

Docket No. 20000-\_\_-EM-20  
Witness: Terrell H Spackman

BEFORE THE WYOMING PUBLIC SERVICE  
COMMISSION

ROCKY MOUNTAIN POWER

---

Direct Testimony of Terrell H Spackman

April 2020

1 **Q. Please state your name and business address with PacifiCorp dba Rocky**  
2 **Mountain Power (“the Company”).**

3 A. My name is Terrell H Spackman, and my business address is 1407 West North Temple  
4 Street, Suite 330, Salt Lake City, Utah 84116.

5 **QUALIFICATIONS**

6 **Q. What is your current position at the Company and what is your employment**  
7 **history?**

8 A. I am currently employed as Revenue Requirement Manager for the Company. I have  
9 been employed by PacifiCorp and its predecessor, Utah Power and Light Company,  
10 since 1984. Prior to my current position, which I assumed in July 2015, I was manager  
11 of Planning and Financial Analysis, working in that role since 2003.

12 **Q. What are your responsibilities as Revenue Requirement Manager?**

13 A. My responsibilities include managing the calculation of the Company’s revenue  
14 requirement, preparing business plan regulatory results, and preparing the Company’s  
15 Renewable Energy Credit (“REC”) filings in various states.

16 **Q. What is your education background?**

17 A. I received a Bachelor of Science degree in Accounting and a Master of Accountancy  
18 degree from Brigham Young University with an emphasis in Management Accounting.  
19 I have also attended various educational, professional, and electric-industry related  
20 seminars in connection with my employment.

21 **Q. Have you testified in previous proceedings?**

22 A. Yes. I have provided testimony in proceedings before the Public Service Commissions  
23 of Utah and Wyoming.

1 **PURPOSE OF TESTIMONY**

2 **Q. Please describe the purpose of your testimony.**

3 A. My testimony supports the calculation of the Company’s REC and Sulfur Dioxide  
4 (“SO<sub>2</sub>”) Revenue Adjustment Mechanism (“RRA”) filing for Tariff Schedule 93. I  
5 illustrate how the forecast and deferral components produce an RRA sur-credit of  
6 approximately \$973 thousand. In support of this request, my testimony includes the  
7 following:

- 8 • Explanation of the process used to determine the Wyoming-allocated REC and SO<sub>2</sub>  
9 revenues for the 12 months ending December 31, 2020 (the “Forecast Period”), and  
10 the 12 months ended December 31, 2019, (the “Comparison Period”);
- 11 • Discussion of the deferral balance calculation that represents the true-up of calendar  
12 year 2019 actual REC and SO<sub>2</sub> revenues to the amount included in rates; and
- 13 • Explanation of the REC revenues associated with the Leaning Juniper contract  
14 included in this RRA filing.

15 **Q. Please describe Exhibits RMP\_\_(THS-1) through RMP\_\_(THS-3).**

16 A. Exhibits RMP\_\_(THS-1) through RMP\_\_(THS-3) support the calculation of the  
17 requested RRA sur-credit of \$973 thousand. They also illustrate how the Company  
18 determined the Wyoming-allocated amount of REC and SO<sub>2</sub> revenues in the Forecast  
19 Period and the Comparison Period.

20 **Q. Please describe how Exhibits RMP\_\_(THS-1) through RMP\_\_(THS-3) are**  
21 **organized.**

22 A. Exhibits RMP\_\_(THS-1) through RMP\_\_(THS-3) are organized as follows:

- 23 • Exhibit RMP\_\_(THS-1) contains a summary of the RRA calculation highlighting

1           how the forecast and deferral components contribute to the Company’s sur-credit  
2           calculation.

- 3           • Exhibit RMP\_\_\_(THS-2) provides the details of the REC and SO<sub>2</sub> forecast  
4           including the calculation of the Wyoming allocated amounts.

- 5                 • Page 2.1 shows how the 2020 Wyoming forecast allocation of REC sales  
6                 was calculated reflecting the Company’s compliance with California,  
7                 Oregon and Washington Renewable Portfolio Standards (“RPS”).

- 8                 • Page 2.2 shows the REC and SO<sub>2</sub> revenues that were included in rates  
9                 during calendar year 2019. These amounts are used in the deferral  
10                component calculation in Exhibit RMP\_\_\_(THS-3), lines 3, 4, and 6.

- 11           • Exhibit RMP\_\_\_(THS-3) shows the calculation of the REC and SO<sub>2</sub> revenue  
12           deferred balance.

- 13                 • Page 3.1 provides the Wyoming loads from Docket No. 20000-558-EM-19  
14                 (“2019 RRA”) and Docket No. 20000-535-EA-18 (“2018 RRA”) that were  
15                 in rates during the Comparison Period, as well as actual calendar year 2019  
16                 loads.

- 17                 • Page 3.2 provides a summary by month of the actual REC and SO<sub>2</sub> revenue  
18                 during the Comparison Period on a total Company and Wyoming-allocated  
19                 basis.

- 20                 • Page 3.3 shows how the Wyoming-allocated amount of actual 2019 REC  
21                 sales were determined by re-allocating the total Company amounts based  
22                 on RPS eligibility.

