

Rocky Mountain Power
Exhibit RMP__(SRM-1)
Docket No. 09-035-23
Witness: Steven R. McDougal

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Steven R. McDougal
Revenue Requirement Summary

June 2009

Rocky Mountain Power
UTAH
Normalized Results of Operations - REVISED PROTOCOL
Twelve Months Ending June 30, 2010

(1) June 2010 Rolled-In Revenue Requirement	1,523,737,373
(2) Rate Mitigation Cap	101.00%
(3) Capped Revised Protocol Revenue Requirement	1,538,974,746
(4) Normalized June 2010 General Business Revenues	1,472,091,082
(5) Capped Revised Protocol Price Change	<u>66,883,665</u>

Revised Protocol

(6) Filed Revised Protocol Revenue Requirement	1,551,446,173
(7) Normalized June 2010 General Business Revenues	1,472,091,082
(8) Revised Protocol Price Change	79,355,092
(9) Capped Revised Protocol Price Change	66,883,665
(10) Reduction to Revised Protocol Revenue Requirement	<u>(12,471,427)</u>

Reference: Exhibit RMP____(SRM-2), Page 1.0

Rocky Mountain Power
UTAH
Normalized Results of Operations - REVISED PROTOCOL
Twelve Months Ending June 30, 2010

Rocky Mountain Power
Exhibit RMP____(SRM-1) Page 2 of 5
Docket No. 09-035-23
Witness: Steven R. McDougal

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	1,472,091,082	79,355,092	1,551,446,173
3 Interdepartmental	-		
4 Special Sales	314,148,981		
5 Other Operating Revenues	64,242,479		
6 Total Operating Revenues	<u>1,850,482,541</u>		
7			
8 Operating Expenses:			
9 Steam Production	381,063,364		
10 Nuclear Production	-		
11 Hydro Production	15,661,122		
12 Other Power Supply	477,766,701		
13 Transmission	80,085,122		
14 Distribution	92,426,120		
15 Customer Accounting	39,947,951	279,142	40,227,093
16 Customer Service & Info	6,681,236		
17 Sales	-		
18 Administrative & General	66,988,840		
19			
20 Total O&M Expenses	1,160,620,455		
21			
22 Depreciation	191,263,214		
23 Amortization	20,812,086		
24 Taxes Other Than Income	41,717,046	-	41,717,046
25 Income Taxes - Federal	(21,308,349)	26,420,066	5,111,717
26 Income Taxes - State	(550,640)	3,590,048	3,039,408
27 Income Taxes - Def Net	112,928,776		
28 Investment Tax Credit Adj.	(1,531,508)		
29 Misc Revenue & Expense	(4,931,495)		
30			
31 Total Operating Expenses:	1,499,019,585	30,289,255	1,529,308,840
32			
33 Operating Rev For Return:	<u>351,462,956</u>	<u>49,065,836</u>	<u>400,528,793</u>
34			
35 Rate Base:			
36 Electric Plant In Service	8,100,832,546		
37 Plant Held for Future Use	7,448,308		
38 Misc Deferred Debits	28,611,371		
39 Elec Plant Acq Adj	27,288,499		
40 Nuclear Fuel	-		
41 Prepayments	16,583,496		
42 Fuel Stock	68,470,741		
43 Material & Supplies	71,587,771		
44 Working Capital	22,319,839		
45 Weatherization Loans	5,878,178		
46 Misc Rate Base	1,724,615		
47			
48 Total Electric Plant:	8,350,745,365	-	8,350,745,365
49			
50 Rate Base Deductions:			
51 Accum Prov For Deprec	(2,581,033,087)		
52 Accum Prov For Amort	(179,685,622)		
53 Accum Def Income Tax	(848,491,637)		
54 Unamortized ITC	(141,519)		
55 Customer Adv For Const	(10,796,809)		
56 Customer Service Deposits	(10,056,592)		
57 Misc Rate Base Deductions	(29,677,983)		
58			
59 Total Rate Base Deductions	(3,659,883,249)	-	(3,659,883,249)
60			
61 Total Rate Base:	<u>4,690,862,116</u>	<u>-</u>	<u>4,690,862,116</u>
62			
63 Return on Rate Base	7.493%		8.538%
64			
65 Return on Equity	8.949%		11.000%
66			
67 TAX CALCULATION:			
68 Operating Revenue	441,001,236	79,075,950	520,077,186
69 Other Deductions			
70 Interest (AFUDC)	(48,776,607)	-	(48,776,607)
71 Interest	136,610,101	-	136,610,101
72 Schedule "M" Additions	311,465,231	-	311,465,231
73 Schedule "M" Deductions	657,325,730	-	657,325,730
74 Income Before Tax	7,307,244	79,075,950	86,383,194
75			
76 State Income Taxes	(550,640)	3,590,048	3,039,408
77 Taxable Income	<u>7,857,884</u>	<u>75,485,902</u>	<u>83,343,786</u>
78			
79 Federal Income Taxes + Other	<u>(21,308,349)</u>	<u>26,420,066</u>	<u>5,111,717</u>

