

Rocky Mountain Power
Exhibit RMP__(JKL-3)
Docket No. 17-035-40
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 RTM Deferral Calculation – Revenue Requirement

June 2017

Line No.	Reference	2020 January	2020 February	2020 March	2020 April	2020 May	2020 June	2020 July	2020 August	2020 September	2020 October	2020 November	2020 December
Plant Revenue Requirement													
1	Capital Investment	-	-	-	-	-	-	-	-	-	-	2,064,848	2,064,848
2	Depreciation Reserve	-	-	-	-	-	-	-	-	-	-	(4,850)	(9,699)
3	Accumulated DIT Balance	-	-	-	-	-	-	-	-	-	-	(30,384)	(137,442)
4	Net Rate Base	-	-	-	-	-	-	-	-	-	-	2,029,614	1,917,706
5	Pre-Tax Rate of Return	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	-	-	-	-	-	-	-	-	-	-	-	18,011
7	Wholesale Wheeling Revenue	-	-	-	-	-	-	-	-	-	-	(858)	(858)
8	Operation & Maintenance	-	-	-	-	-	-	-	-	-	-	1,598	1,598
9	Depreciation	-	-	-	-	-	-	-	-	-	-	4,850	4,850
10	Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-
11	Wind Tax	-	-	-	-	-	-	-	-	-	-	-	-
12	Total Plant Revenue Requirement	-	-	-	-	-	-	-	-	-	-	6,316	23,602
Net Power Cost													
13	NPC Incremental Savings	-	-	-	-	-	-	-	-	-	-	(8,545)	(8,545)
PTC Benefit													
14	PTC Benefit	-	-	-	-	-	-	-	-	-	-	(8,903)	(8,903)
15	PTC Benefit in Base Rates	-	-	-	-	-	-	-	-	-	-	(8,903)	(8,903)
16	Net PTC	-	-	-	-	-	-	-	-	-	-	(8,903)	(8,903)
17	Gross-up for taxes	-	-	-	-	-	-	-	-	-	-	(5,445)	(5,445)
18	PTC Revenue Requirement	-	-	-	-	-	-	-	-	-	-	(14,348)	(14,348)
19	Rev. Requirement	-	-	-	-	-	-	-	-	-	-	(16,577)	709
Adjustment for EBA Pass-through													
20	Wholesale Wheeling Revenue	-	-	-	-	-	-	-	-	-	-	(131)	(858)
21	Percentage included in EBA (100%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
22	EBA Pass-through	-	-	-	-	-	-	-	-	-	-	(131)	(858)
23	NPC Incremental Savings	-	-	-	-	-	-	-	-	-	-	(8,545)	(8,545)
24	Percentage included in EBA (100%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
25	EBA Pass-through	-	-	-	-	-	-	-	-	-	-	(8,545)	(8,545)
26	Rev. Req't after EBA Pass-through	-	-	-	-	-	-	-	-	-	-	(7,900)	10,111
Utah Allocated													
27	Total Deferral - UT Share	(Ln 26 - in 10) * in 39 + in 10 * in 40											
28	Net Customer Benefit	(line 22 + line 25) * line 36 + line 24											
29	Deferral Balance - UT Share	line 33 of previous month											
30	Monthly Deferral Balance	line 24											
31	Monthly Deferral	Footnote 3											
32	Carrying Charge	(in 29 th * (in 30 + in 31)) * in 36											
33	Ending Deferral Balance	sum of lines 29-32											
34	Federal/State Combined Tax Rate	JKL_4, line 5											
35	Net to Gross Bump-up Factor = (1/(1-tax rate))	JKL_4, line 6											
36	Deferred Balance Carrying Charge	UT EBA rate; see JKL_2 line 33											
37	Pre-tax Return	10.649%											
38	Property Tax Rate	0.77%											
39	Utah SG Factor	42.6283%											
40	Utah GPS Factor	42.4704%											

Footnotes:
 1) Pre-tax Return, line 6, is calculated as the rate of return (line 5) multiplied by the ending net rate base of the prior month (line 4) divided by 12
 2) Includes Wholesale Wheeling Revenue offset for transmission asset credit already in base rates
 3) For illustrative purposes, collection of December's balance is assumed to be collected beginning the following May 1

