BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Utility Service Schedules and Electric Service Regulations	))))))))))	**DOCKET NO. 13-035-184** **DPU Exhibit 5.0 Dir-Rev Req** **Direct Revenue Requirement Testimony and Exhibits** **Matthew Croft**

FOR THE DIVISION OF PUBLIC UTILITIES
DEPARTMENT OF COMMERCE
STATE OF UTAH

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Direct Revenue Requirement Testimony of

Matthew Croft

May 1, 2014

Q. Please state your name and occupation?

A. My name is Matthew Allen Croft. I am employed by the Utah Division of Public Utilities ("Division") as a Utility Technical Consultant.

Q. What is your business address?

A. Heber M. Wells Office Building, 160 East 300 South, Salt Lake City, Utah, 84111.

Q. Please describe your education and work experience.

A. I graduated in December of 2007 from the University of Utah with a Bachelor of Arts degree in Accounting. I completed my Masters of Accounting at the University of Utah in May 2010. I began working for the Division in July of 2007. In April 2012 I became a Certified Public Accountant, licensed in the state of Utah.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to explain adjustments to Rocky Mountain Power's ("Company") revenue requirement. I will first discuss the Division's approach for reviewing Company adjustments 8.6 (Plant Additions and Retirements), 6.1 (Depreciation Expense), and 6.2 (Accumulated Depreciation) and how the Division updated these adjustments. I will refer to these updates as "DPU Updates". Within that same discussion I make recommendations with regards to future filing requirements. Later, I discuss excess costs in "Unclassified Plant (Account 106)", retirement estimates (FERC 1019), other plant addition adjustments and Bridger and Trapper mine updates. These adjustments along with all other Division adjustments were entered into the Company's revenue requirement model (JAM). The Division's JAM is included with my testimony as DPU Exhibit 5.34. Also included with my exhibits are the calculations used to derive the specific JAM adjustments associated with the plant addition adjustments proposed by the Division's consultant Mr. Richard Hahn of La Capra Associates. These calculations are shown in DPU Exhibit 5.10 to 5.33. Mr. Hahn discusses the concepts and principles behind the adjustments as well as the initial reductions to plant that were used in my calculations.

Q. Will you please summarize the impact of your adjustments on Utah's revenue requirement?

A. Yes. The table below summarizes the impact of the adjustments I am proposing.

<u>TABLE 1</u>

Adjustment	Ref.	Total Company Adj to Expense	UT Adj to Expense	Total Company Adj to Rate Base	UT Adj to Rate Base	UT Revenue Requirement Adjustment
DPU Updates						
Plant Additions and Retirements	DPU 5.7			28,562,674	12,961,190	1,325,797
Depreciation Expense	DPU 5.8	2,151,916	919,365			920,602
Accumulated Depreciation	DPU 5.6			(50,834,501)	(19,873,229)	(2,014,582)
Accum. Def. Inc. Tax				TBD by RMP		
Small Jim Bridger Unit 3 Projects	DPU 5.1	(17,857)	(7,612)	(785,864)	(335,001)	(41,905)
Lakeside Prepayments	DPU 5.2	(177,666)	(75,736)	(5,722,311)	(2,439,324)	(325,466)
Chehalis Prepayments	DPU 5.3	(4,817)	(2,054)	(302,248)	(128,844)	(15,241)
FERC 1019 (Retirement Estimates)	DPU 5.4	346,183	158,984	11,149,822	5,179,623	714,576
"Unclassified Plant (Account 106)"	DPU 5.5			(87,071,770)	(36,641,356)	(3,728,941)
Bridger and Trapper Mine Update	DPU 5.9			1,915,234	803,857	82,081
Total Adjustments		2,297,759	992,947	(103,088,964)	(40,473,084)	(3,083,079)

Q. Will you please explain how the Division staff reviewed the Company's actual and forecasted plant additions and the corresponding RMP adjustments 8.6, 6.1 and 6.2?

