Rocky Mountain Power – Utah

UIEC Allocation of Variable Cost Components[1] of Net Power Costs

Allocation of PacifiCorp Variable Cost Components of Net Power Cost to Utah

Step 1 For each month, the ratio of Utah energy to total PacifiCorp energy is calculated.

Step 2 The monthly Utah to total PacifiCorp energy ratios as calculated in Step 1 are applied to each variable cost component of PacifiCorp's monthly Net Power Cost (NPC). This step produces the monthly Utah allocated costs by variable cost component of NPC and preserves the seasonal cost differences of NPC.

Step 3 For each variable cost component of NPC, the monthly allocated costs to Utah in Step 2 are scaled such that the sum of the monthly allocated Utah costs equals the annual allocation of costs by RMP in the NPC Factors tab of its filed cost of service study.

Allocation of Utah Variable Cost Components of Net Power Cost to Classes

Step 4 For each month, the ratio of class energy to Utah energy is calculated for each class.

Step 5 Each monthly class energy ratio calculated in Step 4 is applied to each respective variable component of monthly Utah NPC cost determined in Step 3 above. This steps results in monthly allocated dollar amounts by NPC variable component for each class in Utah.

Step 6 For each variable component of monthly Utah NPC cost, the monthly allocated dollar amounts calculated in Step 5 are summed by class.

Step 7 For each variable component of monthly Utah NPC cost, the sum of the 12 monthly allocated dollar amounts for each class calculated in Step 6 is divided by the total annual Utah cost. This step calculates a single cost allocator by class for each variable NPC component.

Step 8 The single class allocators by NPC component calculated in Step 7 are used in the class cost of service study to allocate the Utah total annual variable NPC components to each class.

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[1]Variable cost components of NPC include FERC accounts 501, 503, 546, 555-Energy, and 565-Energy.