Rocky Mountain Power
UTAH
Normalized Results of Operations - ROLLED-IN
Twelve Months Ending June 30, 2010

Rocky Mountain Power
Exhibit RMP___(SRM-1) Page 3 of 5
Docket No. 09-035-23
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	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	1,472,091,082	51,646,291	1,523,737,373
3 Interdepartmental	-		
4 Special Sales	314,148,981		
5 Other Operating Revenues	64,243,054		
6 Total Operating Revenues	<u>1,850,483,117</u>		
7			
8 Operating Expenses:			
9 Steam Production	381,616,216		
10 Nuclear Production	-		
11 Hydro Production	15,661,122		
12 Other Power Supply	449,741,469		
13 Transmission	80,085,122		
14 Distribution	92,426,120		
15 Customer Accounting	39,947,951	181,672	40,129,624
16 Customer Service & Info	6,681,236		
17 Sales	-		
18 Administrative & General	67,013,548		
19			
20 Total O&M Expenses	1,133,172,784		
21			
22 Depreciation	191,259,988		
23 Amortization	20,815,965		
24 Taxes Other Than Income	41,732,343	-	41,732,343
25 Income Taxes - Federal	(12,011,250)	17,194,844	5,183,594
26 Income Taxes - State	257,008	2,336,494	2,593,502
27 Income Taxes - Def Net	112,934,093		
28 Investment Tax Credit Adj.	(1,531,508)		
29 Misc Revenue & Expense	(4,931,488)		
30			
31 Total Operating Expenses:	1,481,697,936	19,713,010	1,501,410,946
32			
33 Operating Rev For Return:	<u>368,785,180</u>	<u>31,933,281</u>	<u>400,718,462</u>
34			
35 Rate Base:			
36 Electric Plant In Service	8,103,832,224		
37 Plant Held for Future Use	7,448,308		
38 Misc Deferred Debits	28,612,456		
39 Elec Plant Acq Adj	27,288,499		
40 Nuclear Fuel	-		
41 Prepayments	16,587,887		
42 Fuel Stock	68,522,280		
43 Material & Supplies	71,693,772		
44 Working Capital	22,478,123		
45 Weatherization Loans	5,878,177		
46 Misc Rate Base	1,724,615		
47			
48 Total Electric Plant:	8,354,066,343	-	8,354,066,343
49			
50 Rate Base Deductions:			
51 Accum Prov For Deprec	(2,582,012,789)		
52 Accum Prov For Amort	(179,727,625)		
53 Accum Def Income Tax	(848,564,390)		
54 Unamortized ITC	(141,519)		
55 Customer Adv For Const	(10,796,809)		
56 Customer Service Deposits	(10,056,592)		
57 Misc Rate Base Deductions	(29,683,160)		
58			
59 Total Rate Base Deductions	(3,660,982,884)	-	(3,660,982,884)
60			
61 Total Rate Base:	<u>4,693,083,459</u>	<u>-</u>	<u>4,693,083,459</u>
62			
63 Return on Rate Base	7.858%		8.538%
64			
65 Return on Equity	9.666%		11.000%
66			
67 TAX CALCULATION:			
68 Operating Revenue	468,433,524	51,464,619	519,898,143
69 Other Deductions			
70 Interest (AFUDC)	(48,794,674)	-	(48,794,674)
71 Interest	136,674,792	-	136,674,792
72 Schedule "M" Additions	311,484,456	-	311,484,456
73 Schedule "M" Deductions	657,359,830	-	657,359,830
74 Income Before Tax	34,678,033	51,464,619	86,142,652
75			
76 State Income Taxes	257,008	2,336,494	2,593,502
77 Taxable Income	<u>34,421,024</u>	<u>49,128,125</u>	<u>83,549,149</u>
78			
79 Federal Income Taxes + Other	<u>(12,011,250)</u>	<u>17,194,844</u>	<u>5,183,594</u>