A. Yes. The steps included in the Division's review are outlined below.

Step 1: Review the RMP calculations deriving the test year electric plant in service (EPIS), accumulated depreciation, and depreciation expense values.

Step 2: Perform a high level review of supporting documentation for plant additions greater than $5 million that were or are forecasted to be placed in service between July 2011 and June 2015.

Step 3: Perform a more detailed review of a sample of plant additions. (See the testimony of Mr. Hahn – DPU Exhibit 3.0)

Step 4: Update the Company adjustments 8.6, 6.1 and 6.2 with actual plant additions, retirements, removals, depreciation expense, and other miscellaneous rate base items through February 2014. The March 2014 to June 2015 plant addition forecast is also revised based on new information received from the Company in DPU data request set 35. Step 4 is referred to as the “DPU Updates.”

Step 5: Compute any further plant addition adjustments based on the values resulting from Step 4.

Q. Please explain the results of Step 1.

A. The first step in our review was to develop an Excel template that would “check” the Company adjustments 8.6, 6.1 and 6.2. This template used the same inputs and methodologies used by the Company. This check resulted in the same adjustments as were determined by the Company. This check can be seen in the “Scenarios” tab of DPU Exhibit 5.35.

Q. Please explain the results of Step 2.

A. Due to the massive number of plant additions that the Company places into service or expects to place into service, it is not possible to review every single addition. Hence, the Division elected to do a high level review of the significant projects, that is, projects greater than $5 million. Specifically, DPU data request 6.6 requested supporting documentation for a list of 120 projects. Division staff wanted to confirm that there was at least some form of supporting documentation (approval requisition forms, project change notices, analysis, spreadsheets, etc.) for each project greater than $5 million that were or are forecasted to be placed in service between July 2011 and June 2015. Through the Company's response and further Division review, pollution control investments included in the stipulation in Docket 10-035-124 were identified and not reviewed further because these projects had already been approved by the Commission.

Q. Did the Company provide supporting documentation for the projects requested?

A. Eventually, yes. However, the process of obtaining such documentation was considerably longer than the 21 day data request turn around required by the Commission's scheduling order. The Company's initial responses to many of the projects were either a) incomplete or b) completely non-existent. After more than 60 days and eight supplemental responses to DPU data request 6.6, the Company was able to provide at least some supporting documentation for the projects requested and was able to satisfy the Division staff's high level review. Again, the direct testimony of Mr. Hahn (DPU Exhibit 3.0) in this case provides a more detailed review of specific capital additions.

Q. If the dollars associated with these capital projects were already included in the Company's rate case filing, wouldn't the supporting documentation for these projects already exist at the time the Company filed it case?

A. It should.

Q. So why did the Company not have the supporting documentation readily available?

A. I don't know. The dollars in the case had to come from someone, somewhere, and for a particular reason. Why those supporting workpapers and analysis were not readily available is unclear.

Q. Did this delay in the Company's response raise concerns over the validity of the capital addition dollars included in the case?

A. Yes. Of particular issue were the forecasted "blanket" projects. Blanket projects consist of many small projects that are aggregated together in categories such as new connects. For example, for the 12 months ended June 2013, the Company placed into service more than 1,000 "N1 Utah Residential" connects that totaled more than $16 million. For the current rate case, a forecast was developed for this "N1" category for every month of the July 2013 to June 2015 forecasted period. Based on this type of capital addition, it can be safely assumed that the dollars included in the case had to come from Excel spreadsheets somewhere. Because of the delay in obtaining documentation for these projects, the Division reviewed the initial Excel files provided by the Company in more detail than what was originally intended in our high level review. The Division found the initial spreadsheets to be lacking in detail and they did not tie to the numbers included in the case. Eventually, through other supplemental responses to DPU data request 6.6, the Company was able to provide more detailed spreadsheets that tied to the numbers in the case.

