

Rocky Mountain Power  
Exhibit RMP\_\_(JKL-3)  
Docket No. 20000-\_\_-EA-17  
Witness: Jeffrey K. Larsen

BEFORE THE WYOMING PUBLIC SERVICE  
COMMISSION

ROCKY MOUNTAIN POWER

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Exhibit Accompanying Direct Testimony of Jeffrey K. Larsen  
Example Monthly RTM Deferral Calculation – Revenue Requirement

June 2017

**PacifiCorp**  
**Wyoming**  
**Combined Projects - Example Monthly RTM Deferral Calculation**  
**Revenue Requirement**

Line No.	\$-Thousands	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
		January	February	March	April	May	June	July	August	September	October	November	December
<b>Total Company</b>													
<b>Plant Revenue Requirement</b>													
1	Capital Investment	-	-	-	-	-	-	-	-	-	-	2,064,848	2,064,848
2	Depreciation Reserve	-	-	-	-	-	-	-	-	-	-	(4,850)	(9,699)
3	Accumulated DIT Balance	-	-	-	-	-	-	-	-	-	-	(30,384)	(137,442)
4	Net Rate Base	-	-	-	-	-	-	-	-	-	-	2,029,614	1,917,706
sum of lines 1-3													
5	Pre-Tax Rate of Return	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%
6	Pre-Tax Return on Rate Base	-	-	-	-	-	-	-	-	-	-	-	17,584
Footnote 1													
7	Wholesale Wheeling Revenue	-	-	-	-	-	-	-	-	-	-	-	(840)
8	Operation & Maintenance	-	-	-	-	-	-	-	-	-	-	1,598	1,598
9	Depreciation	-	-	-	-	-	-	-	-	-	-	4,850	4,850
10	Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-
11	Wind Tax	-	-	-	-	-	-	-	-	-	-	-	-
12	<b>Total Plant Revenue Requirement</b>	-	-	-	-	-	-	-	-	-	-	6,316	23,182
sum of lines 7-11													
<b>Net Power Cost</b>													
13	NPC Incremental Savings	-	-	-	-	-	-	-	-	-	-	(8,545)	(8,545)
See Exhibit JKL-4													
<b>PTC Benefit</b>													
14	PTC Benefit	-	-	-	-	-	-	-	-	-	-	(8,903)	(8,903)
15	PTC Benefit in Base Rates	-	-	-	-	-	-	-	-	-	-	(8,903)	(8,903)
16	Net PTC	-	-	-	-	-	-	-	-	-	-	(8,903)	(8,903)
17	Gross-up for taxes	-	-	-	-	-	-	-	-	-	-	(5,445)	(5,445)
18	PTC Revenue Requirement	-	-	-	-	-	-	-	-	-	-	(14,348)	(14,348)
sum of lines 14 and 15													
line 16 * (line 31 - 1)													
sum of line 16 and 17													
19	<b>Rev. Requirement</b>	-	-	-	-	-	-	-	-	-	-	(16,577)	299
sum of lines 12, 13 and 18													
<b>Adjustment for ECAM Pass-through</b>													
20	NPC Incremental Savings	-	-	-	-	-	-	-	-	-	-	(8,545)	(8,545)
21	Percentage included in ECAM (70%)	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
22	ECAM Pass-through	-	-	-	-	-	-	-	-	-	-	(5,981)	(5,981)
line 20 * line 21													
23	<b>Rev. Reqt after ECAM Pass-through</b>	-	-	-	-	-	-	-	-	-	-	(10,595)	6,280
line 19 - line 22													
<b>Wyoming Allocated</b>													
24	<b>Total Deferral - WY Share</b>	-	-	-	-	-	-	-	-	-	-	(1,691)	1,002
25	<b>Net Customer Benefit</b>	-	-	-	-	-	-	-	-	-	-	(2,645)	48
line 22 * line 36 + line 24													
<b>Deferral Balance - WY Share</b>													
26	Beginning Deferral Balance	-	-	-	-	-	-	-	-	-	-	-	(1,692)
27	Monthly Deferral	-	-	-	-	-	-	-	-	-	-	-	1,002
28	Deferral Collection	-	-	-	-	-	-	-	-	-	-	-	-
29	Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-
30	<b>Ending Deferral Balance</b>	-	-	-	-	-	-	-	-	-	-	(1)	(2)
sum of lines 26-29													
31	Federal/State Combined Tax Rate	37.951%											
32	Net to Gross Bump up Factor = (1/(1-tax rate))	1,6116											
33	Deferred Balance Carrying Charge	2.02%											
34	Pre-tax Return	10.397%											
35	Property Tax Rate	0.77%											
36	Wyoming SG Factor	15.952%											
37	Wyoming GPS Factor	14.6657%											