- 1 • Page 3.4 provides the calculation of the allocation factors for the  
2 Comparison Period, which were used to allocate actual 2019 REC and SO<sub>2</sub>  
3 revenues to Wyoming.

4 **SUMMARY OF RRA FILING**

5 **Q. Please summarize the various components of the Company's RRA filing that**  
6 **comprise the Schedule 93 sur-credit of approximately \$973 thousand.**

7 A. The Company calculated the RRA filing based on the methodology described in  
8 Schedule 93. The table below provides a summary of how the Company arrived at the  
9 \$973 thousand requested sur-credit.

10 **Table 1**  
**Summary of REC and SO<sub>2</sub> Revenue Adjustment Mechanism**

<b>Description</b>	<b>Amount</b>
Forecast REC and SO <sub>2</sub> Revenue Projection	\$ 813,048
REC and SO <sub>2</sub> Revenue Deferred Balance	160,159
Total RRA - Proposed	973,207
Total RRA Surcredit - Docket 20000-535-EA-18	369,010
Change in RRA Schedule 93	604,197

11 **Q. How does the Company propose to refund this amount?**

12 A. The Company is proposing to refund this amount over a 12-month period from  
13 June 15, 2020, through June 14, 2021. The proposed rate change to implement the RRA  
14 is provided in the direct testimony and supporting exhibits of Company witness  
15 Mr. Robert M. Meredith.

1 **FORECAST PERIOD REC AND SO<sub>2</sub> REVENUE**

2 **Q. What amount was included in the Forecast Period REC and SO<sub>2</sub> revenue**  
3 **component of the Tariff Schedule 93?**

4 A. The Company's RRA calculation includes approximately \$813 thousand for the  
5 Forecast Period REC revenue component of the tariff. As addressed in the testimony of  
6 Company witness Ms. Kelcey A. Brown, the Company is not projecting any sales of  
7 SO<sub>2</sub> emissions allowances during calendar year 2020.

8 **Q. Please explain what the Forecast REC and SO<sub>2</sub> revenue represents and how it is**  
9 **calculated.**

10 A. This amount is calculated using REC revenue projections during the Forecast Period.  
11 Based on the current REC market described in the testimony of Ms. Brown, the  
12 Company expects it will realize approximately \$3.9 million total-Company, or  
13 \$869 thousand Wyoming-allocated revenues from sale of RECs. To determine the  
14 Forecast Period REC revenue component for the RRA, the Wyoming-allocated forecast  
15 REC revenues of \$869 thousand were discounted for the time value of money using a  
16 5.16 percent discount rate over 15 months, as described later in my testimony. This  
17 results in Forecast Period REC revenues of approximately \$813 thousand for the  
18 12 months ending December 31, 2020, as calculated in detail in Exhibit RMP\_\_\_(THS-  
19 2).

20 **Q. How did the Company determine the Wyoming-allocated REC revenues for the**  
21 **Forecast Period in this filing?**

22 A. The Company used Commission-approved allocation factors from its last general rate  
23 case ("GRC"), Docket No. 20000-469-ER-15, to compute the Wyoming-allocated REC

1 and SO<sub>2</sub> revenues during the Forecast Period. The Company determines Wyoming's  
2 allocated share of REC revenue using the System Generation ("SG") factor, including  
3 a reallocation of revenue initially allocated system-wide to reflect compliance with  
4 state RPS. The Company allocates REC revenues attributable to the Leaning Juniper  
5 contract using the SG factor.

6 **Q. Please describe the time value of money adjustment.**

7 A. Tariff Schedule 93 details the calculation of the time value of money adjustment that  
8 was approved by the Wyoming Public Service Commission ("Commission") in  
9 Docket No. 20000-384-ER-10 ("2010 GRC"). The Company discounted the Forecast  
10 Period RRA revenues by a 5.16 percent discount rate over a 15-month period, as  
11 defined in the tariff, producing an adjustment of approximately \$56 thousand. The tariff  
12 defines the calculation of the 5.16 percent as the sum of the interest rate determined by  
13 the Commission pursuant to Commission Rule Chapter 3, Section 7, which is 3.66  
14 percent for 2020, plus 1.5 percent.

15 **COMPARISON PERIOD REC AND SO<sub>2</sub> REVENUE DEFERRAL**

16 **Q. What is the Comparison Period REC and SO<sub>2</sub> revenue deferral component of the**  
17 **Tariff Schedule 93?**

18 A. The Company will refund to customers approximately \$160 thousand which comprises  
19 the Comparison Period REC and SO<sub>2</sub> revenue deferral.

20 **Q. Please explain what this amount represents and how it is calculated.**

21 A. The deferral component for the Comparison Period represents a true-up of the  
22 difference between actual REC and SO<sub>2</sub> revenues during the 12 months ended  
23 December 31, 2019, and the amount of REC and SO<sub>2</sub> revenues in rates during the same

1 period, calculated in detail in Exhibit RMP\_\_\_\_(THS-3). The December 31, 2018,  
2 ending balance of \$703 thousand from the Company's 2019 RRA filing was rolled over  
3 to become the January 1, 2019, beginning balance of the 2019 RRA Comparison  
4 Period. The monthly REC and SO<sub>2</sub> revenues in rates were compared to the actual  
5 monthly revenues realized in 2019. The difference, adjusted for the time value of  
6 money and load variance, was deferred each month, netted against the actual Tariff  
7 Schedule 93 surcharge, and accrued carrying charges in accordance with the tariff. The  
8 \$160 thousand is refunded to customers in the current RRA.