Q. Do you have any recommendations for future general rate case filings?

A. Yes. First, I recommend that the Company's "capital database" be provided with the Company's filing. This Excel file lists all the capital additions in the case by month. In the current case, this Excel file was provided in a reasonable time in response to DPU data request 4.1[1]. This spreadsheet provides the population of forecasted plant additions from which to select for sampling. Having this spreadsheet at the beginning of the case would be very helpful to the Division staff in analyzing the Company's proposed plant additions. Second, with regards to all blanket projects over $1 million that affect the Utah jurisdiction, I recommend the Company provide the supporting Excel files (with formulae intact) that show and explain all the underlying calculations and assumptions used to develop the monthly forecast included in their filing. Such supporting workpapers <u>**should tie directly**</u> to the monthly values included in the Company's filing. Since such supporting work papers should already exist at the time the Company files its case, I see no reason why this recommendation would be burdensome on the Company.

Q. Please explain the results of Step 3.

A. The third step consisted of a more detailed review of a sample of projects. This more detailed review was primarily performed by the Division's consultant La Capra Associates. La Capra's more detailed review included both specific and generic/blanket type projects of varying dollar amounts. Mr. Hahn provides testimony with regards to the conceptual basis for adjustments associated with this more detailed review. I have prepared the specific JAM adjustment inputs that reflect the La Capra Adjustments. The calculations that derive the JAM adjustment values are shown in DPU Exhibit 5.10 to 5.33.

Q. Please explain the results of Step 4.

[1] See the "DPU 4.1 Capital Database" tab in DPU Exhibit 5.1 to 5.4.

A. Through the Company's response to DPU data request 8.4[2], the Division was able to update the Company's filing with actual plant additions, retirements, depreciation expense, vehicle depreciation, miscellaneous depreciation, hydro decommissioning expense and removals through February 2014[3]. Based on these actuals and additional new information provided by the Company in response to DPU data request set 35[4], the March 2014 to June 2015 plant addition forecast was also revised. DPU set 35 indicated several projects that were a) canceled or delayed outside the test year, b) projected to be placed into service later than expected, c) placed into service earlier than expected or d) were not included in the Company's original filing but are now expected to be placed into service by the end of June 2015.

Q. How did the actuals and revised forecast compare to the Company's original forecast?

A. The primary differences that arose from the DPU Updates are shown in Table 2 below.

[2] See DPU Exhibit 5.36

[3] Retirements through January 2014 (rather than February 2014) were included in the DPU updates since their impact on accumulated depreciation does not occur until the following month (February 2014).

[4] See the "DPU 35_Revised Forecast" tab included in DPU Exhibit 5.1 to 5.4

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TABLE 2

Total Company Actuals/Revised Forecast vs Original Filing

	July 2013 to February 2014 (13 Mo Avg)		
	Forecast- As Filed	Actuals	Difference
Plant Additions (EPIS)	461,970,397	394,780,612	(67,189,785)
Retirements (EPIS)	(138,082,493)	(94,060,169)	44,022,323
Retirements (Accum Dep)	138,082,493	94,060,169	(44,022,323)
Removals (Accum Dep)	34,362,866	19,523,538	(14,839,328)
Total	496,333,263	414,304,149	(82,029,114)
	Mar 2014 to June 2015 (13 Mo Avg)		
	Forecast- As Filed	Revised Forecast	Difference
Plant Additions (EPIS)	1,296,789,098	1,348,519,234	51,730,136
Retirements (EPIS)	(249,724,090)	(249,724,090)	-
Retirements (Accum Dep)	249,724,090	249,724,090	-
Removals (Accum Dep)	(42,541,252)	(42,541,252)	-
Total	1,254,247,846	1,305,977,982	51,730,136
Total EPIS Increase/(Decrease)			28,562,674
Accumulated Depreciation (Increase)/Decrease From above			(58,861,652)
Other Accumulated Depreciation (Increase)/Decrease			8,027,150
Total Accumulated Depreciation (Increase)/Decrease			(50,834,501)
Net Increase/(Decrease) to Rate Base			(22,271,828)
Net Increase/(Decrease) to Test Year Depreciation Expense			2,151,916

Q. Is the DPU Updates adjustment conceptually the same as the DPU Updates in the previous rate case, Docket No. 11-035-200?

