

Rocky Mountain Power
Exhibit RMP___(JRS-4SD)
Docket No. 20000-520-EA-17
Witness: Joelle R. Steward

BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Supplemental Direct Testimony of Joelle R. Steward

Capital Structure, Property Tax Rate, and Net Power Cost Description

January 2018

**PacifiCorp
 Wyoming**

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

**20000-469-ER-15 Capital Structure & Cost - Ordered
 Updated with new consolidated tax rate consistent with the new tax law
 Effective 1/1/2016**

| Line no. | Capital Structure | Capital Structure | Capital Cost | Weighted Cost | Pre-Tax Cost |
|--|--|-------------------|--------------|---------------|-----------------|
| 1 | Debt | 48.540% | 5.189% | 2.519% | 2.519% |
| 2 | Preferred | 0.020% | 6.750% | 0.001% | 0.002% |
| 3 | Common | 51.440% | 9.500% | 4.887% | 6.480% |
| 4 | | | TOTAL | 7.407% | 9.001% |
| 5 | Consolidated Tax Rate | | 24.587% | | |
| 6 | Tax Gross-up factor for PTC = (1/(1 - tax rate)) | | 1.3260 | | |
| Property Tax Calculation from Order for Docket Number 20000-469-ER-15 | | | | | |
| 7 | Total Company | | | | 135,310,456 |
| 8 | Wyoming GPS Factor | | | | 14.6657% |
| 9 | Wyoming Property Taxes | | | | 19,844,226 |
| 10 | Wyoming Gross EPIS | | | | 3,846,190,554 |
| 11 | Wyoming Accum. Depr. | | | | (1,191,418,911) |
| 12 | Wyoming Accum. Amort. | | | | (79,859,074) |
| 13 | Wyoming Net EPIS | | | | 2,574,912,569 |
| 14 | Estimated Wyoming Property Tax Rate | | | | 0.771% |
| 15 | Wyoming SG Factor - Docket No. 20000-469-ER-15 | | | | 15.9592% |
| 16 | Wyoming GPS Factor - Docket No. 20000-469-ER-15 | | | | 14.6657% |

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 × ECAM Sharing Band

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 ECAM as a result of the sharing band