

Rocky Mountain Power
Exhibit RMP___(SRM-1R)
Docket No. 11-035-200
Witness: Steven R. McDougal

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Rebuttal Testimony of Steven R. McDougal

Summary of Revenue Requirement

July 2012

**Rocky Mountain Power
UTAH
Normalized Results of Operations - 2010 PROTOCOL
Twelve Months Ending May 31, 2013**

	(1) Total Adjusted Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	1,774,126,306	155,733,571	1,929,859,877
3 Interdepartmental	-		
4 Special Sales	196,905,820		
5 Other Operating Revenues	85,428,486		
6 Total Operating Revenues	<u>2,056,460,613</u>		
7			
8 Operating Expenses:			
9 Steam Production	464,060,192		
10 Nuclear Production	-		
11 Hydro Production	20,953,543		
12 Other Power Supply	510,979,189		
13 Transmission	87,572,003		
14 Distribution	98,068,336		
15 Customer Accounting	38,955,928	333,253	39,289,181
16 Customer Service & Info	6,743,517		
17 Sales	-		
18 Administrative & General	64,439,012		
19			
20 Total O&M Expenses	1,291,771,719		
21			
22 Depreciation	237,053,376		
23 Amortization	23,132,194		
24 Taxes Other Than Income	57,889,961	-	57,889,961
25 Income Taxes - Federal	(6,968,551)	51,920,800	44,952,249
26 Income Taxes - State	2,749,916	7,055,174	9,805,090
27 Income Taxes - Def Net	94,183,107		
28 Investment Tax Credit Adj.	(1,545,328)		
29 Misc Revenue & Expense	(648,381)		
30			
31 Total Operating Expenses:	1,697,618,012	59,309,228	1,756,927,239
32			
33 Operating Rev For Return:	<u>358,842,601</u>	<u>96,424,343</u>	<u>455,266,945</u>
34			
35 Rate Base:			
36 Electric Plant In Service	10,150,743,915		
37 Plant Held for Future Use	15,069,278		
38 Misc Deferred Debits	34,855,305		
39 Elec Plant Acq Adj	20,171,635		
40 Nuclear Fuel	-		
41 Prepayments	14,220,650		
42 Fuel Stock	104,858,416		
43 Material & Supplies	79,883,934		
44 Working Capital	33,405,687		
45 Weatherization Loans	4,796,548		
46 Misc Rate Base	0		
47			
48 Total Electric Plant:	10,458,005,367	-	10,458,005,367
49			
50 Rate Base Deductions:			
51 Accum Prov For Deprec	(2,914,815,206)		
52 Accum Prov For Amort	(215,574,265)		
53 Accum Def Income Tax	(1,522,245,438)		
54 Unamortized ITC	(115,632)		
55 Customer Adv For Const	(8,891,343)		
56 Customer Service Deposits	(14,421,399)		
57 Misc Rate Base Deductions	(23,187,971)		
58			
59 Total Rate Base Deductions	(4,699,251,254)	-	(4,699,251,254)
60			
61 Total Rate Base:	<u>5,758,754,114</u>	<u>-</u>	<u>5,758,754,114</u>
62			
63 Return on Rate Base	6.231%		7.906%
64			
65 Return on Equity	6.986%		10.200%
66			
67 TAX CALCULATION:			
68 Operating Revenue	447,261,745	155,400,318	602,662,062
69 Other Deductions			
70 Interest (AFUDC)	(21,281,555)	-	(21,281,555)
71 Interest	148,297,132	-	148,297,132
72 Schedule "M" Additions	313,312,782	-	313,312,782
73 Schedule "M" Deductions	565,331,739	-	565,331,739
74 Income Before Tax	68,227,211	155,400,318	223,627,528
75			
76 State Income Taxes	2,749,916	7,055,174	9,805,090
77 Taxable Income	<u>65,477,295</u>	<u>148,345,143</u>	<u>213,822,438</u>
78			
79 Federal Income Taxes + Other	(6,968,551)	51,920,800	44,952,249

Rocky Mountain Power
Normalized Results of Operations
Adjustment Summary
Twelve Months Ending May 31, 2013