A. Yes.

Q. What is the Utah revenue requirement impact of the DPU Updates adjustment?

A. This adjustment increases Utah's revenue requirement by $231,817.

Q. Have you incorporated the accumulated deferred income tax impacts into your DPU Updates adjustment?

A. No. The Company will have to calculate this impact. I recommend the Company calculate this impact and provide the result in its rebuttal testimony.

Q. Can you please explain your adjustment to "Unclassified Plant (Account 106)"?

A. Yes. I will first summarize this adjustment and then explain it in more detail. I will refer to "Unclassified Plant (Account 106)" as "JAM 106." This adjustment removes all JAM 106 dollars from the JAM model because any underlying assets (capital additions) and retirement estimates that would give rise to JAM 106 balances are already accounted for in other JAM accounts (accounts 301 to 399). This adjustment reduces total Company rate base by $87.1 million and Utah's allocated share by $36.6 million. This adjustment results in a Utah revenue requirement decrease of approximately $3.7 million. The specific calculations behind this adjustment are contained in DPU Exhibit 5.5.

Q. What is "Unclassified Plant (Account 106)" or "JAM 106"?

A. JAM 106 is actually three different FERC accounts, not just FERC account 106 as one might assume given the "(Account 106)" shown in the JAM model. The three accounts in JAM 106 are FERC 106, FERC 102, and FERC 1019. The JAM 106 values included in the test year are the 13 month average balance values from the base year.

Q. What is FERC 106?

A. FERC 106 is unclassified plant. This is plant that has been placed into service and is providing benefits to customers but has not technically been classified yet to the appropriate plant account (accounts 301 to 399). Because dollars in this account are providing benefit to customers, the Company depreciates the dollars that are in this account. These in-service dollars do not remain in FERC 106 for very long before they are transferred to the appropriate FERC 301 to FERC 399 account. Therefore, FERC 106 is really just a temporary holding account for capital addition dollars that are in service.

Q. What is FERC 102?

A. FERC 102 is Electric Plant Purchased or Sold. This account represents plant that has been acquired through a purchase or merger and is offset by the price of property transferred to others. The Company must file with FERC to clear amounts from this account to the other principal plant accounts (301 to 399).

Q. What is FERC 1019?

A. Based on my understanding of the Company's response to DPU data request 38.11, this account consists of high level accounting estimates for retirements, which are reductions to plant.

Q. How do you know that the underlying assets and retirement estimates in these three accounts are already accounted for in other JAM accounts?

A. Through various responses to data requests and workpapers included in the Company's original filing I have been able to identify the June 2013 (ending balance) electric plant in service components (FERC 106, FERC 1019, FERC 102, FERC 300-399) that served as the starting point for the Company's July 2013 to June 2015 capital addition forecast in the depreciation/plant addition templates[5]. All 1,885 forecasted plant additions totaling $2,578,199,585 from the capital database[6] as well as forecasted retirements are then added by month to the June 2013 ending balance to arrive at the 13 monthly balances used to calculate

[5] See FR 700-22.B.4.
[6] See the "DPU 4.1_Capital Database" tab in DPU Exhibit 5.6 to 5.8

the test year 13 month average plant in service balance. Table 3 on the next page shows how these different components flow through to the test year and how JAM 106 is added on after the fact.

