

**Rocky Mountain Power  
Utah Rate Case, May 31, 2013 Test Year  
Rebuttal Adjustment Summary**

The following is a summary of the rebuttal adjustments included in the Company's revised revenue requirement addressing issues raised by intervening parties.

12.1 Net Power Cost Update

The net power cost adjustment reflects revised net power costs for the Test Period based on the rebuttal testimony of Mr. Greg Duvall.

12.2 EEOC Penalty

This adjustment accepts DPU witness Mr. Oman's adjustment (DPU Exhibit No. 7.2) regarding the removal of a \$50,000 Equal Employment Opportunity Commission (EEOC) penalty associated with a settlement agreement. The Company's calculation also corrects an allocation factor percentage included in the DPU rebuttal calculations.

12.3 Rents

This adjustment accepts DPU witness Mr. Oman's adjustment (DPU Exhibit No. 7.5) to remove the Test Period O&M escalation of OUC sub-tenants rent expense.

12.4 Individual Recognition Program

This adjustment accepts DPU witness Mr. Thomson's (DPU Exhibit No. 6.1) and OCS witness Ms. Ramas's (OCS Exhibit No. 3.15D) adjustments to remove savings related to the elimination of safety recognition gifts for transmission and distribution employees.

12.5 Processing Customer Payments

This adjustment accepts in theory DPU witness Mr. Thomson's (DPU Exhibit No. 6.2) and OCS witness Ms. Ramas's (OCS Exhibit 3.15D) adjustments to recognize savings related to the processing of customer electronic payments. The Company accepts the methodology proposed by Ms. Ramas.

12.6 Customer Switching to Paperless Billing

DPU witness Mr. Thomson's (DPU Exhibit No. 6.3) and OCS witness Ms. Ramas's (OCS Exhibit No. 3.15D) proposed adjustments to recognize savings related to customers switching to paperless billing. The Company accepts the methodology proposed by Ms. Ramas. This adjustment incorporates the impact of cost savings in the Test Period based on the Company's answer to Data Request OCS 8.2.

12.7 Community Organization Memberships

This adjustment accepts OCS witness Ms. Ramas's adjustment (OCS Exhibit No. 3.15D) to recognize savings due to reduced membership in community organizations.

12.8 Seminar Travel Savings

This adjustment accepts OCS witness Ms. Ramas's adjustment (OCS Exhibit No. 3.15D) to recognize savings resulting from converting the annual estimator seminar to an on-line forum.

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12.9 Wages and Benefits – Wage Increase Update

This adjustment accepts in theory DPU witness Mr. Thompson's (DPU Exhibit No. 6.4) and UAE witness Mr. Higgins's (UAE Exhibit No. 1.8) adjustments regarding the January 2012 wage increase percentage update. The December 26, 2011 target increase of 2.0% filed in Exhibit RMP\_\_(SRM-3), page 4.2.5, column "Jan-12" for the officer/exempt and non-exempt labor groups has been updated to the actual overall increase extended of 1.93%.

12.10 Wages and Benefits – Post Retirement Benefits (PBOP)

This adjustment accepts OCS witness Ms. Ramas, DPU witness Mr. Thompson and UAE witness Mr. Higgins' adjustments regarding a Post Retirement Benefits (PBOP) FAS 106 pension expense update. The actuarial determined forecast amount for 2012 was updated to the actual amount. This adjustment also accepts OCS witness Ms. Ramas adjustment to also update the forecast amount for 2013 to the 2012 actual amount even though the Company has not yet prepared an analysis to determine an updated level for 2013. These updates change the total Company Test Period postretirement pension expense to \$400,000 from \$2.1 million as filed in Exhibit RMP\_\_(SRM-3), page 4.2.7.

12.11 Wages and Benefits – Overtime Expense

This adjustment accepts in theory FEA witness Mr. Meyer's adjustment regarding a reduction to the Test Period overtime expense (overtime and premium pay) to the December 2011 actual level. This adjustment reduces overtime expense to \$66.1 million from \$67.7 million as filed in Exhibit RMP\_\_(SRM-3), page 4.2.2.

