11-035-200/Rocky Mountain Power
May 18, 2012
UIEC Data Request 15.5

UIEC Data Request 15.5

Please describe the capacity cost allocators used to allocate the jurisdictional revenue requirement among the rate schedules in each jurisdiction. Are they 1CP, 12CP, non-coincidental peak or other allocation metrics and if so, what? Are any of the costs of generation or transmission included in the jurisdictional revenue requirement allocated to energy in any jurisdiction? If so, state what costs are so allocated and explain the basis for doing so separately for each jurisdiction.

Response to UIEC Data Request 15.5

The following describes how the generation and transmission capacity allocation factor is developed for each jurisdiction that use embedded cost of service studies:

- Utah – The generation and transmission capacity allocation factor is based upon 12 monthly PacifiCorp system coincident peaks.
- Idaho – Same as Utah.
- Wyoming – Same as Utah.
- Washington - The generation and transmission capacity allocation factor is based upon class demand at the time of the top 100 winter and top 100 summer hourly Western Control Area (WCA) peaks.

Yes, some of the generation and transmission costs are allocated on energy. Please refer to Attachment UIEC 15.2 for a list of how the line item detail for each jurisdiction is allocated. The line items in this attachment, which use allocation factor F30, are allocated 100 percent to energy.

The basis for allocating some costs 100 percent energy can be found in the procedures for each state which are included in Attachment UIEC 15.1. Cost of service procedures for Utah were provided in Exhibit RMP_(CCP-3), Tab 1.

Allocation factors are not used in the development of marginal cost of service studies.

11-035-200/Rocky Mountain Power
May 18, 2012
UIEC Data Request 15.8

UIEC Data Request 15.8

Does the Company use marginal costs to allocate costs among classes or rate schedules in any jurisdiction? If so, please name the jurisdiction. Explain when the practice began, how it began and what part of jurisdictional revenue requirement is allocated using the marginal costs.

Response to UIEC Data Request 15.8

The Company uses marginal cost of service studies in Oregon and California. The Oregon Public Utility Commission has used marginal costs as one of the principal factors for spreading revenue requirement among customer classes since 1974. It is the Company's general understanding that the California Public Utility Commission adopted the use of marginal cost of service for ratemaking purposes in or around 1976. The Company is unaware of how specifically the practice of using marginal cost studies in Oregon and California began. For both states, allocation of the jurisdictional revenue requirement is based on the marginal cost study.