TABLE 3: JAM 106 Reconciliation **See following page…**

Primary Account	Sub Account		Jun-13 Yr End Bal (From DPU DR 8.9)	Adjustments (1)	Jun-13 Yr End Bal Dep Template (2) FR 700-22.B.4	July 13 to Feb 14 Plant Adds (3) As Filed Capital Database	Mar 14 to Jun 15 Retirements As Filed	Jun-15 Yr End Bal Dep Template FR 700-22.B.4	Jun-15 13 Mo Avg Dep. Template/ SRM 3 Pg 8.6.3-8.6.20 FR 700-22.B.4	JAM Jun-15 13 Mo Avg (4)
101	301-399	Plant in Service	23,794,652,627	(52,949,348)	23,741,703,279					
101	106	Unclassified Plant	414,000,116		414,000,116					
102	-	Electric Plant Purchased or Sold	-		-					
		301-399, 106, 102 Total	24,208,652,743	(52,949,348)	24,155,703,394	2,578,199,585	(615,880,898)	26,118,022,081		
101	1019	Retirement Estimates	(11,628,526)		(11,628,526)			(11,628,526)		
		Total "Plant in Service"	24,197,024,217	(52,949,348)	24,144,074,868	2,578,199,585	(615,880,898)	26,106,393,555	25,515,027,780	25,515,027,780
Dep Template Check					24,144,074,868			26,106,393,555		

JAM Account	Actual Account		Base Year Jun-13 13 Mo Avg	JAM Jun-15 13 Mo Avg (4)
Unclassified	106	Unclassified Plant	100,514,607	
Plant	102	Electric Plant Purchased or Sold	38,154	
(Account 106)	1019	Retirement Estimates	(13,480,990)	
		"Unclassified Plant (Account 106)"	87,071,770	87,071,770
Total "Plant in Service" and "Unclassified Plant"				25,602,099,551

NOTES:

1) These adjustments are made in order to treat these items separately outside of the calculations in the depreciation template.

Per RMP Response to DPU 44.1		
Total EPIS From DPU 8.9 - "Composite Rates"		24,197,024,217
St. Anthony	DSTP	(7,286)
Condit and St. Anthony	HYDP	(1,861,070)
Reclassify Klamath	HYDP	1,509,059
Reclassify Klamath	GNLP	(1,509,059)
Klamath Process&Relicense	INTPKR	(42,030,535)
Oregon Solar - Situs to Oregon	OTHP	(74,986)
Disputed HTR 2	STMP+STMPCar	(7,929,332)
Condit and St. Anthony	TRNP	(1,046,139)
Total EPIS From Deprec Template "June 13 - Dec 15 Expense"		24,144,074,869

2) The "Total Plant in Service" balance ($24,144,074,868) in the Depreciation Template equals the line item detail in DPU 8.9 ($23,794,652,627) less the adjustments ($52,949,349) itemized in note 1 above. Therefore, the 106, 102 and 1019 amounts shown in DPU 8.9 are embedded in the $21,144,074,868 amount in the depreciation template although they are not specifically called out.

3) Per RMP Response to DPU 8.4 (with supplementals) these actual additions include additions to 101 and 106.

189 4) This value cannot be individually identified in the JAM as filed. However, RMP Adjustment 8.6 shown in the JAM "Adjustments" tab was calculated using the $25,515,027,780 from the depreciation template.

The key questions to ask are:

1) What capital assets are going into service?

2) When are they going into service?

3) Does the Company's capital database, depreciation template and JAM accounts 301 to 399 already account for when those assets go into service and when they are depreciated?

Q. Does the Company's capital database account for all the Company's forecasted plant additions?

A. Yes.

Q. Does the capital database show when dollars are placed into service and providing benefit to customers?

A. Yes. In reality, these dollars may go into FERC 106, or FERC 301 to 399. However, both types of accounts are considered in-service and both are depreciated. As long as the Company's capital database accounts for when an asset goes into service it doesn't matter whether the asset goes into FERC 106 or FERC 301 to 399.

Q. Does the Company's depreciation template depreciate the forecasted additions based on the dates shown in the capital database?

A. Yes.

Q. Do the capital addition dollars and depreciation dollars from the depreciation template flow into JAM accounts 301 to 399?

A. Yes.

Q. So all the capital additions that could give rise to dollars in FERC 106, FERC 102 are already included in the JAM accounts 301 to 399?

A. Yes.

Q. Does the June 2013 ending balance in FERC 1019 (retirement estimates) flow all the way to the test year JAM accounts 301 to 399?