9 **Q. How did the Company determine the Wyoming-allocated REC and SO<sub>2</sub> revenue**  
10 **in rates during the Comparison Period as shown on lines 3 and 4 of Exhibit**  
11 **RMP\_\_\_\_(THS-3)?**

12 A. The RRA revenues in rates during 2019 were determined using the REC and SO<sub>2</sub>  
13 revenues included in the 2018 RRA and the 2019 RRA. The REC and SO<sub>2</sub> revenues  
14 shown for January 1, 2019, through June 14, 2019, reflect the amount set in rates in the  
15 2018 RRA. The REC and SO<sub>2</sub> revenues shown for June 15, 2019, through December  
16 31, 2019, reflect the amount approved in rates in the 2019 RRA. A summary of these  
17 amounts is provided on Page 2.2 of Exhibit RMP\_\_\_\_(THS-2).

18 **Q. Please describe the load adjustment.**

19 A. Tariff Schedule 93 specifies that the deferral balance is to be adjusted for the difference  
20 between forecast billed units and actual billed units. The Company adjusted the  
21 monthly revenues in rates for the corresponding difference between the actual 2019  
22 load and the previous forecast load used to set rates. The monthly detail of load in rates  
23 and actual load is provided on page 3.1 of Exhibit RMP\_\_\_\_(THS-3). The 2018 RRA



1 loads were used from January 1, 2019, through June 30, 2019, and the 2019 RRA loads  
2 were used from July 1, 2019, through December 31, 2019.

3 **Q. How did the Company calculate the actual REC and SO<sub>2</sub> revenue during the**  
4 **Comparison Period?**

5 A. Total-Company REC and SO<sub>2</sub> revenue is based on the revenues booked by the  
6 Company during the Comparison Period. The Company used actual 2019 jurisdictional  
7 allocation factors, as shown on page 3.4 of Exhibit RMP\_\_\_\_(THS-3), to allocate the  
8 RRA revenues to Wyoming. This is consistent with the tariff and is the same as the  
9 method used in the Energy Cost Adjustment Mechanism (“ECAM”). Page 3.3 of  
10 Exhibit RMP\_\_\_\_(THS-3) illustrates the reallocation of REC revenues to reflect the  
11 RPS eligibility of the underlying resources that generated the RECs sold. Leaning  
12 Juniper contract REC revenues were allocated using the 2019 SG factor, and SO<sub>2</sub>  
13 revenue was allocated to Wyoming using the 2019 System Energy allocation factor.

14 **Q. Do the Wyoming-allocated REC revenues for 2019 represent a final amount?**

15 A. Yes. As of the time of this RRA filing the resource assignments of 2019 REC sales  
16 revenue is known and no further true-up adjustment will be needed.

17 **Q. Please describe the time value of money adjustment shown on lines 6 and 10 of**  
18 **Exhibit RMP\_\_\_\_(THS-3).**

19 A. Tariff Schedule 93 provides for a time value of money adjustment to be applied to the  
20 REC and SO<sub>2</sub> revenues. Exhibit RMP \_\_\_\_ (THS-3) lines 6 and 10 illustrate how the  
21 Company applied the time value of money adjustment by discounting both the in-rates  
22 RRA revenues and the actual RRA revenues using the same methodology as the  
23 Forecast Period time value of money adjustment. The discount rates for the Comparison

1 Period were calculated as the rate determined by the Commission pursuant to  
2 Commission Rule Chapter 3, Section 7 plus 1.5 percent per the tariff as shown in  
3 Exhibit RMP\_\_\_\_(THS-2) on Page 2.2.

4 **Q. Please explain how the January 1, 2019, beginning balance was determined.**

5 A. In Exhibit RMP\_\_\_\_(THS-3), line 13, the January 1, 2019, beginning balance is  
6 \$703 thousand. This amount represents the December 31, 2018, ending balance from  
7 the 2019 RRA, Exhibit RMP\_\_\_\_(THS-3), as shown on line 17 in that exhibit. Resource  
8 assignment for REC sales revenue was correctly estimated for December 2018. No  
9 adjustment is required to true-up the December 31, 2018 ending balance.

10 **Q. What do the collection amounts on Exhibit RMP\_\_\_\_(THS-3), line 15 represent?**

11 A. The collection amounts on Exhibit RMP\_\_\_\_(THS-3), line 15 represent the actual billed  
12 Tariff Schedule 93 surcharges the Company collected from Wyoming customers related  
13 to the deferral component established in the 2019 RRA. The January 1, 2019, through  
14 June 14, 2019, figures represent the amount set in the 2018 RRA. In the 2019 RRA,  
15 Exhibit RMP\_\_\_\_(THS-1), line 2 showed a REC and SO<sub>2</sub> revenue deferred balance of  
16 \$(525) thousand. This amount was included in the 2019 RRA, which became effective  
17 June 15, 2019. During the 2019 deferral period, the actual collections from customers  
18 related to the deferral component of Tariff Schedule 93 were approximately  
19 \$478 thousand.