Line No.	Reference	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
		January	February	March	April	May	June	July	August	September	October	November	December		
1	2,064,848	2,064,848	2,064,848	2,064,848	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058
2	(14,549)	(19,399)	(24,248)	(29,098)	(33,954)	(38,810)	(43,667)	(48,523)	(53,379)	(58,235)	(63,143)	(68,050)	(72,906)	(77,762)	(82,618)
3	(137,442)	(137,442)	(177,483)	(177,483)	(177,483)	(217,524)	(217,524)	(217,524)	(217,524)	(257,564)	(257,564)	(257,564)	(257,564)	(257,564)	(257,564)
4	1,912,856	1,908,007	1,863,116	1,859,267	1,855,267	1,851,621	1,847,974	1,844,328	1,840,682	1,837,036	1,833,390	1,829,744	1,826,098	1,822,452	1,818,806
5	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	17,018	16,975	16,932	16,889	16,846	16,803	16,760	16,717	16,674	16,631	16,588	16,545	16,502	16,459	16,416
7	(911)	(910)	(909)	(908)	(907)	(906)	(905)	(904)	(903)	(902)	(901)	(900)	(899)	(898)	(897)
8	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682
9	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850
10	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317
11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	23,956	23,914	23,872	23,829	23,787	23,744	23,702	23,659	23,617	23,574	23,532	23,489	23,447	23,404	23,362
13	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)
14	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)
15	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)
16	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)
17	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)
18	7,973	7,931	7,889	7,846	7,804	7,761	7,719	7,676	7,634	7,592	7,549	7,507	7,464	7,422	7,379
19	(911)	(910)	(909)	(908)	(907)	(906)	(905)	(904)	(903)	(902)	(901)	(900)	(899)	(898)	(897)
20	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
21	(911)	(910)	(909)	(908)	(907)	(906)	(905)	(904)	(903)	(902)	(901)	(900)	(899)	(898)	(897)
22	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)
23	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)
24	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)
25	13,946	13,903	13,860	13,817	13,774	13,731	13,688	13,645	13,602	13,559	13,516	13,473	13,430	13,387	13,344
26	5,943	5,924	5,906	5,736	5,721	5,718	5,548	5,530	5,512	5,342	5,345	5,345	5,345	5,345	5,345
27	3,397	3,379	3,361	3,193	3,178	3,174	3,007	2,989	2,971	2,803	2,807	2,807	2,807	2,807	2,807
28	928	6,890	12,864	18,849	24,834	30,819	36,804	42,789	48,774	54,759	60,744	66,729	72,714	78,699	84,684
29	5,943	5,924	5,906	5,736	5,721	5,718	5,548	5,530	5,512	5,342	5,345	5,345	5,345	5,345	5,345
30	19	49	79	109	138	166	195	223	252	280	307	335	363	391	419
31	6,890	12,864	18,849	24,834	30,819	36,804	42,789	48,774	54,759	60,744	66,729	72,714	78,699	84,684	90,669
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Footnotes:
1) Pre-tax Return, line 6, is calculated as the rate of return (line 5) multiplied by the ending net rate base of the prior month (line 4) divided by 12
2) Includes Wholesale Wheeling Revenue offset for transmission asset credit already in base rates
3) For illustrative purposes, collection of December's balance is assumed to be collected beginning the following May 1

Line No.	Reference	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
		January	February	March	April	May	June	July	August	September	October	November	December	
1	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917
2	(72,958)	(77,865)	(82,773)	(87,680)	(92,588)	(97,495)	(102,403)	(107,310)	(112,218)	(117,126)	(122,033)	(126,941)	(131,848)	(136,756)
3	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)	(297,605)
4	1,716,354	1,711,447	1,662,793	1,617,885	1,572,978	1,528,070	1,483,162	1,438,254	1,393,346	1,348,438	1,303,530	1,258,622	1,213,714	1,168,806
5	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	15,275	15,231	15,188	15,145	15,102	15,059	15,016	14,973	14,930	14,887	14,844	14,801	14,758	14,715
7	(885)	(883)	(882)	(881)	(880)	(879)	(878)	(877)	(876)	(875)	(874)	(873)	(872)	(871)
8	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730
9	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908
10	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293
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12	22,321	22,279	22,236	22,197	22,158	22,119	22,080	22,041	22,002	21,963	21,924	21,885	21,846	21,807
13	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)
14	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)
15	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)
16	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)
17	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)
18	7,984	7,942	7,899	7,856	7,813	7,770	7,727	7,684	7,641	7,598	7,555	7,512	7,469	7,426
19	(885)	(883)	(882)	(881)	(880)	(879)	(878)	(877)	(876)	(875)	(874)	(873)	(872)	(871)
20	(885)	(883)	(882)	(881)	(880)	(879)	(878)	(877)	(876)	(875)	(874)	(873)	(872)	(871)
21	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)
22	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)
23	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)
24	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)
25	12,284	12,241	12,197	12,154	12,111	12,068	12,025	11,982	11,939	11,896	11,853	11,810	11,767	11,724
26	5,235	5,216	5,197	5,089	5,070	5,052	4,944	4,925	4,906	4,798	4,779	4,761	4,742	4,723
27	3,401	3,383	3,365	3,259	3,241	3,223	3,117	3,098	3,080	2,974	2,956	2,938	2,920	2,902
28	70,082	75,603	81,132	86,671	92,210	97,749	103,288	108,827	114,366	119,905	125,444	130,983	136,522	142,061
29	5,235	5,216	5,197	5,089	5,070	5,052	4,944	4,925	4,906	4,798	4,779	4,761	4,742	4,723
30	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(77)
31	363	399	418	446	459	457	455	448	445	448	445	445	445	445
32	75,603	81,132	86,671	92,210	97,749	103,288	108,827	114,366	119,905	125,444	130,983	136,522	142,061	147,600
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Footnotes:
1) Pre-tax Return, line 6, is calculated as the rate of return (line 5) multiplied by the ending net rate base of the prior month (line 4) divided by 12
2) Includes Wholesale Wheeling Revenue offset for transmission asset credit already in base rates
3) For illustrative purposes, collection of December's balance is assumed to be collected beginning the following May 1

