

ROCKY MOUNTAIN POWER

Original Sheet No. 198-1

P.S.C. Wyoming No. 18

Carbon Capture Compliance Schedule 198

Available

In all territory served by the Company in the State of Wyoming.

Applicable

This schedule shall be applicable to retail tariff Customers taking service under the terms contained in this tariff to recover costs to comply with the reliable and dispatchable low-carbon energy standard as required and allowed by Wyoming Statute §§ 37-18-101 and 37-18-102 and the Wyoming Public Service Commission's rules in Chapter 3, Section 38 Low-Carbon Energy Portfolio Standards.

Monthly Billing

In addition to the Monthly Billing charges and provisions of the applicable rate schedule applied in determining a Customer's electric bill, all monthly bills shall have applied the following percentage increase: 0.30%

Rules

Service under this Schedule is subject to the General Rules contained in the tariff of which this Schedule is part, and to those prescribed by the Wyoming Public Service Commission.

Balancing Account Accounting

Revenues collected through the Schedule 198 surcharge will be used to recover costs incurred for the development of the Low-Carbon Energy Portfolio Standards utilizing Carbon Capture, Utilization, and Storage (CCUS) through the use of a balancing account.

The balancing account shall track the Low-Carbon Energy Portfolio Standards costs net of revenues collected. In the event total revenues collected exceed total costs incurred, the Company will record a regulatory liability balance in FERC Account 254 (Other Regulatory Liabilities). In the event total costs incurred exceed total revenues collected, the Company will record a regulatory asset balance in FERC Account 182.3

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Carbon Capture Compliance Schedule 198

Balancing Account Accounting (continued)

(Other Regulatory Assets). The applicable FERC account will be debited each month to reflect expenditures incurred in the development and implementation of the Low-Carbon Energy Portfolio Standards.

Low-Carbon Energy Portfolio Standards expenditures will be recovered through Schedule 198 revenues received. Schedule 198 charges will appear on customer bills as a separate line item entitled "Carbon Capture Compliance." The amount of the service charges collected will be amortized on a monthly basis (in concert with the posting of program activity expenditures) to expense by debiting either FERC Account 182.3 or 254 with an equal and offsetting credit posted to the balancing account settling to the same FERC account.

Interest Charges

Balancing account balances are subject to symmetrical interest charges at the Company's Wyoming Public Service Commission-approved pre-tax weighted average cost of capital to account for over- or under-collections of Schedule 198 revenues in relation to Low-Carbon Energy Portfolio Standards program expenditures.

When the balancing account is in a debit position (the running balance of Schedule 198 revenues collected including the accumulated interest to date is less than program expenditures posted to the balancing account), the balancing account is recorded as a regulatory asset in FERC Account 182.3. Interest revenue increases the regulatory asset monthly, with the credit side recorded to interest income in FERC Account 419 (resulting in an increase in the receivable balance).

When the balancing account is in a credit position (the running balance of Schedule 198 revenues collected including the accumulated interest charges to date is greater than the program expenditures posted to the balancing account), the balancing account is recorded as a regulatory liability in FERC Account 254. Interest expense increases the regulatory liability monthly, with the debit side recorded to interest expense in FERC Account 431 (resulting in a decrease in the receivable balance). The interest rate is the Wyoming Public Service Commission-approved pre-tax.

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Carbon Capture Compliance Schedule 198

Interest Charges (continued)

weighted average cost of capital for the year in which the Schedule 198 revenues and Low-Carbon Portfolio Standards development costs are received and incurred.

Annual Applications

The Company will file an annual application by October 1 of every year that includes detailed accounting information showing the Low-Carbon Energy Portfolio Standards incremental costs incurred over a defined deferral period and why they are considered to be incremental costs to develop and implement the Low-Carbon Energy Portfolio Standards. The revenue received from Schedule 198 will be provided within the annual Application. The Application will also include an estimate of future costs and revenues for a defined 12-month forecast period to determine if a surcharge adjustment is necessary if the Company is either over- or under-collecting for the CCUS costs incurred to develop and implement the Low-Carbon Energy Portfolio Standards.

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