20 **Q. Please describe what the estimated Tariff Schedule 93 surcharge January 1, 2020  
21 through June 14, 2020 represents.**

22 A. This surcharge represents an estimate that will be collected from customers during  
23 January through June 2020 as a result of the 2019 RRA filing. With the exception of

1 January and February 2020, the monthly amounts shown on Exhibit RMP\_\_\_\_(THS-3),  
2 line 20 are estimated as the actual amounts were not known at the time of filing. These  
3 numbers will be updated using the actual collections for January through June in the  
4 next RRA filing.

5 **Q. If this filing is intended to true-up calendar year 2019 REC and SO<sub>2</sub> revenues, why**  
6 **are the estimated Tariff Schedule 93 surcharges for the period of January through**  
7 **June of 2020 included in your deferral calculation?**

8 A. The deferral balance established in the 2019 RRA was to be collected from customers  
9 through June 14, 2020. Thus it is necessary to deduct the 2020 surcharges to correctly  
10 represent the June 14, 2020 ending balance.

11 **Q. If the 2019 RRA was intended to be collected through June 14, 2020, please explain**  
12 **why a portion of the estimated Tariff Schedule 93 surcharge continues through**  
13 **June 30, 2020 in Exhibit RMP\_\_\_\_(THS-3).**

14 A. This represents the amount related to customer usage prior to June 14, 2020, but due to  
15 billing cycle lag, it will not be included on customer bills until June 30, 2020.

16 **Q. Please explain how Tariff Schedule 93 addresses the calculation of carrying**  
17 **charges.**

18 A. Tariff Schedule 93 states that to the extent the deferred balance is positive, resulting in  
19 a collection from customers, a carrying charge will be applied at the interest rate set by  
20 the Commission. Thus the Company's request includes applicable carrying charges  
21 associated with the deferral balance.

1 **Q. Does the Company's request include carrying charges through the comparison**  
2 **and collection period, January 1, 2019, through June 14, 2021?**

3 A. Yes. The Company has included approximately \$15.5 thousand for carrying charges.  
4 This amount includes approximately \$15.2 thousand for the period from January 1,  
5 2019, to December 31, 2019, and \$0.3 thousand for the period from January 1, 2020,  
6 through June 14, 2021. These amounts are included in Exhibit RMP\_\_\_\_(THS-3).

7 **Q. Does this conclude your direct testimony?**

8 A. Yes.

Rocky Mountain Power  
Exhibit RMP\_\_\_(THS-1)  
Docket No. 20000-\_\_\_-EM-20  
Witness: Terrell H Spackman

BEFORE THE WYOMING PUBLIC SERVICE  
COMMISSION

ROCKY MOUNTAIN POWER

---

Exhibit Accompanying Direct Testimony of Terrell H Spackman

Summary of the RRA Calculations

April 2020

**Rocky Mountain Power**  
**Wyoming REC and SO2 Revenue Adjustment Mechanism**  
April 15, 2020

*Summary of Wyoming REC and SO2 Revenue Adjustment Mechanism (Schedule 93)*

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>	<b>Reference</b>
1	Forecast REC and SO2 Revenue Projection	\$ 813,048	RMP_(THS-2)
2	REC and SO2 Revenue Deferred Balance	160,159	RMP_(THS-3)
3	Total RRA - Proposed	973,207	Line 1 + Line 2
4	Total RRA Surcredit - Docket 20000-558-EA-19	369,010	RMP_(RMM-3)
5	Change in RRA Schedule 93	604,197	Line 3 - Line 4

Rocky Mountain Power  
Exhibit RMP\_\_\_(THS-2)  
Docket No. 20000-\_\_\_-EM-20  
Witness: Terrell H Spackman

BEFORE THE WYOMING PUBLIC SERVICE  
COMMISSION

ROCKY MOUNTAIN POWER

---

Exhibit Accompanying Direct Testimony of Terrell H Spackman

REC and SO<sub>2</sub> Forecast

April 2020

**Rocky Mountain Power**  
**Wyoming REC and SO2 Revenue Adjustment Mechanism**  
 April 15, 2020

*Calculation of Forecast REC and SO2 Revenue*

Line No.	Forecast Period	Current RRA Filing Reference
		CY 2020
		<i>June 15, 2020 -</i>
	<i>Rate Effective Period</i>	<i>June 14, 2021</i>
<b>REC Revenue</b>		
1	Total Company	3,945,860 Page 2.1
2	Wyoming Allocated	869,487 Page 2.1
<b>SO2 Revenue</b>		
3	Total Company	- Page 2.1
4	Wyoming Allocated	- Page 2.1
5	<b>Discount for Time Value of Money</b>	(56,439) Schedule 93, page 2
6	Rate	5.16% Customer Deposit Interest Rate + 1.5%
7	Months	15 Schedule 93, page 2
8	<b>RRA Surcredit</b>	813,048 Line 2 + Line 4 + Line 5



Rocky Mountain Power  
 Wyoming REC and SO2 Revenue Adjustment Mechanism  
 April 15, 2020

Calculation of Wyoming Allocated Forecast REC and SO2 Revenue for CY 2020

December 2020 - REC Revenues - CA/OR/WA Eligible Resources(1)	\$ -
December 2020 - REC Revenues - CA/OR Eligible Resources(1)	\$ 413,250
December 2020 - REC Revenues - CA Eligible Resources(1)	\$ -
December 2020 REC Revenues - Known Sales	\$ 413,250

