

DPU Data Request 2.3

Results of Operations (ROO) Audit - Rate Base Adjustments:

- (1) The Utah cash working capital adjustment (8.1) from the previous year was (71,856) and this year it was (535,142), a difference of 463,286, could you please explain the difference.
- (2) The Bridger mine rate base (8.3) from the previous year was 148,743,795 and this year it was 125,612,591, a difference of 23,131,204, could you please explain the difference.
- (3) As compared to last year, why is customer advances for construction (8.4) increasing?

Response to DPU Data Request 2.3

- (1) The major driver within the cash working capital (CWC) calculation is the difference in operations and maintenance (O&M) expense. The following table illustrates the O&M component difference included in the CWC calculation. Please also refer to the Company response to DPU Data Request 2.4.

Period	Unadjusted	Normalized	Difference
December 2017 ROO O&M	\$1,164,970,819	\$1,175,729,294	\$10,758,475
December 2018 ROO O&M	\$1,240,498,570	\$1,203,707,148	(\$36,791,422)
Incremental Change	\$75,527,750	\$27,977,854	(\$47,549,897)
Divided by Lead/Lag Days			365
Ave. Daily Cost of Service			(\$130,274)
Net Lag Days			4.07
CWC – O&M Component only			(\$530,003)

- (2) Bridger Coal Company's (BCC) rate base decreased largely because a reduced level of coal inventory at the underground mine and ongoing depreciation expense exceeding capital additions.
- (3) Customer advances for construction are deferred credit accounts representing cash advances paid to the utility by customers requiring construction of facilities on their behalf. Customer advances for construction balances fluctuates each year due to the size and complexity of each job, when it started, and how many jobs are in progress for each state.