

Public Service Commission

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April 6, 2016

Bob Lively Manager, State Regulatory Affairs Rocky Mountain Power 1407 W North Temple, Suite 330 Salt Lake City, UT 84116

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

Change its Depreciation Rates Effective January 1, 2014

Dear Mr. Lively:

The Commission reviewed the March 4, 2016 depreciation compliance filing (2016 Filing) by PacifiCorp, doing business as Rocky Mountain Power. The 2016 Filing was made pursuant to PacifiCorp's depreciation rate reporting system implemented in accordance with paragraph 30 of the settlement stipulation approved on November 7, 2013 in this docket. The Commission understands the purpose of the reporting system is to provide information on matters likely to have implications regarding potential stranded costs of generating assets. The 2016 Filing stated that PacifiCorp will be evaluating the economics of alternative compliance options for Cholla Unit 4 and Naughton Unit 3; provided information on the selective catalytic reduction projects at Jim Bridger Units 3 and 4; and identified a 2014 decommissioning study of Currant Creek Plant that resulted in a decrease in decommissioning costs from \$15/kilowatt in the last approved depreciation rates to \$11.13 per kilowatt.

The Commission also reviewed the comments filed by the Division of Public Utilities (Division) on March 30, 2016 addressing the 2016 Filing. The Division recommends the Commission acknowledge the 2016 Filing satisfies the Commission-accepted reporting system requirements.

Based on the Commission's review of the filing and the recommendation of the Division, the Commission acknowledges PacifiCorp's 2016 Filing as complying with the depreciation rate reporting system requirements developed in accordance with the settlement stipulation approved in Docket No. 13-035-02.

Sincerely,

/s/ Gary L. Widerburg Commission Secretary DW#273223