A. Yes.

Q. So are JAM accounts 301 through 399 quite literally FERC Accounts 301 through 399 <u>plus</u> FERC 106 and FERC 102 and FERC 1019?

A. Yes. Hence there is no reason to add additional dollars into rate base through JAM 106.

Q. Is the inclusion of JAM 106 a new accounting treatment by the Company?

A. No. In past cases, at a high level, it seemed reasonable to include a JAM 106 account because in actuality there will be dollars in FERC 106 in every month. However, a more detailed reconciliation of the various plant accounts shows that adding a JAM 106 account is simply adding plant in service dollars (offset by retirement estimates) to rate base for which there is no underlying asset or retirement estimate.

Q. Does your DPU Updates have any impact on your JAM 106 adjustment as far as the accounting is concerned?

A. No. The actual plant additions incorporated into the DPU Updates include additions to the 301 to 399 accounts and additions to FERC 106.

Q. Please summarize your adjustment to JAM 106?

A. JAM 106 consists of three accounts. These accounts are FERC 106, FERC 1019, and FERC 102. All underlying assets (capital additions) or retirement estimates that would give rise to FERC 102, FERC 106 or FERC 1019 balances in the forecasted period are already accounted for in the capital database, depreciation template and JAM accounts 301 to 399.

Q. Given the discussion above about JAM 106, please explain your adjustment to FERC 1019?

A. As previously explained, the FERC 1019 dollars included in June 2013 ending rate base balances are carried forward all the way to the test year.

Q. In actuality, does the Company book both actual retirements and high level estimated retirements in any given month?

A. My understanding is yes. It appears that the high level estimates are booked in one month and then likely reversed the next month when the actual retirements are booked. This could explain why the impact of actual plant retirements in any given month does not impact (reduce) accumulated depreciation until the next month.

Q. Does the Company include a forecast of actual retirements in the rate case?

A. Yes. This forecast is incorporated into the plant balances for FERC accounts 301 to 399.

Q. Is it appropriate to include FERC 1019 estimates in the test year rate base?

A. In order to be consistent with the exclusion of forecasted high level NPC accounting estimates from the test year, FERC 1019 should be removed. While I recognize that FERC 1019 estimates do occur in actuality, high level NPC estimates are also booked in actuality but are not accounted for in rate case forecasts.

Q. Are the high level accounting NPC estimates removed in the Company’s EBA filings?

A. Yes. One of the intents of the EBA is to compare forecasted GRID type NPC with actual GRID type NPC. Therefore, these high level accounting estimates are removed from the actual NPC that flow through to the EBA. Likewise, it seems the Company’s rate case should include a forecast of actual plant retirements.

Q. Are the high level accounting NPC estimates removed from the Company's Semi-annual reports?

A. Upon reviewing various NPC reconciliations in the previous EBA docket and other reconciliations provided by the Company in Docket No. 13-035-72 (Semiannual Report Review) it appears that the high level NPC accounting estimates do flow through to all three results (Actual Results, Reporting and Rate Making Results, Normalized Results) of operations.

Q. So the high level accounting NPC estimates are excluded for EBA purposes but included for Semiannual purposes?

A. It appears so. However, as has been stated, there is no forecast of high level NPC accounting estimates included in the rate case. Therefore, I exclude the high level accounting retirement estimates from the test year.

Q. Is it possible that other such high level accounting estimates exist in other accounts and flow through to the test year?

A. It is possible but I have not done a complete exhaustive search through all of the Company's accounts. As such, I exclude FERC 1019 at this time based on the information I know about the NPC accounting estimates. I reserve the right to reassess this adjustment at a later date should more convincing information become available.

Q. What is the impact of removing FERC 1019?

A. Removing FERC 1019 increases total Company rate base by $11.6 million ($5.4 million – UT), increases total company depreciation expense by $0.35 million ($0.16 million - UT) and increases total company accumulated depreciation by $0.48 million ($0.22 million). Utah's revenue requirement is increased by approximately $714,576. The calculations for this adjustment can be found in DPU Exhibit 5.1 to 5.4.

