

Rocky Mountain Power
Exhibit RMP__(JKL-1)
Docket No. 20000-__-EA-17
Witness: Jeffrey K. Larsen

BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Jeffrey K. Larsen

Revenue Requirement Overview

June 2017

Resource Tracking Mechanism

Revenue Requirement Overview – Combined Projects

Category	Base	New	Deferral
Capital Investment	Zero unless the assets or part of the assets have been included in a general rate case. After a rate case, the base will be the amount included in the test period, beginning on the rate effective date of that case.	Actual monthly beginning plant in-service balances associated with the Combined Projects, beginning with first 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 Combined Projects.	
Accumulated Deferred Income Tax	Same as capital investment.	Actual accumulated deferred income tax balances associated with the Combined Projects.	
Wheeling Revenues	Zero unless the Transmission Projects have been included, or partially included, in a general rate case. After a rate case, the base will be the amount included in the test period, beginning on the rate effective date of that case.	The revenue requirement of the Transmission Projects, multiplied by the percentage of transmission revenue requirement paid by third-party transmission customers.	
Operation & Maintenance Expense	Zero unless the assets or part of the assets have been included in a general rate case. After a rate case, the base will be the amount included in the test period, beginning on the rate effective date of that case.	Actual O&M expense for the Combined Projects.	
Depreciation Expense	Zero.	Actual monthly plant in-service balances associated with the Combined Projects 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 Wind Projects subject to the Wyoming Wind tax 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 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 the Wind Projects, 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, (Four Corners for east resources) less wind integration costs.
PTC	Zero until the 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 the Wind Projects.	Actual MWh eligible for PTC produced by the Wind Projects multiplied by the production tax rate.	Difference between the base and actual. Tracked until Wind Project PTC's have expired, and have been reset to zero in base rates.