

Rocky Mountain Power  
Exhibit RMP\_\_(JKL-2)  
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 Direct Testimony of Jeffrey K. Larsen  
Example Annual RRM Deferral Calculation – Revenue Requirement

June 2017

Exhibit RMP (JKL-2)

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

Line No.	Reference	(a) 2019 Repowering		(b) 2019 Repowering		(c) 2019 Repowering		(d)		(e) 2020 Repowering		(f) 2020 Repowering		(g)		(h)		(i) 2021 Repowering		(j) 2021 Repowering		(k)		(l)		(m)		(n) 2022 Repowering		(o)		(p)			
		Total Company	Factor	Factor %	Utah Allocated	Total Company	Factor	Factor %	Utah Allocated	Total Company	Factor	Factor %	Utah Allocated	Total Company	Factor	Factor %	Utah Allocated	Total Company	Factor	Factor %	Utah Allocated	Total Company	Factor	Factor %	Utah Allocated	Total Company	Factor	Factor %	Utah Allocated	Total Company	Factor	Factor %	Utah Allocated		
1	Footnote 1	171,567	SG	42.6283%	73,136	986,120	SG	42.6283%	420,966	1,132,769	SG	42.6283%	482,880	1,137,288	SG	42.6283%	484,807	1,137,288	SG	42.6283%	484,807	1,137,288	SG	42.6283%	484,807	1,137,288	SG	42.6283%	484,807	1,137,288	SG	42.6283%	484,807		
2	Footnote 1	(939)	SG	42.6283%	(400)	(23,511)	SG	42.6283%	(10,023)	(99,031)	SG	42.6283%	(25,164)	(96,879)	SG	42.6283%	(41,298)	(96,879)	SG	42.6283%	(41,298)	(96,879)	SG	42.6283%	(41,298)	(96,879)	SG	42.6283%	(41,298)	(96,879)	SG	42.6283%	(41,298)		
3	Footnote 1	(43,689)	SG	42.6283%	(18,615)	(192,063)	SG	42.6283%	(81,873)	(181,873)	(263,671)	SG	42.6283%	(112,969)	(307,628)	SG	42.6283%	(131,137)	(307,628)	SG	42.6283%	(131,137)	(307,628)	SG	42.6283%	(131,137)	(307,628)	SG	42.6283%	(131,137)	(307,628)	SG	42.6283%	(131,137)	
4	sum of lines 1-3	126,959			54,120	770,545			328,470	810,067			345,318	732,781			312,372	732,781			312,372	732,781			312,372	732,781			312,372	732,781			312,372		
5	line 34	10,649%			10,649%	10,649%			10,649%	10,649%			10,649%	10,649%			10,649%	10,649%			10,649%	10,649%			10,649%	10,649%			10,649%	10,649%			10,649%		
6	Pre-Tax Return on Rate Base	13,520			5,763	82,057			34,979	86,265			36,774	78,035			33,265	78,035			33,265	78,035			33,265	78,035			33,265	78,035			33,265		
7	Wholesale Wheeling Revenue	-	SG	42.6283%	-	-	SG	42.6283%	-	-	SG	42.6283%	-	-	SG	42.6283%	-	-	SG	42.6283%	-	-	SG	42.6283%	-	-	SG	42.6283%	-	-	SG	42.6283%	-	-	SG
8	Operation & Maintenance	583	SG	42.6283%	248	4,379	SG	42.6283%	1,867	3,864	SG	42.6283%	1,647	844	SG	42.6283%	360	844	SG	42.6283%	360	844	SG	42.6283%	360	844	SG	42.6283%	360	844	SG	42.6283%	360	844	SG
9	Depreciation	8,454	SG	42.6283%	3,604	33,279	SG	42.6283%	14,186	37,778	SG	42.6283%	16,104	37,947	SG	42.6283%	16,176	37,947	SG	42.6283%	16,176	37,947	SG	42.6283%	16,176	37,947	SG	42.6283%	16,176	37,947	SG	42.6283%	16,176	37,947	SG
10	Property Taxes	-	GPS	42.4704%	-	7,506	GPS	42.4704%	3,186	6,375	GPS	42.4704%	3,557	8,115	GPS	42.4704%	3,446	8,115	GPS	42.4704%	3,446	8,115	GPS	42.4704%	3,446	8,115	GPS	42.4704%	3,446	8,115	GPS	42.4704%	3,446	8,115	GPS
11	Wind Tax	60	SG	42.6283%	26	206	SG	42.6283%	88	251	SG	42.6283%	107	251	SG	42.6283%	107	251	SG	42.6283%	107	251	SG	42.6283%	107	251	SG	42.6283%	107	251	SG	42.6283%	107	251	SG
