

Rocky Mountain Power
Exhibit RMP__(JKL-4)
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
Capital Structure, Property Tax Rate, and Net Power Cost Description

June 2017

PacifiCorp
Utah

Combined Projects - Capital Structure, Income Tax Rate, Property Tax Rate
Allocation Factors and Net Power Cost Description

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			TOTAL	7.566%	10.649%
5	Consolidated Tax Rate		37.951%		
6	Tax Gross-up factor for PTC = (1/(1 - tax rate))		1.6116		
Property Tax Calculation as filed in Docket Number 13-035-184					
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

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 × EBA Sharing Band, if applicable

Where:

Incremental Generation = The increase in generation at the wind plants due to the Wind Projects

Wind Plant Generation MWh = The wind plant generation associated with the Wind Projects

Base Wind Plant Generation MWh = The wind plant generation associated with the Wind Projects that is included in base rates.

Incremental Gen_{HLH} = The increase in generation at the wind plant due to the Wind Projects during heavy load hours

Incremental Gen_{LLH} = The increase in generation at the wind plant due to Wind Projects during light load hours

Monthly Market Price_{HLH} = Heavy load hour monthly market price

Monthly Market Price_{LLH} = Light load hour monthly market price

Integration Costs = Wind integration costs from the most recent IRP

RTM NPC Benefit = The NPC benefit absorbed by the Company in the EBA as a result of the sharing band, if applicable