Rocky Mountain Power
Normalized Results of Operations
Adjustment Summary
Twelve Months Ending June 30, 2010

	Exhibit RMP___(SRM-2)		Exhibit RMP___(SRM-2)			
	Tab 2	Tab 2	Tab 3	Tab 4	Tab 5	Tab 6
	Total Company Actual Results December 2008	Utah Allocated Actual Results December 2008	Revenue Adjustments	O&M Adjustments	Net Power Cost Adjustments	Depreciation & Amortization Adjustments
1 Operating Revenues:						
2 General Business Revenues	3,444,033,189	1,421,492,765	50,598,317	-	-	-
3 Interdepartmental	-	-	-	-	-	-
4 Special Sales	860,950,758	350,565,344	-	-	(36,416,362)	-
5 Other Operating Revenues	189,602,040	61,680,831	1,897,844	-	663,804	-
6 Total Operating Revenues	4,494,585,986	1,833,738,939	52,496,161	-	(35,752,558)	-
7						
8 Operating Expenses:						
9 Steam Production	894,912,140	366,745,196	-	5,598,631	8,719,537	-
10 Nuclear Production	-	-	-	-	-	-
11 Hydro Production	37,594,583	15,462,812	-	214,867	-	-
12 Other Power Supply	1,322,716,164	581,636,848	(209,911)	6,247,239	(107,626,340)	869,666
13 Transmission	174,010,394	71,566,326	(97,675)	106,060	8,510,410	-
14 Distribution	215,364,277	89,536,971	-	2,889,149	-	-
15 Customer Accounting	99,309,086	41,433,842	-	(1,485,891)	-	-
16 Customer Service & Info	14,039,833	6,810,532	-	(129,296)	-	-
17 Sales	-	-	-	-	-	-
18 Administrative & General	170,044,138	68,173,965	-	(1,185,125)	-	-
19						
20 Total O&M Expenses	2,927,990,614	1,241,366,493	(307,586)	12,255,634	(90,396,393)	869,666
21						
22 Depreciation	408,039,444	162,508,568	-	-	-	28,826,963
23 Amortization	57,142,964	21,299,178	-	-	-	(1,042,574)
24 Taxes Other Than Income	112,424,490	36,126,372	-	-	-	-
25 Income Taxes - Federal	17,636,807	(1,825,151)	19,421,102	(4,208,690)	18,949,150	(8,562,255)
26 Income Taxes - State	4,503,186	478,407	6,060	(233,893)	549,234	(271,971)
27 Income Taxes - Def Net	261,104,676	100,398,493	-	-	-	-
28 Investment Tax Credit Adj.	(1,874,204)	(1,531,508)	-	-	-	-
29 Misc Revenue & Expense	(7,004,252)	(3,041,974)	(2,498,082)	-	-	-
30						
31 Total Operating Expenses:	3,779,963,724	1,555,778,877	16,621,494	7,813,051	(70,898,009)	19,819,829
32						
33 Operating Rev For Return:	714,622,262	277,960,062	35,874,667	(7,813,051)	35,145,451	(19,819,829)
34						
35 Rate Base:						
36 Electric Plant In Service	18,152,112,711	7,492,458,169	-	-	-	-