12	<b>Total Plant Revenue Requirement</b>	<b>22,618</b>			<b>9,641</b>	<b>127,427</b>			<b>54,308</b>	<b>136,533</b>			<b>59,188</b>	<b>125,192</b>			<b>53,354</b>	<b>125,192</b>			<b>53,354</b>	<b>125,192</b>			<b>53,354</b>	<b>125,192</b>			<b>53,354</b>	<b>125,192</b>			<b>53,354</b>		
13	<b>Net Power Cost</b>																																		
14	NPC Incremental Savings	(505)	SG	42.6283%	(215)	(9,703)	SG	42.6283%	(4,136)	(13,767)	SG	42.6283%	(5,869)	(18,137)	SG	42.6283%	(7,732)	(18,137)	SG	42.6283%	(7,732)	(18,137)	SG	42.6283%	(7,732)	(18,137)	SG	42.6283%	(7,732)	(18,137)	SG	42.6283%	(7,732)	(18,137)	SG
15	PTC Benefit																																		
16	PTC Benefit in Base Rates	(17,405)	SG	42.6283%	(7,420)	(69,048)	SG	42.6283%	(29,434)	(81,995)	SG	42.6283%	(34,953)	(82,052)	SG	42.6283%	(34,977)	(82,052)	SG	42.6283%	(34,977)	(82,052)	SG	42.6283%	(34,977)	(82,052)	SG	42.6283%	(34,977)	(82,052)	SG	42.6283%	(34,977)	(82,052)	SG
17	Net PTC	(17,405)			(7,420)	(69,048)			(29,434)	(81,995)			(34,953)	(82,052)			(34,977)	(82,052)			(34,977)	(82,052)			(34,977)	(82,052)			(34,977)	(82,052)			(34,977)		
18	Gross-up for taxes	(10,646)			(4,538)	(42,232)			(18,003)	(50,151)			(21,378)	(50,186)			(21,393)	(50,186)			(21,393)	(50,186)			(21,393)	(50,186)			(21,393)	(50,186)			(21,393)		
19	PTC Revenue Requirement	(28,051)			(11,958)	(111,280)			(47,437)	(132,146)			(56,331)	(132,238)			(56,371)	(132,238)			(56,371)	(132,238)			(56,371)	(132,238)			(56,371)	(132,238)			(56,371)		
20	<b>Rev. Requirement</b>	<b>(5,938)</b>			<b>(2,531)</b>	<b>6,443</b>			<b>2,735</b>	<b>(9,380)</b>			<b>(4,012)</b>	<b>(25,184)</b>			<b>(10,748)</b>	<b>(25,184)</b>			<b>(10,748)</b>	<b>(25,184)</b>			<b>(10,748)</b>	<b>(25,184)</b>			<b>(10,748)</b>	<b>(25,184)</b>			<b>(10,748)</b>		
21	<b>Adjustment for EBA Pass-through</b>																																		
22	NPC Incremental Savings				(215)			(4,136)					(5,869)				(7,732)																		
23	Percentage included in EBA (100%)				100%			100%					100%				100%																		
24	EBA Pass-through				(215)			(4,136)					(5,869)				(7,732)																		
25	<b>Rev. Req. after EBA Pass-through</b>				(2,316)			(6,871)					(1,857)				(3,017)																		
26	<b>Total Deferral - UT Share</b>				(2,316)			(4,136)					(1,857)				(3,017)																		
27	<b>Net Customer Benefit</b>				(2,531)			(2,531)					(2,531)				(2,531)																		
28	<b>Deferral Balance - UT Share</b>																																		
29	Beginning Deferral Balance				-			-					-				-																		
30	Monthly Deferral				(2,316)			(2,316)					(2,316)				(2,316)																		
31	Deferral Collection																																		
32	Carrying Charge				(36)			(36)					(36)				(36)																		
33	<b>Ending Deferral Balance</b>				(2,352)			(2,352)					(2,352)				(2,352)																		
34	Federal/State Combined Tax Rate	37.951%																																	
35	Net to Gross Bump up Factor = (1/(1-tax rate))	1.6116																																	
36	Delivered Balance Carrying Charge	6.00%																																	
37	Property Tax Rate	0.77%																																	
38	Utah SG Factor	42.6283%																																	
39	Utah GPS Factor	42.4704%																																	

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