O&M expense for wind projects.	
Depreciation Expense	Zero.	Actual monthly plant in-service balances associated with wind repowering less the base multiplied by current depreciation rates. The plant in service amounts used will be reduced by the replaced assets until the next depreciation study.	
Property Taxes	Zero.	Capital Investment deferral less the Depreciation Reserve deferral multiplied by the average property tax rate from the last rate case.	
Wind Tax	Zero.	Incremental energy production MWh associated with repowering multiplied by the wind tax rate.	
NPC Savings	The EBA tracks and captures any incremental changes to wind production between NPC in base rates and actual NPC. The base energy production = Actual energy produced by wind projects divided by (1 + percent of generation increase from Confidential Exhibit RMP___(TJH-1SD)).	The EBA has a 100% pass through of the difference between base NPC and actual NPC. The RTM will capture any savings not included in the EBA related to incremental energy production associated with repowering, and pass these savings back to customers.	
PTC	Zero until next general rate case. After a rate case, the base will be the amount included in the test period, starting on the rate effective date, associated with repowering projects.	Actual MWh eligible for PTC produced by repowered wind plants multiplied by the production tax rate.	Difference between the base and actual. Tracked until repowering PTCs have expired, and have been reset to zero in base rates.
RTM Cap	N/A	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.	