Reallocate December 2020 for Renewable Portfolio Standards

	Factor	Total	California	Oregon	Washington	Wyoming	Utah	Idaho	FERC	Other
		100.000%	1.552%	25.464%	7.761%	16.089%	43.527%	5.558%	-	0.049%
SG Factor Amounts - Docket No. 20000-469-ER-15	SG	-	-	-	-	-	-	-	-	-
<b>Estimated December 2020 REC Rev - Eligible for CA/OR/WA RPS</b>	SG	-	-	-	-	-	-	-	-	-
Adjustment for RPS/Commission Order	SG	-	-	-	-	-	-	-	-	-
Adjustment for RPS/Commission Order	Situs	-	-	-	-	-	-	-	-	-
<b>Estimated December 2020 REC Revenues - Reallocated Totals</b>		-	-	-	-	-	-	-	-	-
<b>Estimated December 2020 REC Rev - Eligible for CA/OR RPS</b>	SG	413,250	6,413	105,229	32,072	66,489	179,876	22,969	202	-
Adjustment for RPS/Commission Order	SG	152,967	2,374	38,951	11,872	24,611	66,582	8,502	75	-
Adjustment for RPS/Commission Order	Situs	(152,967)	(8,787)	(144,180)	-	-	-	-	-	-
<b>Estimated December 2020 REC Revenues - Reallocated totals</b>		413,250	-	-	43,944	91,100	246,458	31,471	277	-
<b>Estimated December 2020 REC Rev - Eligible for CA RPS Only</b>	SG	-	-	-	-	-	-	-	-	-
Adjustment for RPS/Commission Order	SG	-	-	-	-	-	-	-	-	-
Adjustment for RPS/Commission Order	Situs	-	-	-	-	-	-	-	-	-
<b>Estimated December 2020 REC Revenues - Reallocated totals</b>		-	-	-	-	-	-	-	-	-
<b>Reallocated Revenues for 12 ME December 2020</b>	SG	152,967	2,374	38,951	11,872	24,611	66,582	8,502	75	-
	Situs	(152,967)	(8,787)	(144,180)	-	-	-	-	-	-
<b>Estimated December 2020 REC Revenues - Total Reallocated Known Sales</b>		413,250	-	-	43,944	91,100	246,458	31,471	277	-

Total Company	Percentage %	Wyoming Alloc	Reference
413,250	22.04%	91,100	See Exhibit RMP (KAB-1)
1,435,061	22.04%	316,355	See Exhibit RMP (KAB-1)
2,091,394	22.04%	461,042	See Exhibit RMP (KAB-1)
6,155	16.09%	990	See Exhibit RMP (KAB-1)
<b>3,945,860</b>		<b>869,487</b>	

Total Company	Percentage %	Wyoming Alloc	Reference
-	17.61%	-	See Exhibit RMP (KAB-1)

1) Please see Exhibit RMP (KB-3) for the 2020 REC revenue forecast sales by resource

22.04% = (B) / (A)  
 16.09% = Wyoming SG Factor - Docket No. 20000-469-ER-15  
 17.61% = Wyoming SE Factor - Docket No. 20000-469-ER-15

**Rocky Mountain Power**  
**Wyoming REC and SO2 Revenue Adjustment Mechanism**  
 April 15, 2020

*Prior RRA Forecast REC and SO2 Revenue*  
*(Used to calculate the amount of REC and SO2 in rates in THS-3, Lines 3, 4, and 6)*

<b>Line No.</b>		<b>Docket No. 20000-535-EA-18, Exhibit RMP__(THS-2)</b>	<b>Docket No. 20000-558-EM- 19, Exhibit RMP__(THS-2)</b>
	<b>Forecast Period</b>	CY 2018	CY 2019
	<i>Rate Effective Period</i>	<i>July 1, 2018 - June 14, 2019</i>	<i>June 15, 2019 - June 14, 2020</i>
	<b>REC Revenue</b>		
1	Total Company	3,041,874	4,390,488
2	Wyoming Allocated	686,867	964,873
	<b>SO2 Revenue</b>		
3	Total Company	-	-
4	Wyoming Allocated	-	-
5	<b>Discount for Time Value of Money</b>	(35,641)	(61,043)
6	Rate	4.13%	5.03%
7	Months	15	15
8	<b>RRA Surcredit</b>	651,226	903,830
	<b>Monthly Amount</b>		
9	Wyoming Allocated REC Revenue (Line 2 / 12)	57,239	80,406

Rocky Mountain Power  
Exhibit RMP\_\_\_(THS-3)  
Docket No. 20000-\_\_\_-EM-20  
Witness: Terrell H Spackman