Footnotes:  
1) Pre-tax Return, line 6, is calculated as the rate of return (line 5) multiplied by the ending net rate base of the prior month (line 4) divided by 12  
2) Includes Wholesale Wheeling Revenue offset for transmission asset credit already in base rates  
3) For illustrative purposes, collection of December's balance is assumed to be collected beginning the following June 15

**PacifiCorp**  
**Wyoming**  
**Combined Projects - Example Monthly RTM Deferral Calculation**  
**Revenue Requirement**

Line No.	Reference	2021 January	2021 February	2021 March	2021 April	2021 May	2021 June	2021 July	2021 August	2021 September	2021 October	2021 November	2021 December
<b>\$-Thousands</b>													
<b>Total Company</b>													
<b>Plant Revenue Requirement</b>													
1		2,064,848	2,064,848	2,064,848	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058	2,069,058	2,086,917	2,086,917
2		(14,549)	(19,399)	(24,248)	(30,098)	(33,954)	(38,810)	(43,667)	(48,523)	(53,379)	(58,235)	(63,143)	(68,050)
3		(137,442)	(137,442)	(177,483)	(177,483)	(177,483)	(217,524)	(217,524)	(217,524)	(257,564)	(257,564)	(257,564)	(297,605)
4	sum of lines 1-3	1,912,856	1,908,007	1,863,116	1,858,267	1,857,091	1,812,724	1,807,967	1,803,011	1,793,114	1,783,258	1,766,210	1,721,262
5	Pre-Tax Rate of Return	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%
6	Footnote 1	16,615	16,573	16,531	16,142	16,100	16,094	15,705	15,663	15,621	15,232	15,190	15,302
7	Footnote 2	(894)	(893)	(882)	(886)	(886)	(889)	(884)	(883)	(882)	(876)	(875)	(874)
8	Operation & Maintenance	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682
9	Depreciation	4,850	4,850	4,850	4,850	4,856	4,856	4,856	4,856	4,856	4,856	4,908	4,908
10	Property Taxes	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320
11	Wind Tax	-	-	-	-	-	-	-	-	-	-	-	-
12	<b>Total Plant Revenue Requirement</b>	<b>23,573</b>	<b>23,532</b>	<b>23,491</b>	<b>23,107</b>	<b>23,072</b>	<b>23,063</b>	<b>22,680</b>	<b>22,639</b>	<b>22,598</b>	<b>22,214</b>	<b>22,224</b>	<b>22,338</b>
<b>Net Power Cost</b>													
13	NPC Incremental Savings	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)
<b>PTC Benefit</b>													
14	PTC Benefit	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)
15	Net PTC	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)
16	Gross-up for taxes	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)
17	PTC Revenue Requirement	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)
18	<b>Rev. Requirement</b>	<b>7,589</b>	<b>7,548</b>	<b>7,507</b>	<b>7,124</b>	<b>7,089</b>	<b>7,080</b>	<b>6,696</b>	<b>6,655</b>	<b>6,614</b>	<b>6,231</b>	<b>6,241</b>	<b>6,354</b>
<b>Adjustment for ECAM Pass-through</b>													
20	NPC Incremental Savings	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)	(5,062)
21	Percentage included in ECAM (70%)	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
22	<b>ECAM Pass-through</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>	<b>(3,544)</b>
23	<b>Rev. Req't after ECAM Pass-through</b>	<b>11,133</b>	<b>11,092</b>	<b>11,051</b>	<b>10,667</b>	<b>10,632</b>	<b>10,623</b>	<b>10,240</b>	<b>10,199</b>	<b>10,158</b>	<b>9,774</b>	<b>9,785</b>	<b>9,898</b>
<b>Wyoming Allocated</b>													
24	<b>Total Deferral - WY Share</b>	<b>1,760</b>	<b>1,753</b>	<b>1,747</b>	<b>1,685</b>	<b>1,680</b>	<b>1,678</b>	<b>1,617</b>	<b>1,611</b>	<b>1,604</b>	<b>1,543</b>	<b>1,544</b>	<b>1,563</b>
25	<b>Net Customer Benefit</b>	<b>1,194</b>	<b>1,188</b>	<b>1,181</b>	<b>1,120</b>	<b>1,114</b>	<b>1,113</b>	<b>1,052</b>	<b>1,045</b>	<b>1,038</b>	<b>977</b>	<b>979</b>	<b>997</b>
<b>Deferral Balance - WY Share</b>													
26	Beginning Deferral Balance	(692)	1,068	2,824	4,577	6,272	7,963	9,685	11,378	13,066	14,752	16,378	18,009
27	Monthly Deferral	1,760	1,753	1,747	1,685	1,680	1,678	1,617	1,611	1,604	1,543	1,544	1,563
28	Deferral Collection	-	-	-	-	-	29	58	58	58	58	58	58
29	Carrying Charge	0	3	6	9	12	15	18	21	23	26	29	32
30	<b>Ending Deferral Balance</b>	<b>1,068</b>	<b>2,824</b>	<b>4,577</b>	<b>6,272</b>	<b>7,963</b>	<b>9,685</b>	<b>11,378</b>	<b>13,066</b>	<b>14,752</b>	<b>16,378</b>	<b>18,009</b>	<b>19,661</b>
31	Federal/State Combined Tax Rate	JKL 4, line 5											
32	Net to Gross Bump up Factor = 1/(1-tax rate)	JKL 4, line 6											
33	Deferred Balance Carrying Charge	Commission Rule Chpt. 3, Sect. 7											
34	Pre-tax Return	JKL 4, line 4											
35	Property Tax Rate	JKL 4, line 14											
36	Wyoming SG Factor	JKL 4, line 15											
37	Wyoming GPS Factor	JKL 4, line 16											