37 Plant Held for Future Use	15,074,557	6,999,414	-	-	-	-
38 Misc Deferred Debits	165,268,755	29,528,282	-	-	(986,424)	-
39 Elec Plant Acq Adj	66,346,260	27,288,499	-	-	-	-
40 Nuclear Fuel	-	-	-	-	-	-
41 Prepayments	38,677,859	16,583,496	-	-	-	-
42 Fuel Stock	134,234,004	54,981,270	-	-	-	-
43 Material & Supplies	169,802,369	71,587,771	-	-	-	-
44 Working Capital	64,775,380	28,637,002	296,772	105,992	(993,145)	(135,635)
45 Weatherization Loans	19,364,629	5,878,178	-	-	-	-
46 Misc Rate Base	3,479,179	1,724,615	-	-	-	-
47						
48 Total Electric Plant:	18,829,135,703	7,735,666,696	296,772	105,992	(1,979,568)	(135,635)
49						
50 Rate Base Deductions:						
51 Accum Prov For Deprec	(6,315,912,512)	(2,458,473,115)	-	-	-	(122,671,593)
52 Accum Prov For Amort	(409,551,156)	(167,941,043)	-	-	-	(11,744,579)
53 Accum Def Income Tax	(1,623,738,326)	(693,482,864)	-	-	-	-
54 Unamortized ITC	(8,918,674)	(161,778)	-	-	-	-
55 Customer Adv For Const	(20,259,578)	(10,997,310)	-	-	-	-
56 Customer Service Deposits	-	-	-	-	-	-
57 Misc Rate Base Deductions	(56,446,768)	(22,320,196)	(6,927,165)	-	405,933	-
58						
59 Total Rate Base Deductions	(8,434,827,014)	(3,353,376,307)	(6,927,165)	-	405,933	(134,416,173)
60						
61 Total Rate Base:	10,394,308,688	4,382,290,390	(6,630,392)	105,992	(1,573,636)	(134,551,808)
62						
63 Return on Rate Base	6.875%	6.343%	0.829%	-0.179%	0.806%	-0.220%
64						
65 Return on Equity	7.739%	6.695%	1.626%	-0.350%	1.580%	-0.431%
66						
67 TAX CALCULATION:						
68 Operating Revenue		375,480,303	55,301,829	(12,255,634)	54,643,835	(28,654,056)
69 Other Deductions						
70 Interest (AFUDC)						
71 Interest		127,623,690	(193,094)	3,087	(45,828)	(3,918,498)
72 Schedule "M" Additions		299,585,432	-	-	-	-
73 Schedule "M" Deductions		572,028,188	-	-	-	-
74 Income Before Tax		(4,736,311)	55,494,923	(12,258,721)	54,689,663	(24,735,557)
75						
76 State Income Taxes		478,407	6,060	(233,893)	549,234	(271,971)
77 Taxable Income		(5,214,718)	55,488,863	(12,024,828)	54,140,429	(24,463,586)
78						
79 Federal Income Taxes + Other		(1,825,151)	19,421,102	(4,208,690)	18,949,150	(8,562,255)
APPROXIMATE REVISED PROTOCOL PRICE CHANGE		155,638,598	(58,955,319)	12,651,770	(57,058,703)	13,474,103

Rocky Mountain Power
Normalized Results of Operations
Adjustment Summary
Twelve Months Ending June 30, 2010

