BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

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Exhibit Accompanying Direct Testimony of Jeffrey K. Larsen

Revenue Requirement Overview – Wind Repowering

June 2017

Resource Tracking Mechanism

Revenue Requirement Overview – Wind Repowering

Category	Base	New	Deferral
Capital Investment	Zero until the next general rate case. After rate case, the base will be the amount included in the test period, beginning on the rate effective date of that case.	Actual monthly plant-in-service balances associated with wind repowering less the base, beginning with first repowering assets placed in service.	The difference between the base and new columns will be included in the mechanism calculation until the amounts are fully included in a general rate case, at which time this will end.
Accumulated Depreciation Reserve	Same as capital investment.	Monthly depreciation reserve of repowered assets less base amount.	
Accumulated Deferred Income Tax	Same as capital investment.	Actual accumulated deferred income tax balances associated with the repowering investment, less base amount.	
Operation & Maintenance Expense	Four-year average O&M expense for wind projects from 2014 to 2017, (2018-2019 are excluded to avoid any changes in O&M related to repowering).	Actual O&M expense for wind projects less base O&M.	
Depreciation Expense	Zero.	Actual monthly plant-in-service balances associated with wind repowering less the base multiplied by current depreciation rates.	
Property Taxes	Zero.	Capital Investment deferral less the Depreciation Reserve deferral multiplied by the average property tax rate from the last rate case.	
Wind Tax	Zero.	Incremental energy production MWh associated with repowering multiplied by the wind tax rate.	
NPC Savings	The ECAM tracks and captures any incremental changes to wind production between NPC in base rates and actual NPC. The base energy production = Actual energy produced by wind projects divided by (1 + percent of generation increase from Exhibit RMP__(TJH-3)).	The ECAM has a 70% / 30% sharing of the difference between base NPC and actual NPC. The RTM will capture the 30% savings not included in the ECAM related to incremental energy production associated with repowering, and pass these savings back to customers.	The 30% of incremental wind production not in base rates will be multiplied by monthly HLH and LLH prices, (Mid-C for west and Four Corners for east resources) less wind integration costs.
PTC	Zero until next general rate case. After a rate case, the base will be the amount included in the test period, starting on the rate effective date, associated with repowering projects.	Actual MWh eligible for PTC produced by repowered wind plants multiplied by the production tax rate.	Difference between the base and actual. Tracked until repowering PTCs have expired, and have been reset to zero in base rates.
RTM Cap	N/A	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 ECAM, it will not operate to surcharge customers.	