Footnotes:  
1) Pre-tax Return, line 6, is calculated as the rate of return (line 5) multiplied by the ending net rate base of the prior month (line 4) divided by 12  
2) Includes Wholesale Wheeling Revenue offset for transmission asset credit already in base rates  
3) For illustrative purposes, collection of December's balance is assumed to be collected beginning the following June 15

**PacifiCorp**  
**Wyoming**  
**Combined Projects - Example Monthly RTM Deferral Calculation**  
**Revenue Requirement**

Line No.	Reference	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
		January	February	March	April	May	June	July	August	September	October	November	December
1		2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917
2		(72,958)	(77,865)	(82,773)	(87,680)	(92,588)	(97,495)	(102,403)	(107,310)	(112,218)	(117,126)	(122,033)	(126,941)
3		(297,605)	(297,605)	(321,351)	(321,351)	(321,351)	(345,098)	(345,098)	(345,098)	(368,844)	(368,844)	(368,844)	(392,590)
4	sum of lines 1-3	1,716,354	1,711,447	1,682,793	1,677,885	1,672,978	1,644,324	1,639,417	1,634,509	1,605,855	1,600,948	1,586,040	1,567,386
5	line 34	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%
6	Footnote 1	14,913	14,870	14,828	14,579	14,537	14,494	14,246	14,204	14,161	13,913	13,870	13,828
7	Footnote 2	(868)	(867)	(866)	(861)	(860)	(859)	(854)	(853)	(852)	(847)	(846)	(845)
8	Operation & Maintenance	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730	1,730
9	Depreciation	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908
10	Property Taxes	1,297	1,297	1,297	1,297	1,297	1,297	1,297	1,297	1,297	1,297	1,297	1,297
11	Wind Tax	-	-	-	-	-	-	-	-	-	-	-	-
12	<b>Total Plant Revenue Requirement</b>	21,978	21,937	21,886	21,682	21,611	21,559	21,326	21,284	21,243	21,000	20,958	20,917
13	<b>Net Power Cost</b>	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)
14	PTC Benefit	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)	(6,777)
15	Net PTC	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)	(4,145)
16	Gross-up for taxes	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)	(10,921)
17	PTC Revenue Requirement	7,641	7,600	7,558	7,315	7,274	7,232	6,989	6,947	6,906	6,663	6,621	6,580
18	<b>Rev. Requirement</b>	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)
19	Adjustment for ECAM Pass-through	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)	(3,416)
20	Percentage included in ECAM (70%)	(2,391)	(2,391)	(2,391)	(2,391)	(2,391)	(2,391)	(2,391)	(2,391)	(2,391)	(2,391)	(2,391)	(2,391)
21	ECAM Pass-through	10,032	9,991	9,950	9,706	9,665	9,623	9,380	9,338	9,297	9,054	9,012	8,971
22	<b>Wyoming Alllocated</b>	1,584	1,578	1,571	1,532	1,526	1,519	1,480	1,474	1,467	1,428	1,422	1,415
23	<b>Total Deferral - WY Share</b>	1,203	1,196	1,190	1,151	1,144	1,137	1,099	1,092	1,085	1,047	1,040	1,033
24	<b>Net Customer Benefit</b>	19,661	21,338	23,010	24,679	26,312	27,941	28,717	28,607	28,490	28,367	28,204	28,034
25	Beginning Deferral Balance	1,584	1,578	1,571	1,532	1,526	1,519	1,480	1,474	1,467	1,428	1,422	1,415
26	Monthly Deferral	58	58	58	58	58	58	58	58	58	58	58	58
27	Footnote 3	34	37	40	43	46	48	48	48	48	48	48	47
28	Carrying Charge	21,338	23,010	24,679	26,312	27,941	28,717	28,607	28,490	28,367	28,204	28,034	27,858
29	<b>Ending Deferral Balance</b>												
30	Federal/State Combined Tax Rate												
31	Net to Gross Bump up Factor = 1/(1-tax rate)												
32	Deferred Balance Carrying Charge												
33	Property Tax Rate												
34	Wyoming SG Factor												
35	Wyoming GPS Factor												