BEFORE THE WYOMING PUBLIC SERVICE  
COMMISSION

ROCKY MOUNTAIN POWER

---

Exhibit Accompanying Direct Testimony of Terrell H Spackman

REC and SO<sub>2</sub> Revenue Deferred Balance

April 2020

**Rocky Mountain Power**  
**Wyoming REC and SO2 Revenue Adjustment Mechanism**  
 April 15, 2020

**Calculation of REC and SO2 Revenue Deferred Balance**

**Comparison Period 2019**

Line No.	Reference	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total CY 2019
1	WY Load in Rates (@ sales)	831,382	747,268	763,145	750,483	755,332	735,491	794,658	779,472	732,435	763,778	779,106	831,234	9,311,804
2	WY Actual Load (@ sales)	833,787	753,296	829,743	765,637	769,990	774,959	796,411	753,791	776,503	710,796	795,561	832,166	9,392,641
3	WY REC in Rates	57,239	57,239	57,239	57,239	57,239	69,595	80,406	80,406	80,406	80,406	80,406	80,406	838,226
4	WY SO2 in Rates	165	462	3,251	1,195	1,111	3,735	177	(2,649)	2,572	(6,161)	1,688	90	5,606
5	Lead Adjustment	(2,979)	(2,994)	(3,139)	(3,030)	(3,028)	(4,319)	(5,098)	(4,919)	(5,250)	(4,697)	(5,194)	(5,093)	(49,739)
6	Time Value of Money Adjustment	54,425	54,707	57,351	55,364	55,322	69,010	75,485	72,838	77,728	69,548	76,910	75,404	794,093
7	Total WY REC and SO2 in Rates	33,171	190,613	90,622	61,623	44,202	56,839	472	582	73,950	138,555	166,045	152,829	1,009,512
8	WY Actual REC Revenue	(2,153)	(12,373)	(5,882)	(4,002)	(2,868)	(3,689)	(31)	(38)	(4,800)	(9,994)	(10,778)	(9,920)	(65,530)
9	Time Value of Money Adjustment	31,018	178,240	84,739	57,650	41,332	53,149	441	554	69,150	129,561	155,267	142,909	944,011
10	REC and SO2 Revenue Subject to Deferral	23,407	(123,533)	(27,388)	(2,286)	13,990	15,861	75,044	72,284	8,578	(60,013)	(78,357)	(67,505)	(149,918)
11	Monthly Deferral for Collection(Refund)	703,170	696,164	541,260	480,765	443,777	421,098	391,456	420,803	453,171	419,213	318,564	200,866	2,000,558-EM-19
12	Beginning Balance	23,407	(123,533)	(27,388)	(2,286)	13,990	15,861	75,044	72,284	8,578	(60,013)	(78,357)	(67,505)	(149,918)
13	Monthly Deferral	23,407	(123,533)	(27,388)	(2,286)	13,990	15,861	75,044	72,284	8,578	(60,013)	(78,357)	(67,505)	(149,918)
14	Schedule 93 Deferral Collection	(32,468)	(33,188)	(34,607)	(36,001)	(37,938)	(46,697)	(46,891)	(41,199)	(43,818)	(41,719)	(40,105)	(43,408)	(478,098)
15	Carrying Charge	2,055	1,817	1,501	1,358	1,270	1,193	1,193	1,284	1,281	1,084	763	428	15,227
16	Ending Balance	696,164	541,260	480,765	443,777	421,098	391,456	420,803	453,171	419,213	318,564	200,866	90,380	2,000,558-EM-19
17	Sum Lines 13 - 16	696,164	541,260	480,765	443,777	421,098	391,456	420,803	453,171	419,213	318,564	200,866	90,380	2,000,558-EM-19

**Interim Period - Jan - June 14, 2020 (Footnote 6)**

Line No.	Reference	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total
18	Beginning Balance	90,380	54,849	11,720	(31,250)	(74,220)	(117,189)	(65,710)
19	Monthly Deferral	(35,752)	(43,231)	(42,970)	(42,970)	(42,970)	(42,970)	(250,862)
20	Schedule 93 Deferral Collection	221	101					322
21	Carrying Charge	54,849	11,720	(31,250)	(74,220)	(117,189)	(160,159)	
22	Ending Balance	90,380	54,849	11,720	(31,250)	(74,220)	(117,189)	(65,710)

**REC and SO2 Revenue Deferred Balance**

23	Deferred Balance Carrying Charge - 2019	3.53%
24	Commission Rule Chpt. 3, Sect. 7	3.66%
25	Commission Rule Chpt. 3, Sect. 7	3.66%
26	Commission Rule Chpt. 3, Sect. 7	3.66%

1) Please see Page 2.2. The January 2019 through June 14, 2019 REC and SO2 amounts in rates come from Docket No. 20000-535-EA-18. The June 15, 2019 through December 2019 REC and SO2 amounts in rates come from Docket No. 20000-558-EM-19.  
 2) In compliance with the Schedule 93 tariff, Line 5 adjusts the deferral calculation for the difference between the forecasted billed units, shown on Line 1 and actual billed units, shown on Line 2.  
 3) Lines 6 and 10 represents the time value of money adjustment. This is included to comply with the Schedule 93 tariff.  
 4) The beginning balance shown for January represents the \$703 thousand ending December 31, 2018 balance from Docket No. 20000-558-EM-19. No additional true-up was required since REC Resource assignments for 2019 remain unchanged from those included in the 2019 RRA filing.  
 5) Carrying charges were applied to the monthly deferral according to the Schedule 93 tariff, which specifies that when the RRA deferred balance is positive, a carrying charge will be applied at the interest rate pursuant to Commission Rule Chapter 3, Section 7. The carrying charges for 2020 were applied to the beginning balance of January 15, 2020 including applying the carrying charges and Schedule 93 tariff to the beginning balance of January 15, 2020. The surcharges and carrying charges shown in 2020 relate to the CY 2019 deferral.  
 6) Differences between the 2020 amount in base rates and actual sales will be deferred and billed in the Company's RRA filing on April 15, 2021.  
 7) The surcharges shown for January and February 2020 represents the actual surcharge billed. The March through June 15, 2020 amounts were not available at the time of filing and represent estimates. The June 15-30, 2020 amount represents the surcharge that is related to June 1-14, 2020 usage, but are not billed until later in June 2020 due to lag in the Company's billing cycles.  
 8) This represents the interest accrued on the December 31, 2019 deferral balance for the period of January 1, 2020 through June 14, 2020.  
 9) If the deferred balance is positive, this represents the interest that will accrue during the rate effective period, June 15, 2020 through June 14, 2021.

