

Rocky Mountain Power
Exhibit RMP___(JKL-4)
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
Capital Structure, Property Tax Rate and Net Power Cost Description

June 2017

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
Effective 1/1/2016

Line no.	Capital Structure	<u>Capital Structure</u>	<u>Capital Cost</u>	<u>Weighted Cost</u>	<u>Pre-Tax Cost</u>
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%	7.876%
4			TOTAL	7.407%	10.397%
5	Consolidated Tax Rate		37.951%		
6	Tax Gross-up factor for PTC = (1/(1 - tax rate))		1.6116		
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