	Exhibit RMP__(SRM-3)		Exhibit RMP__(SRM-3)			
	Tab 2	Tab 2	Tab 3	Tab 4	Tab 5	Tab 6
	TOTAL COMPANY ACTUAL RESULTS JUNE 2011	UTAH ALLOCATED ACTUAL RESULTS JUNE 2011	Revenue Adjustments	O&M Adjustments	Net Power Cost Adjustments	Depreciation & Amortization Adjustments
1 Operating Revenues:						
2 General Business Revenues	3,762,226,028	1,574,238,524	198,608,971	-	-	-
3 Interdepartmental	-	-	-	-	-	-
4 Special Sales	379,179,495	159,679,395	-	-	65,571,050	-
5 Other Operating Revenues	323,231,828	150,163,519	(11,517,198)	(53,697,394)	478,408	-
6 Total Operating Revenues	4,464,637,351	1,884,081,438	187,091,773	(53,697,394)	66,049,458	-
7						
8 Operating Expenses:						
9 Steam Production	991,002,147	426,454,659	-	4,747,697	47,261,967	-
10 Nuclear Production	-	-	-	-	-	-
11 Hydro Production	43,249,454	18,664,164	-	2,457,510	-	-
12 Other Power Supply	900,802,841	401,366,932	-	(3,494,220)	130,776,458	-
13 Transmission	203,395,397	87,761,967	(379,387)	1,417,275	(2,264,005)	-
14 Distribution	211,900,030	91,634,410	-	6,759,885	-	-
15 Customer Accounting	95,209,362	38,772,441	-	1,215,770	-	-
16 Customer Service & Info	113,969,877	60,249,606	-	(53,329,858)	-	-
17 Sales	-	-	-	-	-	-
18 Administrative & General	153,962,449	60,633,727	-	(2,575,564)	-	-
19						
20 Total O&M Expenses	2,713,491,556	1,185,537,905	(379,387)	(42,801,506)	175,774,420	-
21						
22 Depreciation	515,564,333	217,306,510	-	-	-	18,320,344
23 Amortization	48,399,074	20,533,088	-	-	-	1,066,290
24 Taxes Other Than Income	146,842,558	51,122,577	-	-	-	-
25 Income Taxes - Federal	(616,164,215)	(279,272,861)	62,552,382	(3,591,059)	(36,675,162)	(4,869,376)
26 Income Taxes - State	(76,055,226)	(34,638,082)	8,499,830	(487,965)	(4,983,545)	(661,667)
27 Income Taxes - Def Net	922,130,589	393,686,179	340,452	(5,855)	-	-
28 Investment Tax Credit Adj.	(1,874,204)	(1,545,328)	-	-	-	-
29 Misc Revenue & Expense	(1,689,284)	(827,322)	(658,956)	(79,694)	-	-
30						
31 Total Operating Expenses:	3,650,645,181	1,551,902,668	70,354,321	(46,966,078)	134,115,712	13,855,590
32						
33 Operating Rev For Return:	813,992,170	332,178,770	116,737,452	(6,731,315)	(68,066,254)	(13,855,590)
34						
35 Rate Base:						
36 Electric Plant In Service	21,272,481,544	9,117,303,558	-	-	-	-