Rocky Mountain Power  
 Wyoming REC and SO2 Revenue Adjustment Mechanism  
 April 15, 2020

Summary of Wyoming Load (MWh) @ Sales

Calendar Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
Docket No. 20000-535-EA-18	831,392	747,268	785,145	750,493	755,332	735,491	799,077	787,507	746,717	770,830	776,448	829,075	9,314,775
Docket No. 20000-535-EA-18													
Docket No. 20000-558-EA-19	804,362	747,537	772,327	737,569	745,273	733,246	794,658	779,472	752,435	769,778	779,106	831,234	9,246,897
Docket No. 20000-558-EA-19													
Actual Load CY 2019	833,787	753,295	829,743	765,637	769,990	774,959	796,411	753,791	776,503	710,796	795,561	832,166	9,392,641

Rocky Mountain Power  
 Wyoming REC and SO2 Revenue Adjustment Mechanism  
 April 15, 2020

Summary of Wyoming Allocated Actual REC and SO2 Revenue for CY 2019

Line No.	Reference	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
1	Total Company 2019 REC Revenue	159,976	919,764	437,026	298,419	211,978	272,675	39	7	353,451	664,695	798,878	732,789	4,845,697
2	WY Allocation Factor	20.72%	20.72%	20.72%	20.72%	20.72%	20.72%	20.72%	20.72%	20.72%	20.72%	20.72%	20.72%	20.72%
3	WY Allocated	33,145	190,563	90,546	61,414	43,919	56,465	6	1	73,230	137,716	165,103	151,824	1,003,966
4	Total Company 2019 LJ Revenue	174	328	503	1,386	1,881	2,290	3,085	3,934	4,792	5,582	6,271	6,690	36,916
5	WY Allocation Factor - SG	15.02%	15.02%	15.02%	15.02%	15.02%	15.02%	15.02%	15.02%	15.02%	15.02%	15.02%	15.02%	15.02%
6	WY Allocated	26	49	76	208	283	344	463	591	720	839	942	1,005	5,545
7	Total Company 2019 SO2 Revenue	-	-	-	173	-	(0)	-	-	-	-	-	-	173
8	WY Allocation Factor - SE	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%
9	WY Allocated	-	-	-	29	-	(0)	-	-	-	-	-	-	29

1) Total Company 2019 REC Revenue from SAP actuals, excluding Utah sites assigned Kennecott REC sales.

Rocky Mountain Power  
 Wyoming REC and SO2 Revenue Adjustment Mechanism  
 April 15, 2020

Calculation of Wyoming Allocated REC Actuals for CY 2019

Jan - Dec 2019 - Actual REC Revenues - CA/OR/WA Eligible Resources(1)	\$ 651,580
Jan - Dec 2019 - Actual REC Revenues - CA/OR Eligible Resources(1)	\$ 3,941,933
Jan - Dec 2019 - Actual REC Revenues - CA Eligible Resources(1)	\$ 252,184
Total Jan - Dec 2019 REC Revenues	\$ 4,845,697