Line No.	Reference	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
		January	February	March	April	May	June	July	August	September	October	November	December		
1	Capital Investment	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917
2	Depreciation Reserve	(131,848)	(136,756)	(141,663)	(146,571)	(151,478)	(156,386)	(161,293)	(166,201)	(171,108)	(176,016)	(180,923)	(185,831)	(185,831)	(185,831)
3	Accumulated DIT Balance	(392,590)	(392,590)	(406,086)	(406,086)	(406,086)	(419,582)	(419,582)	(419,582)	(433,078)	(433,078)	(433,078)	(433,078)	(433,078)	(433,078)
4	Net Rate Base	1,562,479	1,567,571	1,539,168	1,534,260	1,529,363	1,510,949	1,506,042	1,501,134	1,482,731	1,477,824	1,472,916	1,468,008	1,463,100	1,458,192
5	Pre-Tax Rate of Return	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	13,909	13,866	13,822	13,659	13,616	13,572	13,409	13,365	13,322	13,158	13,115	13,071	13,027	12,984
7	Wholesale Wheeling Revenue	(855)	(854)	(852)	(848)	(847)	(846)	(846)	(841)	(840)	(839)	(835)	(833)	(832)	(832)
8	Operation & Maintenance	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
9	Depreciation	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908
10	Property Taxes	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256
11	Wind Tax	59	59	59	59	59	59	59	59	59	59	59	59	59	59
12	Total Plant Revenue Requirement	21,027	20,984	20,942	20,783	20,741	20,698	20,540	20,497	20,455	20,296	20,253	20,211	20,168	20,125
13	Net Power Cost	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)
14	PTC Benefit	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)
15	PTC Benefit in Base Rates	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)
16	Net PTC	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)
17	Gross-up for taxes	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)
18	PTC Revenue Requirement	6,224	6,182	6,139	5,980	5,938	5,896	5,737	5,694	5,652	5,493	5,451	5,408	5,365	5,323
19	Rev. Requirement	10,540	10,497	10,453	10,290	10,246	10,203	10,039	9,996	9,952	9,789	9,745	9,702	9,658	9,615
20	Adjustment for EBA Pass-through	(855)	(854)	(852)	(848)	(847)	(846)	(846)	(841)	(840)	(839)	(835)	(833)	(832)	(832)
21	Wholesale Wheeling Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
22	Percentage included in EBA (100%)	(855)	(854)	(852)	(848)	(847)	(846)	(846)	(841)	(840)	(839)	(835)	(833)	(832)	(832)
23	EBA Pass-through	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)
24	NPC Incremental Savings	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
25	Percentage included in EBA (100%)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)
26	Rev. Req't after EBA Pass-through	10,540	10,497	10,453	10,290	10,246	10,203	10,039	9,996	9,952	9,789	9,745	9,702	9,658	9,615
27	Utah Allocated	(L)n 26 - in 10) * in 39 + in 10 * in 40	4,491	4,473	4,454	4,384	4,366	4,347	4,278	4,259	4,241	4,171	4,152	4,134	4,115
28	Net Customer Benefit	(line 22 + line 25) * line 36 + line 24	2,651	2,633	2,615	2,547	2,529	2,511	2,443	2,425	2,407	2,340	2,322	2,303	2,284
29	Deferral Balance - UT Share	88,252	87,341	86,406	85,449	84,417	81,843	79,237	76,549	73,829	71,077	68,241	65,372	62,470	59,549
30	Monthly Deferral Balance	4,491	4,473	4,454	4,384	4,366	4,347	4,278	4,259	4,241	4,171	4,152	4,134	4,115	4,096
31	Deferral Collection	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)	(5,840)
32	Carrying Charge	438	433	429	424	415	402	388	375	361	347	333	319	305	291
33	Ending Deferral Balance	87,341	86,406	85,449	84,417	81,843	79,237	76,549	73,829	71,077	68,241	65,372	62,470	59,549	56,628
34	Federal/State Combined Tax Rate	JKL_4, line 5													
35	Net to Cross Bump-up Factor = (1/(1-tax rate))	JKL_4, line 6													
36	Deferral Balance Carrying Charge	UT EBA rate; see JKL_2 line 33													
37	Pre-tax Return	JKL_4, line 4													
38	Property Tax Rate	JKL_4, line 14													
39	Utah SG Factor	JKL_4, line 15													
40	Utah GPS Factor	JKL_4, line 16													