37 Plant Held for Future Use	29,234,835	12,938,324	-	-	-	-
38 Misc Deferred Debits	186,588,958	34,045,159	-	-	(244,626)	-
39 Elec Plant Acq Adj	57,330,243	24,740,683	-	-	-	-
40 Nuclear Fuel	-	-	-	-	-	-
41 Prepayments	30,280,616	14,215,549	-	-	-	-
42 Fuel Stock	200,926,348	86,304,632	-	-	-	-
43 Material & Supplies	187,447,127	79,883,100	-	-	-	-
44 Working Capital	66,145,100	28,497,970	953,328	(632,386)	1,809,128	(74,610)
45 Weatherization Loans	9,011,972	5,032,212	-	-	-	-
46 Misc Rate Base	487,084	253,265	-	-	-	-
47						
48 Total Electric Plant:	22,039,933,827	9,403,214,451	953,328	(632,386)	1,564,502	(74,610)
49						
50 Rate Base Deductions:						
51 Accum Prov For Deprec	(6,827,482,367)	(2,750,328,244)	-	-	-	(171,656,205)
52 Accum Prov For Amort	(455,571,390)	(194,955,530)	-	-	-	(15,149,334)
53 Accum Def Income Tax	(2,740,126,080)	(1,163,644,666)	295,438	(1,411,516)	-	-
54 Unamortized ITC	(5,669,770)	(134,766)	-	-	-	-
55 Customer Adv For Const	(25,055,237)	(8,872,895)	-	-	-	-
56 Customer Service Deposits	-	-	-	-	-	-
57 Misc Rate Base Deductions	(61,284,736)	(22,388,151)	(778,473)	-	173,732	-
58						
59 Total Rate Base Deductions	(10,115,189,579)	(4,140,324,251)	(483,035)	(1,411,516)	173,732	(186,805,539)
60						
61 Total Rate Base:	11,924,744,247	5,262,890,200	470,293	(2,043,902)	1,738,235	(186,880,149)
62						
63 Return on Rate Base	6.826%	6.312%	2.217%	-0.125%	-1.296%	-0.011%
64						
65 Return on Equity	8.128%	7.141%	4.256%	-0.239%	-2.488%	-0.022%
66						
67 TAX CALCULATION:						
68 Operating Revenue		410,408,679	188,130,117	(10,816,194)	(109,724,962)	(19,386,634)
69 Other Deductions						
70 Interest (AFUDC)		(26,155,454)	-	-	-	-
71 Interest		135,527,843	12,111	(52,634)	44,762	(4,812,463)
72 Schedule "M" Additions		327,286,212	-	15,427	-	-
73 Schedule "M" Deductions		1,388,533,152	897,084	-	-	-
74 Income Before Tax		(760,210,651)	187,220,922	(10,748,133)	(109,769,724)	(14,574,171)
75						
76 State Income Taxes		(34,638,082)	8,499,830	(487,965)	(4,983,545)	(661,667)
77 Taxable Income		(725,572,569)	178,721,092	(10,260,168)	(104,786,178)	(13,912,504)
78						
79 Federal Income Taxes + Other		(279,272,861)	62,552,382	(3,591,059)	(36,675,162)	(4,869,376)
APPROXIMATE REVENUE REQUIREMENT IMPACT		135,484,751	(188,468,486)	10,597,957	110,154,941	(1,483,459)