Footnotes:  
1) Pre-tax Return, line 6, is calculated as the rate of return (line 5) multiplied by the ending net rate base of the prior month (line 4) divided by 12  
2) Includes Wholesale Wheeling Revenue offset for transmission asset credit already in base rates  
3) For illustrative purposes, collection of December's balance is assumed to be collected beginning the following June 15

PacifiCorp  
 Wyoming  
 Combined Projects - Example Monthly RTM Deferral Calculation  
 Revenue Requirement

Line No.	Reference	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
		January	February	March	April	May	June	July	August	September	October	November	December		
<b>Total Company</b>															
<b>Plant Revenue Requirement</b>															
1	Capital Investment	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917	2,086,917
2	Depreciation Reserve	(131,848)	(136,756)	(141,663)	(146,571)	(151,478)	(156,386)	(161,293)	(166,201)	(171,108)	(176,016)	(180,923)	(185,831)	(180,923)	(185,831)
3	Accumulated DIT Balance	(392,590)	(392,590)	(406,086)	(406,086)	(406,086)	(419,582)	(419,582)	(419,582)	(433,078)	(433,078)	(433,078)	(433,078)	(433,078)	(433,078)
4	Net Rate Base	1,562,479	1,557,571	1,539,168	1,534,260	1,529,353	1,510,949	1,506,042	1,501,134	1,482,731	1,477,824	1,472,916	1,468,008	1,472,916	1,468,008
5	Pre-Tax Rate of Return	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%	10.397%
6	Footnote 1	13,580	13,537	13,495	13,335	13,293	13,250	13,091	13,048	13,006	12,846	12,804	12,761	12,804	12,761
7	Wholesale Wheeling Revenue	(839)	(838)	(837)	(833)	(832)	(830)	(826)	(825)	(824)	(820)	(818)	(817)	(820)	(817)
8	Operation & Maintenance	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
9	Depreciation	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908
10	Property Taxes	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259
11	Wind Tax	59	59	59	59	59	59	59	59	59	59	59	59	59	59
12	<b>Total Plant Revenue Requirement</b>	20,716	20,874	20,633	20,478	20,436	20,395	20,240	20,198	20,157	20,002	19,961	19,919	20,002	19,961
<b>Net Power Cost</b>															
13	NPC Incremental Savings	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)
<b>PTC Benefit</b>															
14	PTC Benefit	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)
15	Net PTC	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)	(7,037)
16	Gross-up for taxes	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)	(4,304)
17	PTC Revenue Requirement	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)	(11,341)
18	<b>Rev. Requirement</b>	5,913	5,871	5,830	5,675	5,634	5,592	5,437	5,396	5,354	5,199	5,158	5,116	5,199	5,158
<b>Adjustment for ECAM Pass-through</b>															
20	NPC Incremental Savings	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)	(3,461)
21	Percentage included in ECAM (70%)	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
22	<b>ECAM Pass-through</b>	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)
23	<b>Rev. Req't after ECAM Pass-through</b>	8,336	8,294	8,253	8,098	8,057	8,015	7,860	7,819	7,777	7,622	7,581	7,539	7,622	7,581
<b>Wyoming Allocated</b>															
24	<b>Total Deferral - WY Share</b>	1,314	1,307	1,301	1,276	1,269	1,263	1,238	1,232	1,225	1,200	1,194	1,187	1,200	1,194
25	<b>Net Customer Benefit</b>	927	921	914	889	883	876	851	845	838	813	807	800	813	807
<b>Deferral Balance - WY Share</b>															
26	Beginning Deferral Balance	27,858	27,580	27,295	27,003	26,686	26,362	25,688	24,647	23,598	22,540	21,456	20,363	22,540	21,456
27	Monthly Deferral	1,314	1,307	1,301	1,276	1,269	1,263	1,238	1,232	1,225	1,200	1,194	1,187	1,200	1,194
28	Deferral Collection	(1,638)	(1,638)	(1,638)	(1,638)	(1,638)	(1,980)	(2,321)	(2,321)	(2,321)	(2,321)	(2,321)	(2,321)	(2,321)	(2,321)
29	Carrying Charge	47	46	46	45	45	44	42	41	39	37	35	33	37	35
30	<b>Ending Deferral Balance</b>	27,580	27,295	27,003	26,686	26,362	25,688	24,647	23,598	22,540	21,456	20,363	19,262	21,456	20,363
31	Federal/State Combined Tax Rate	JKL 4, line 5													
32	Net to Gross Bump up Factor = 1/(1-tax rate)	JKL 4, line 6													
33	Deferred Balance Carrying Charge	Commission Rule Chpt. 3, Sect. 7													
34	Property Tax Rate	JKL 4, line 4													
35	Wyoming SG Factor	JKL 4, line 15													
37	Wyoming GPS Factor	JKL 4, line 16													