Reallocate Jan - Dec 2019 REC Revenues for Renewable Portfolio Standards

Type	Factor	Total	California	Oregon	Washington	Wyoming	Utah	Idaho	FERC	Other
	SG	100.000%	1.416%	25.837%	8.183%	15.022%	43.458%	6.069%	0.035%	
SG Factor Amounts - Actual 2019										
<b>Actual Jan - Dec 2019 REC Rev - Eligible for CA/OR/WA RPS</b>	1	651,580	9,227	168,347	53,191	97,879	283,162	39,544	229	
Adjustment for RPS/Commission Order	1	357,311	5,060	92,317	29,169	53,675	155,279	21,685	126	
Adjustment for RPS/Commission Order	1	(357,311)	(14,288)	(260,664)	(82,359)					
<b>Actual Jan - Dec 2019 REC Revenues - Reallocated Totals</b>		651,580	-	-	-	151,554	438,442	61,229	355	
<b>Actual Jan - Dec 2019 REC Rev - Eligible for CA/OR RPS</b>	1	3,941,933	55,824	1,018,466	321,794	592,151	1,713,076	239,234	1,388	
Adjustment for RPS/Commission Order	1	1,476,746	20,913	381,543	120,552	221,834	641,761	89,623	520	
Adjustment for RPS/Commission Order	1	(1,476,746)	(76,737)	(1,400,009)						
<b>Actual Jan - Dec 2019 REC Revenues - Reallocated Totals</b>		3,941,933	-	-	442,346	813,985	2,354,837	328,857	1,907	
<b>Actual Jan - Dec 2019 REC Rev - Eligible for CA RPS Only</b>	1	252,184	3,571	65,156	20,587	37,883	109,593	15,305	89	
Adjustment for RPS/Commission Order	1	3,623	51	936	296	544	1,574	220	1	
Adjustment for RPS/Commission Order	1	(3,623)	(3,623)	(66,092)						
<b>Actual Jan - Dec 2019 REC Revenues - Reallocated Totals</b>		252,184	-	-	20,882	38,427	111,168	15,525	90	
<b>Reallocated REC Revenues for Jan - Dec 2019</b>	SG	1,837,680	26,025	474,796	150,016	276,053	798,615	111,528	647	
	Situs	(1,837,680)	(94,647)	(1,726,765)	(82,359)	-	-	-	-	
<b>Actual Jan - Dec 2019 REC Revenues - Total Reallocated</b>		<b>4,845,697</b>	-	-	463,228	<b>1,003,966</b>	2,904,446	405,611	2,353	

(A)  
 Reference  
 20.72% C = B / A  
 1,003,966 D = C \* A

Total Company Actual CY 2019 Leaning Juniper Revenue  
 Wyoming % of Actual Leaning Juniper Revenue (SG Factor)  
 Wyoming allocated CY 2019 Leaning Juniper Revenue  
 Total Wyoming allocated CY 2019 REC revenue  
 36,916 E = SAP Actuals  
 15.02% F = See Page 3.4  
 5,545 G = E \* F  
 1,009,512 H = D + G

1) Confidential Exhibit RMP (KAB-6) provides the actual 2019 REC revenue by resource.  
 2) The resource assignments for December 2019 RECs are known and will not require any subsequent true up.

**Rocky Mountain Power**  
**Wyoming REC and SO2 Revenue Adjustment Mechanism**  
 April 15, 2020

*Calculation of Wyoming CY 2019 Actual Allocation Factors*

Year	Month	Day	hour	CA	OR	WA	UT	ID	WY	FERC	total
2019	1	2	18	123	2,170	681	3,475	482	1,253	3	8,189
2019	2	7	8	145	2,632	895	3,246	379	1,304	3	8,604
2019	3	4	8	126	2,518	794	3,112	406	1,260	3	8,218
2019	4	10	8	119	1,958	550	3,028	401	1,109	2	7,167
2019	5	13	18	105	1,632	543	3,405	485	1,137	2	7,311
2019	6	12	17	120	2,385	717	3,751	622	1,149	3	8,747
2019	7	22	17	122	2,276	761	5,092	726	1,248	4	10,230
2019	8	5	17	132	2,434	767	4,864	624	1,268	4	10,092
2019	9	5	17	113	2,198	685	4,728	577	1,311	4	9,615
2019	10	30	8	120	2,382	774	3,252	464	1,280	3	8,274
2019	11	26	18	119	2,262	663	3,389	424	1,221	3	8,081
2019	12	17	18	127	2,303	734	3,397	520	1,309	3	8,392
Total 12 CP				1,471	27,149	8,564	44,738	6,111	14,849	37	102,920
System Capacity Factor				1.4296%	26.3791%	8.3210%	43.4686%	5.9380%	14.4280%	0.0357%	100.0000%

Year	Month	CA	OR	WA	UT	ID	WY	FERC	total
2019	1	72,439	1,343,149	428,440	2,225,205	291,330	873,310	1,971	5,235,844
2019	2	72,424	1,317,556	425,635	1,975,055	256,030	817,762	1,690	4,866,153
2019	3	69,250	1,270,849	393,385	2,029,492	247,493	851,498	1,631	4,863,598
2019	4	56,867	1,058,807	303,385	1,884,023	267,400	795,218	1,398	4,367,099
2019	5	64,850	1,049,025	320,262	1,950,263	302,457	811,103	1,413	4,499,373
2019	6	68,523	1,099,297	352,262	2,117,631	399,479	796,681	1,438	4,835,312
2019	7	77,044	1,199,718	384,550	2,636,775	491,101	838,898	1,927	5,630,012
2019	8	77,314	1,240,290	397,700	2,593,416	388,012	855,282	1,923	5,553,937
2019	9	57,895	1,069,707	352,039	2,129,670	313,343	803,693	1,524	4,727,869
2019	10	59,594	1,152,835	371,996	1,983,670	299,336	828,410	1,516	4,697,357
2019	11	65,290	1,210,111	393,483	2,018,321	257,399	812,847	1,634	4,759,085
2019	12	74,268	1,341,876	436,258	2,202,282	317,629	877,633	1,991	5,251,938
Total Energy		815,759	14,353,220	4,559,396	25,745,804	3,831,008	9,962,334	20,056	59,287,577
System Energy Factor		1.3759%	24.2095%	7.6903%	43.4253%	6.4617%	16.8034%	0.0338%	100.0000%
System Generation Factor		1.4162%	25.8367%	8.1633%	43.4578%	6.0690%	15.0218%	0.0352%	100.0000%