Rocky Mountain Power
Normalized Results of Operations
Adjustment Summary
Twelve Months Ending May 31, 2013

	Exhibit RMP___(SRM-3)			Exhibit RMP___(SRM-2R)	
	Tab 7	Tab 8	Tab 2	Tab 12	Tab 2
	Tax Adjustments	Rate Base Adjustments	Utah Normalized Results May 2013	Rebuttal Adjustments	Utah Rebuttal Normalized Results May 2013
1 Operating Revenues:					
2 General Business Revenues	-	-	1,772,847,495	1,278,811	1,774,126,306
3 Interdepartmental	-	-	-	-	-
4 Special Sales	-	-	225,250,445	(28,344,625)	196,905,820
5 Other Operating Revenues	-	-	85,427,336	1,150	85,428,486
6 Total Operating Revenues	-	-	2,083,525,276	(27,064,663)	2,056,460,613
7					
8 Operating Expenses:					
9 Steam Production	-	-	478,464,323	(14,404,131)	464,060,192
10 Nuclear Production	-	-	-	-	-
11 Hydro Production	-	(126,727)	20,994,948	(41,405)	20,953,543
12 Other Power Supply	-	7,025,730	535,674,900	(24,695,711)	510,979,189
13 Transmission	-	(23,286)	86,512,564	1,059,440	87,572,003
14 Distribution	-	-	98,394,295	(325,959)	98,068,336
15 Customer Accounting	-	-	39,988,210	(1,032,282)	38,955,928
16 Customer Service & Info	-	(156,313)	6,763,435	(19,918)	6,743,517
17 Sales	-	-	-	-	-
18 Administrative & General	1,512,804	6,269,841	65,840,808	(1,401,796)	64,439,012
19					
20 Total O&M Expenses	1,512,804	12,989,246	1,332,633,482	(40,861,763)	1,291,771,719
21					
22 Depreciation	-	1,492,958	237,119,812	(66,436)	237,053,376
23 Amortization	-	1,435,357	23,034,735	97,459	23,132,194
24 Taxes Other Than Income	10,154,298	-	61,276,875	(3,386,914)	57,889,961
25 Income Taxes - Federal	264,518,830	(15,378,496)	(12,715,742)	5,747,191	(6,968,551)
26 Income Taxes - State	36,330,080	(2,089,682)	1,968,968	780,948	2,749,916
27 Income Taxes - Def Net	(300,672,707)	912,387	94,260,457	(77,350)	94,183,107
28 Investment Tax Credit Adj.	-	-	(1,545,328)	-	(1,545,328)
29 Misc Revenue & Expense	-	917,589	(648,382)	1	(648,381)
30					
31 Total Operating Expenses:	11,843,306	279,358	1,735,384,877	(37,766,866)	1,697,618,012
32					
33 Operating Rev For Return:	(11,843,306)	(279,358)	348,140,399	10,702,202	358,842,601
34					
35 Rate Base:					
36 Electric Plant In Service	-	1,035,300,122	10,152,603,680	(1,859,766)	10,150,743,915
37 Plant Held for Future Use	-	6,461,542	19,399,866	(4,330,588)	15,069,278
38 Misc Deferred Debits	(1,696,589)	2,748,776	34,852,719	2,586	34,855,305
39 Elec Plant Acq Adj	-	(4,569,049)	20,171,635	-	20,171,635
40 Nuclear Fuel	-	-	-	-	-
41 Prepayments	-	-	14,215,549	5,101	14,220,650
42 Fuel Stock	-	18,553,783	104,858,416	-	104,858,416
43 Material & Supplies	-	-	79,883,100	834	79,883,934
44 Working Capital	4,215,625	(273,805)	34,495,249	(1,089,562)	33,405,687
45 Weatherization Loans	-	(235,662)	4,796,549	(1)	4,796,548
46 Misc Rate Base	-	(253,265)	0	(0)	0
47					
48 Total Electric Plant:	2,519,036	1,057,732,442	10,465,276,762	(7,271,395)	10,458,005,367
49					
50 Rate Base Deductions:					
51 Accum Prov For Deprec	-	(1,851,427)	(2,923,835,876)	9,020,670	(2,914,815,206)
52 Accum Prov For Amort	-	(1,435,312)	(211,540,176)	(4,034,089)	(215,574,265)
53 Accum Def Income Tax	(366,152,657)	488,334	(1,530,425,067)	8,179,629	(1,522,245,438)
54 Unamortized ITC	19,134	-	(115,632)	-	(115,632)
55 Customer Adv For Const	-	(18,449)	(8,891,343)	-	(8,891,343)
56 Customer Service Deposits	-	(14,421,399)	(14,421,399)	-	(14,421,399)
57 Misc Rate Base Deductions	24,617	(210,324)	(23,178,598)	(9,372)	(23,187,971)
58					
59 Total Rate Base Deductions	(366,108,907)	(17,448,576)	(4,712,408,091)	13,156,838	(4,699,251,254)
60					
61 Total Rate Base:	(363,589,871)	1,040,283,865	5,752,868,671	5,885,443	5,758,754,114
62					
63 Return on Rate Base	0.296%	-1.342%	6.052%	0.180%	6.231%
64					
65 Return on Equity	0.569%	-2.575%	6.641%	0.345%	6.986%
66					
67 TAX CALCULATION:					
68 Operating Revenue	(11,667,102)	(16,835,150)	430,108,754	17,152,991	447,261,745
69 Other Deductions					
70 Interest (AFUDC)	4,869,273	-	(21,286,181)	4,626	(21,281,555)
71 Interest	(9,363,021)	26,788,974	148,145,573	151,560	148,297,132
72 Schedule "M" Additions	(14,269,804)	66,175	313,098,010	214,772	313,312,782
73 Schedule "M" Deductions	(826,578,876)	2,470,295	565,321,655	10,084	565,331,739
74 Income Before Tax	805,135,717	(46,028,243)	51,025,717	17,201,493	68,227,211
75					
76 State Income Taxes	36,330,080	(2,089,682)	1,968,968	780,948	2,749,916
77 Taxable Income	768,805,638	(43,938,561)	49,056,750	16,420,545	65,477,295
78					
79 Federal Income Taxes + Other	264,518,830	(15,378,496)	(12,715,742)	5,747,191	(6,968,551)
APPROXIMATE REVENUE REQUIREMENT IMPACT	(27,296,341)	133,277,976	172,267,339	(16,533,768)	155,733,571