



Salt Lake City, Utah 84116
March 4, 2016

1407 West North Temple, Suite 310

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City UT 84111

Attention: Gary Widerburg
Commission Administrator

Re: Docket No. 13-035-02
In the Matter of the Application of Rocky Mountain Power for Authority to
Change its Depreciation Rates

On November 7, 2013, the Public Service Commission of Utah approved an all-party stipulation in Docket No. 13-035-02. Paragraph 30 of the Settlement Stipulation states:

The Stipulating Parties agree the Company will implement a reporting system to keep the Stipulating Parties and the Utah, Idaho and Wyoming Commissions informed regarding any matters likely to have implications regarding potential stranded costs of generating assets. The Company will propose a reporting method by no later than December 31, 2013.

Per this commitment, Rocky Mountain Power submitted a proposal on December 20, 2013 to implement a reporting system that provides information regarding three scenarios which the Company has identified as having significant implications on the Company's depreciation expense. Because no party filed comments on the Company's proposal, the Company hereby submits the filing as originally proposed.

On or before March 1 of every year, the Company is to file a letter containing the following information, if applicable.

- 1) Any proposed early steam generation unit retirement
 - a. Plant name
 - b. Date placed in service
 - c. Current net book value
 - d. Original retirement date
 - e. Proposed early shutdown date
 - f. Reason for early shutdown

- 2) Major steam plant capital additions over \$100m that impact the depreciation of the unit
 - a. Project name
 - b. Planned in-service date
 - c. Planned retirement date
 - d. Planned addition amount to plant in service

- 3) Any completed external studies regarding plant decommissioning which result in significant changes (a change of over 25 percent) to the amount previously projected in the last approved depreciation rates.
 - a. Plant site
 - b. Estimated costs

In compliance with the established reporting system, the Company provides the following information:

- 1) Any proposed early steam generation unit retirement.

Not at this time. However, the company will be evaluating the economics surrounding alternative environmental compliance options for Cholla Unit 4 and Naughton Unit 3 as decision-making timelines for those resources approach. An alternate compliance proposal that would allow Cholla Unit 4 to be converted to natural gas as a fuel source in Q2 2025 has been submitted to the U.S. Environmental Protection Agency for review. Similarly, Naughton 3 has been approved to be converted to natural gas as a fuel source in Q2 2018. The Company will be assessing those compliance alternatives in future integrated resource plan filings to this Commission.

- 2) Major steam plant capital additions over \$100 million that impact the depreciation of the unit are as follows:

Project Name	Jim Bridger Unit 3 SCR System	Jim Bridger Unit 4 SCR System
Planned in-service date	November 24, 2015	November, 2016
Planned retirement date	2037	2037
Planned addition amount to plant in service	\$99.9m	\$125.5m

Note: The total project amount for Jim Bridger Unit 3 SCR System is approximately \$163m and the total project amount for Jim Bridger Unit 4 SCR System is forecasted at \$190m, but PacifiCorp only owns 2/3 of the plant.

- 3) Any completed external studies regarding plant decommissioning which result in significant changes (a change of over 25 percent) to the amount previously projected in the last approved depreciation rates.

PacifiCorp completed external studies in 2014 to update plant decommissioning cost estimates for potential out-year decommissioning efforts. The updated studies reflect the

information incorporated below, and will continue to be updated on an as needed basis in support of information needs going forward. The Company is not requesting adjustment of approved depreciation rates for these generation resources.

Plant Site	Decommissioning Costs – New 2014 Study (\$/kW)	Decommissioning Costs – In Last Approved Depreciation Rates (\$/kW)	Percentage Change
Currant Creek	\$ 11.13	\$15	Decrease of 26%

Questions regarding this filing may be directed to Bob Lively at (801) 220-4052.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation