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*Attorneys for Rocky Mountain Power*

**BEFORE THE WYOMING PUBLIC SERVICE COMMISSION**

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IN THE MATTER OF ROCKY	)	
MOUNTAIN POWER’S APPLICATION	)	DOCKET NO. 20000-__-EA-18
FOR AN ORDER AUTHORIZING A	)	Record No. _____
CHANGE IN DEPRECIATION RATES	)	
APPLICABLE TO ELECTRIC	)	
PROPERTY	)	

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**APPLICATION**

Comes now, PacifiCorp d/b/a Rocky Mountain Power (“Rocky Mountain Power” or the “Company”), and respectfully requests that the Wyoming Public Service Commission (“Commission”) issue an order pursuant to W.S. § 37-2-122 authorizing the Company to change depreciation rates applicable to Rocky Mountain Power’s depreciable plant effective January 1, 2021, consistent with the Company’s depreciation study, described in more detail

in testimony and exhibits supporting this application and generally referenced below (“Depreciation Study”).

In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon corporation, which provides electric service to retail customers through its Rocky Mountain Power division in the states of Wyoming, Utah, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington.

2. Rocky Mountain Power is a public utility in the state of Wyoming and is subject to the Commission’s jurisdiction with respect to its prices and terms of electric service to retail customers in Wyoming. Rocky Mountain Power’s principle place of business in Wyoming is 2840 East Yellowstone Highway, Casper, Wyoming, 82602.

3. This Application is filed pursuant to W.S. § 37-2-122, which authorizes the Commission to prescribe the rates of depreciation to be used by any public utility subject to its jurisdiction.

4. Communications regarding this Application should be addressed to:

Stacy Splittstoesser  
Wyoming Regulatory Affairs Manager  
Rocky Mountain Power  
315 West 27<sup>th</sup> Street  
Cheyenne, Wyoming 82001  
E-mail: [stacy.splittstoesser@pacificorp.com](mailto:stacy.splittstoesser@pacificorp.com)

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In addition, Rocky Mountain Power requests that all data requests regarding this Application be addressed to:

By email (preferred)	<a href="mailto:datarequest@pacificorp.com">datarequest@pacificorp.com</a>
By regular mail	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, Oregon 97232

Informal inquiries related to this Application may be directed to Stacy Splittstoesser at (307) 632-2677.

5. The Company last performed a depreciation study approximately five years ago. The Commission authorized the current depreciation rates in its Memorandum Opinion, Findings and Order in Docket No. 20000-427-EA-13 (Record No. 13436), issued on December 2, 2013. The current rates were effective January 1, 2014.

6. The Company has performed the updated Depreciation Study, attached to Company witness John Spanos's direct testimony as Exhibit RMP\_\_\_(JJS-2), and requests authorization to implement the depreciation rates set forth therein. The study identifies changes that have occurred since the Company's last depreciation study, measures the effect of the changes on the recovery of presently surviving capital, and revises the capital recovery rate. The proposed depreciation rates would increase annual depreciation expense by approximately \$33.3 million on a Wyoming-allocated basis, based on projected plant balances as of

December 31, 2020, and the inter-jurisdictional allocation methodology currently in effect, the 2017 Protocol approved in Docket Nos. 20000-486-EA-15 and 20000-510-EA-17. In addition, the proposed ending of excess reserve amortizations increases depreciation expense by approximately \$3.8 million on a Wyoming-allocated basis. Combined, the proposed changes would increase depreciation expense by approximately \$37.1 million on a Wyoming-allocated basis. The Company proposes to record the Depreciation Study recommendations on its books and records beginning with calendar year 2021.

7. In support of this Application, the Company presents the direct testimony of Ms. Nikki L. Kobliha, Vice President, Chief Financial Officer and Treasurer for the Company. Ms. Kobliha supports and describes the development of the Depreciation Study and describes certain steam generating facilities issues that were considered in the Depreciation Study.

8. The Company presents the direct testimony of Mr. John J. Spanos, Senior Vice President of Gannett Fleming Valuation and Rate Consultants, LLC. Mr. Spanos presents the Depreciation Study, describes how the Depreciation Study was prepared, presents the depreciation rates for which the Company is seeking Commission approval, and discusses the basis for the recommended changes in depreciation rates.

9. The Company presents the direct testimony of Mr. Steven R. McDougal, Director of Revenue Requirements. Mr. McDougal calculates the effect on annual depreciation expense allocated to Wyoming of applying the proposed depreciation rates to depreciable plant balances. He also describes the Company's recommendations on certain state specific issues, and responds to the reporting requirements from the depreciation study that was approved in 2013.

10. The Company presents the direct testimony of Mr. Chad A. Teply, Senior Vice President of Strategy and Development for Rocky Mountain Power. Mr. Teply describes the process used to evaluate the plant depreciable lives for coal and natural gas generating stations and the procedure used to estimate the retirement date for the Company's thermal generating resources. He also demonstrates that the estimated retirement dates proposed for the Company's generation plants are reasonable and appropriate for use in the Depreciation Study. Mr. Teply also explains why the rates proposed as terminal net salvage, or "decommissioning costs", in the calculation of depreciation rates for generating plants are reasonable and prudent.

11. Finally, the Company presents the direct testimony of Mr. Timothy J. Hemstreet, Director of Renewable Energy Development for the Company. Mr. Hemstreet describes the Company's repowering project and the process of determining an appropriate life for the repowered wind facilities. He also describes the methodology used to estimate the retirement date for the Company's wind and hydroelectric generating resources.

12. For administrative and economic efficiencies, the Company strives to maintain uniform utility accounts, including depreciation rates, across its six state service territories. To maintain consistent depreciation rates across all states, the Company is also filing the Depreciation Study in Oregon, Utah, Idaho, and Washington. Maintaining consistent depreciation rates across all states avoids multiple sets of depreciation accounts and records that would impose a costly administrative burden on the Company and unnecessary expense for the Company's customers.

#### **REQUEST FOR RELIEF**

13. For the reasons described above and in the testimony and exhibits supporting this Application, Rocky Mountain Power respectfully requests that the Commission issue an

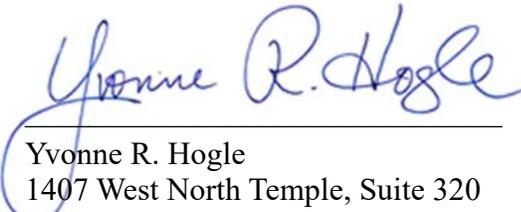
order finding:

- a. The Depreciation Study recommendations regarding depreciation rates are proper and adequate for the Company;
- b. Adoption of the Depreciation Study's recommendations into Wyoming electric rates result in fair and reasonable rates and accurately impose costs on those customers for whom such costs are incurred; and
- c. The Depreciation Study's recommended depreciation rates should be reflected in the Company's accounts and records beginning on January 1, 2021.

DATED this 11th day of September, 2018.

Respectfully submitted,

ROCKY MOUNTAIN POWER



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*Attorney for Rocky Mountain Power*