Footnotes:  
 1) Pre-tax Return, line 6, is calculated as the rate of return (line 5) multiplied by the ending net rate base of the prior month (line 4) divided by 12  
 2) Includes Wholesale Wheeling Revenue offset for transmission asset credit already in base rates  
 3) For illustrative purposes, collection of December's balance is assumed to be collected beginning the following June 15

**Total Plant Revenue Requirement (Lines 1 - 12, 34):**

Exhibit JKL-3 shows the calculation of the RTM revenue requirement deferral described in my testimony. The calculation starts with total Company amounts on lines 1 - 23 to calculate the Wyoming specific amounts on lines 24 - 30. To calculate the return on rate base associated with the combined investment, net rate base is calculated on a monthly basis. The net rate base balance on line 4 includes the combined investment in wind and transmission resources, along with the associated impacts on the depreciation reserve and accumulated DIT Balance. The monthly beginning net rate base (the final amount from the prior month) is then multiplied by the pre-tax Weighted Average Cost of Capital ("WACC") from the last Wyoming general rate case on line 5 to determine the Company's pre-tax return on rate base on line 6. The example uses the pre-tax WACC from Docket No. 20000-469-ER-15. The total plant revenue requirement is calculated by taking the return on rate base shown on line 6 and adding the O&M expense, depreciation expense, property taxes and wind tax on lines 8 - 11 to determine the total plant revenue requirement on line 12. Wholesale wheeling revenue on line 7 reflects the 3rd party wheeling revenue associated with the new transmission investment.

**Net Power Costs (Line 13):**

The total company incremental NPC savings associated with new wind resources is shown on line 13. The incremental NPC savings associated with the new wind projects are multiplied by seventy percent on line 21 to determine the amount of the NPC savings that will be returned to customers through the sharing band of the ECAM.

**PTC Benefits (Lines 14-18, 31, 32):**

Lines 14-18 show the calculation of the PTC benefits associated with the new wind resources. The actual PTC sales are grossed-up for taxes using the net-to-gross bump-up factor from the Company's last general rate case (shown on line 32) to derive the PTC revenue requirement on line 18. The tax gross-up is necessary for customers to get the full revenue requirement benefit of the PTCs and is calculated using the federal and state combined tax rate shown on line 31, which was also included in the last general rate case.

**Deferral Balance (Lines 19 - 30):**

The Wyoming share of the net deferral begins by calculating the total combined project revenue requirement on line 19, which is the sum of Total Plant Revenue Requirement on line 12, NPC Incremental Savings on line 13, and PTC Revenue Requirement on line 18. The seventy percent ECAM pass-through on line 22 is subtracted to provide the Revenue Requirement after ECAM Pass-through on line 23. The Net Customer Benefit (line 25) is the sum of the ECAM Pass-through (line 22) and the Total Deferral - WY Share (line 24). The carrying charge, shown on line 29 is calculated using the Commission-authorized rate on line 33 and is consistent with the calculations used in the Company's other mechanisms such as the ECAM. As described earlier, each month the total Company RTM revenue requirement will be calculated as illustrated on Exhibit JKL-3 to align with the resources included in the ECAM. Once per year on a calendar-year basis, the Company will sum the monthly RTM revenue requirement entries to prepare the annual RTM application for filing with the Commission on April 15, with an interim rate effective date that corresponds with the ECAM application, June 15.