	Exhibit RMP____(SRM-2)		Exhibit RMP____(SRM-2)
	Tab 7	Tab 8	Tab 2
	Tax Adjustments		Normalized Results
	Rate Base Adjustments		June 2010
1 Operating Revenues:			
2 General Business Revenues	-	-	1,472,091,082
3 Interdepartmental	-	-	-
4 Special Sales	-	-	314,148,981
5 Other Operating Revenues	-	-	64,242,479
6 Total Operating Revenues	-	-	1,850,482,541
7			
8 Operating Expenses:			
9 Steam Production	-	-	381,063,364
10 Nuclear Production	-	-	-
11 Hydro Production	-	(16,557)	15,661,122
12 Other Power Supply	(2,645,540)	(505,261)	477,766,701
13 Transmission	-	-	80,085,122
14 Distribution	-	-	92,426,120
15 Customer Accounting	-	-	39,947,951
16 Customer Service & Info	-	-	6,681,236
17 Sales	-	-	-
18 Administrative & General	-	-	66,988,840
19			
20 Total O&M Expenses	(2,645,540)	(521,818)	1,160,620,455
21			
22 Depreciation	-	(72,317)	191,263,214
23 Amortization	-	555,481	20,812,086
24 Taxes Other Than Income	5,590,674	-	41,717,046
25 Income Taxes - Federal	(38,771,444)	(6,311,061)	(21,308,349)
26 Income Taxes - State	(870,533)	(207,943)	(550,640)
27 Income Taxes - Def Net	12,530,283	-	112,928,776
28 Investment Tax Credit Adj.	-	-	(1,531,508)
29 Misc Revenue & Expense	-	608,561	(4,931,495)
30			
31 Total Operating Expenses:	(24,166,560)	(5,949,097)	1,499,019,585
32			
33 Operating Rev For Return:	24,166,560	5,949,097	351,462,956
34			
35 Rate Base:			
36 Electric Plant In Service	-	608,374,377	8,100,832,546
37 Plant Held for Future Use	-	448,894	7,448,308
38 Misc Deferred Debits	-	69,513	28,611,371
39 Elec Plant Acq Adj	-	-	27,288,499
40 Nuclear Fuel	-	-	-
41 Prepayments	-	-	16,583,496
42 Fuel Stock	-	13,489,472	68,470,741
43 Material & Supplies	-	-	71,587,771
44 Working Capital	(522,802)	(5,068,346)	22,319,839
45 Weatherization Loans	-	-	5,878,178
46 Misc Rate Base	-	-	1,724,615
47			
48 Total Electric Plant:	(522,802)	617,313,909	8,350,745,365
49			
50 Rate Base Deductions:			
51 Accum Prov For Deprec	-	111,622	(2,581,033,087)
52 Accum Prov For Amort	-	-	(179,685,622)
53 Accum Def Income Tax	(155,008,773)	-	(848,491,637)
54 Unamortized ITC	20,259	-	(141,519)
55 Customer Adv For Const	-	200,500	(10,796,809)
56 Customer Service Deposits	-	(10,056,592)	(10,056,592)
57 Misc Rate Base Deductions	-	(836,555)	(29,677,983)
58			
59 Total Rate Base Deductions	(154,988,514)	(10,581,024)	(3,659,883,249)
60			
61 Total Rate Base:	(155,511,315)	606,732,885	4,690,862,116
62			
63 Return on Rate Base	0.880%	-0.967%	7.493%
64			
65 Return on Equity	1.726%	-1.897%	8.949%
66			
67 TAX CALCULATION:			
68 Operating Revenue	(2,945,134)	(569,907)	441,001,236
69 Other Deductions			
70 Interest (AFUDC)			
71 Interest	(4,528,894)	17,669,639	136,610,101
72 Schedule "M" Additions	11,879,799	-	311,465,231
73 Schedule "M" Deductions	85,297,541	-	657,325,730
74 Income Before Tax	(42,907,208)	(18,239,546)	7,307,244
75			
76 State Income Taxes	(870,533)	(207,943)	(550,640)
77 Taxable Income	(42,036,674)	(18,031,603)	7,857,884
78			
79 Federal Income Taxes + Other	(38,771,444)	(6,311,061)	(21,308,349)
APPROXIMATE REVISED PROTOCOL PRICE CHANGE	(60,560,300)	74,164,943	79,355,092
			(12,471,427)
			66,883,665