

Rocky Mountain Power  
Exhibit RMP\_\_(JKL-4)  
Docket No. 17-035-39  
Witness: Jeffrey K. Larsen

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

---

Exhibit Accompanying Direct Testimony of Jeffrey K. Larsen

Example Monthly RRM Deferral Calculation – Capital Structure and Property Tax Rate

June 2017

**PacifiCorp**  
**Utah**

Wind Repowering - Capital Structure, Property Tax and Net Power Cost Description  
 Capital Structure and Property Tax Rate

**13-035-184 Capital Structure & Cost**  
**Effective 9/1/2014**

Line no.	Capital Structure	<u>Capital Structure</u>	<u>Capital Cost</u>	<u>Weighted Cost</u>	<u>Pre-Tax Cost</u>
1	Debt	48.556%	5.200%	2.525%	2.525%
2	Preferred	0.016%	6.753%	0.001%	0.002%
3	Common	51.428%	9.800%	5.040%	8.123%
4			<b>TOTAL</b>	<b>7.566%</b>	<b>10.649%</b>
5	Consolidated Tax Rate		37.951%		
6	Tax Gross-up factor for PTC = (1/(1 - tax rate))		1.6116		
<b>Property Tax Calculation as filed in Docket Number 13-035-184</b>					
7	Total Company				134,961,526
8	Utah GPS Factor				42.4704%
9	Utah Property Taxes				<u>57,318,700</u>
10	Utah Gross EPIS				10,912,081,614
11	Utah Accum. Depr.				(3,234,910,020)
12	Utah Accum. Amort.				(221,249,967)
13	Utah Net EPIS				7,455,921,626
14	Estimated Utah Property Tax Rate				0.769%
15	Utah SG Factor - Docket No. 13-035-184				42.6283%
16	Utah GPS Factor - Docket No. 13-035-184				42.4704%

**Net Power Cost Incremental Savings Calculation and Definitions**

*Incremental Generation = Wind Plant Generation MWh - Base Wind Plant Generation MWh*

*Base Wind Plant Generation = Wind Plant Generation MWh / (1 + Project Generation Increase %)*

*NPC Incremental Savings*

$$= [\text{Incremental Gen}_{HLH} \times (\text{Monthly Market Price}_{HLH} - \text{Integration Costs})] \\ + [\text{Incremental Gen}_{LLH} \times (\text{Monthly Market Price}_{LLH} - \text{Integration Costs})]$$

*RTM NPC Benefit = NPC Incremental Savings × ECAM Sharing Band*

Where:

*Incremental Generation = The increase in generation at the wind plant due to repowering*

*Project Generation Increase % = The percentage change in energy at the wind plant due to repowering (See Confidential Exhibit RMP\_ TJH-3, page 2 of 2)*

*Incremental Gen<sub>HLH</sub> = The increase in generation at the wind plant due to repowering during heavy load hours*

*Incremental Gen<sub>LLH</sub> = The increase in generation at the wind plant due to repowering during light load hours*

*Monthly Market Price<sub>HLH</sub> = Heavy load hour monthly market price*

*Monthly Market Price<sub>LLH</sub> = Light load hour monthly market price*

*Integration Costs = Wind integration costs from the most recent IRP*

*RTM NPC Benefit = The NPC repowering benefit absorbed by the Company in the EBA as a result of the sharing band*