Footnotes:
1) Pre-tax Return, line 6, is calculated as the rate of return (line 5) multiplied by the ending net rate base of the prior month (line 4) divided by 12
2) Includes Wholesale Wheeling Revenue offset for transmission asset credit already in base rates
3) For illustrative purposes, collection of December's balance is assumed to be collected beginning the following May 1

Total Plant Revenue Requirement (Lines 1 - 12, 37):

Exhibit JKL-3 shows the calculation of the RTM revenue requirement deferral described in my testimony. The calculation starts with total Company amounts on lines 1 - 26 to calculate the Utah specific amounts on lines 27 - 33. To calculate the return on rate base associated with the combined investment, net rate base is calculated on a monthly basis. The net rate base balance on line 4 includes the combined investment in wind and transmission resources, along with the associated impacts on the depreciation reserve and accumulated DIT balance. The monthly beginning net rate base (the final amount from the prior month) is then multiplied by the pre-tax Weighted Average Cost of Capital ("WACC") from the last Utah general rate case on line 5 to determine the Company's pre-tax return on rate base on line 6. The example uses the pre-tax WACC from Docket No. 13-035-15. The total plant revenue requirement is calculated by taking the return on rate base shown on line 6 and adding wholesale wheeling revenue, O&M expense, depreciation expense, property taxes and wind tax on lines 7 - 11 to determine the total plant revenue requirement on line 12. Wholesale wheeling revenue on line 7 reflects the 3rd party wheeling revenue associated with the new transmission investment and is multiplied by one hundred percent on line 21 to determine the amount of wheeling revenue that will be returned to customers through the sharing band of the EBA.

Net Power Costs (Line 13):

The total company incremental NPC savings associated with new wind resources is shown on line 13. The incremental NPC savings associated with the new wind projects are multiplied by one hundred percent on line 24 to determine the amount of the NPC savings that will be returned to customers through the sharing band of the EBA.

PTC Benefits (Lines 14-18, 34, 35):

Lines 14-18 show the calculation of the PTC benefits associated with the new wind resources. The actual PTC sales are grossed-up for taxes using the net-to-gross bump-up factor from the Company's last general rate case (shown on line 35) to derive the PTC revenue requirement on line 18. The tax gross-up is necessary for customers to get the full revenue requirement benefit of the PTCs and is calculated using the federal and state combined tax rate shown on line 34, which was also included in the last general rate case.

Deferral Balance (Lines 19 - 30):

The Utah share of the net deferral begins by calculating the total combined project revenue requirement on line 19, which is the sum of Total Plant Revenue Requirement on line 12, NPC Incremental Savings on line 13, and PTC Revenue Requirement on line 18. The Wholesale Wheeling Revenue pass-through on line 22 and the NPC EBA pass-through on line 25 are subtracted to provide the Revenue Requirement after EBA Pass-through on line 26. The Net Customer Benefit (line 28) is the sum of the EBA Pass-throughs (line 22 and line 25) and the Total Deferral - Utah Share (line 27). The carrying charge, shown on line 32 is calculated using the Commission-authorized rate on line 36 and is consistent with the calculations used in the Company's other mechanisms such as the EBA. As described earlier, each month the total-Company RTM revenue requirement will be calculated as illustrated on Exhibit JKL-3 to align with the resources included in the EBA. Once per year on a calendar-year basis, the Company will sum the monthly RTM revenue requirement entries to prepare the annual RTM application for filing with the Commission on March 15, with an interim rate effective date that corresponds with the EBA application, May 1.