Q. Please explain your Jim Bridger Unit 3 Small Projects adjustment.

A. In response to DPU Set 35 the Company provided a spreadsheet[7] that removed several Jim Bridger Unit 3 projects from the test year because of a delay in the Unit's overhaul schedule. The overhaul has been delayed to November 2015 which is outside the test year. Of the eight projects removed, all eight were greater than $1 million and seven of the eight were removed from June 2015.

Q. Are there projects less than $1 million that are associated with Jim Bridger Unit 3 overhaul?

A. Based on a review of the capital database provided in response to DPU data request 4.1, it appears there are many May 2015 and June 2015 projects associated with Jim Bridger Unit 3 that are under $1 million. In total there are 46 projects totaling $9,309,659. I have removed these projects from the May 2015 and June 2015 forecast because they appear to be part of the delayed Jim Bridger Unit 3 overhaul. Because of the 13 month averaging the total impact of this adjustment is relatively small, this adjustment reduces Utah's revenue requirement by approximately $41,905.

Q. Please explain your adjustment to the Lakeside Overhaul Prepayments.

A. In a response to confidential OCS data request 4.33, the Company provided two schedules showing the budgeted prepayment dollars for the Lakeside plant. The schedules show how

[7] See the "DPU_35 Revised Forecast" tab in DPU Exhibit 5.1 to 5.4.

the dollars are built up in this account and then transferred to capital (plant in service). The schedule shows that [redacted][8] are transferred to capital. The capital database shows $32,745,646 being placed in service in March 2015.

Q. Is the Company aware of the different schedules and dollar amounts?

A. In response to OCS data request 19.11b the Company states:

> Yes, the Company agrees that the capital costs associated with Lake Side U11 and U12 Combustion Overhaul projects should reflect an in-service date of May 2015 on Page 8.6.23. The Company will make this correction to the Capital Database in rebuttal. This correction will reduce pro forma rate base by $5.0M, and decrease pro forma Depreciation Expense by $160K on a total Company basis. This translates to a reduction in rate base of $2.1M and decrease in Depreciation Expense of $68K on a Utah jurisdictional basis.

Q. Does the Company appear to have captured the cost difference in the recognized adjustment?

A. No. There is a [redacted] difference between the capital database and the schedule shown in OCS 4.33 that does not appear to be recognized. Therefore, I have moved this capital addition from [redacted] and reduced the $32,745,646[9] shown in the capital database to [redacted]. This adjustment reduces Utah's revenue requirement by approximately $325,466.

Q. Please explain your adjustment to the Chehalis U1 CSA Variable Fee project?

A. This adjustment is similar to the Lakeside adjustment but only involves the dollar amount of the project rather than the actual timing of when the prepayment dollars are transferred to capital. The Company's response to confidential OCS data request 4.33 shows [redacted]

[8] See Confidential DPU Exhibit 5.2.3 and 5.2.4.

[9] The capital database shows two projects at $16,372,823 each.

being transferred to capital in June 2015 whereas the capital database shows $29,676,287 going into service in June 2015. Reducing the project costs in the capital database to $25,742,236 reduces Utah's revenue requirement by approximately $15,241.

Q. Will you please explain your Bridger and Trapper mine updates?

A. Yes. Both the Bridger and Trapper mines were updated with actual rate base changes through March 2014[10]. The original forecasted monthly changes to rate base between March 2014 and June 2015 were used to developed the revised April 2014 to June 2015 balances. These calculations are shown in DPU Exhibit 5.9. These updates increase the combined rate base for the mines by $1,915,233 at a total Company level and $803,856 at a Utah level. This increase results in a Utah revenue requirement increase of $82,081.

Q. Does this conclude your testimony?

A. Yes.

[10] The original intent was to calculate the DPU Updates and Bridger and Trapper Mine adjustment with actuals through February 2014. However, when the actuals for the Bridger and Trapper mines were received, they included actuals through March 2014. The Division does not have other actuals through March 2014.