12.12 Deseret Power Dispute – Interest Expense

This adjustment accepts DPU witness Mr. Thomson's adjustment (DPU Exhibit No. 6.5) to remove accrued interest booked on unpaid balances associated with the Deseret Power Electric Cooperative dispute with the Company.

12.13 Property Tax Expense

This adjustment accepts DPU witness Mr. Thomson's adjustment (DPU Exhibit No. 6.6) to correct an erroneous base period property tax expense amount in Exhibit RMP\_\_(SRM-3), Adjustment 7,2, and also updates the Test Period forecasted property tax expense level from the original filing.

12.14 Plant Held for Future Use

This adjustment removes the plant held for future use balances from results for various wind and transmission projects identified in the direct testimonies of DPU witness Mr. Thomson and UAE witness Mr. Higgins.

12.15 Special Contract Revenue

This adjustment accepts UAE witness Mr. Higgins's adjustment (UAE Exhibit RR 1.2) regarding the addition of January 1, 2013 special contract revenues to the Test Period.

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12.16 Wind Turbine Oil Changes

This adjustment addresses the rebuttal issues of OCS witness Ms. Ramas and UAE witness Mr. Higgins regarding wind turbine oil change expense. The Company accepts the rebuttal adjustment of UAE witness Mr. Higgins (UAE Exhibit RR 1.11) which recommends normalizing oil change expense over a 3-year period. Please refer to the rebuttal testimony of Mark R. Tallman.

12.17 Contingency Adjustment

This adjustment removes contingency costs related to two different steam projects as discussed in the testimony of Company witness Mr. McDougal.

12.18 Oregon Rate Dispute Costs

This adjustment accepts OCS witness Ms. Ramas to remove legal expenses in connection with a dispute with an Oregon industrial customer in accordance with (OCS Exhibit No.3.16D).

12.19 Bridger and Trapper Mine Update

This adjustment reflects a revised 13 Month average rate base for the Bridger and Trapper mines. The revised average incorporates actual balances through March 2012. The original forecasted changes to rate base between April 2012 to May 2013 were used to developed the revised May 2012 to May 2013 balances. Since the original March 2012 forecasted balance was not available, an average of forecasted and actual rate base changes was used to develop the April 2012 balance.

12.20 Klamath

This adjustment accepts DPU witness Dr. Artie Powell's adjustment to update the Company's original Klamath adjustment (No.8.11) with actual plant additions and AFUDC rates through March 2012.

12.21 Plant Additions and Retirement Update

This adjustment updates capital additions and retirements in results by incorporating actual plant additions through March 2012 consistent with the proposal by DPU witness Mr. Croft. Additional details are provided in the electronic work papers included with the Company's rebuttal filing.

12.22 Depreciation Expense Update

This adjustment reflects the impact on incremental depreciation and amortization expense related to the Pro Forma Plant Additions and Retirements in adjustment 12.21.

12.23 Depreciation Reserve Update

This adjustment reflects the impact on the depreciation and amortization reserve related to the Plant Additions and Retirements Update in adjustment 12.21 and the Depreciation Expense Update in adjustment 12.22.

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12.24 Tax Update

This adjustment updates capital additions and retirements in results by incorporating actual plant additions through March 2012 consistent with the proposal by DPU witness Mr. Croft.

12.25 Pollution Control ADIT

For a description of this adjustment, please refer to the confidential rebuttal testimony of Steven R. McDougal in this proceeding.

12.26 Adoption of Safe Harbor Method

OCS witness Ms. Ramas proposed an adjustment pertaining to IRS Revenue Procedure 2011-43 which is related to a safe harbor method. The Company plans to adopt the new accounting method for the safe harbor method under the new Revenue Procedure , and an update to the Transmission, Distribution, and Generation income tax repair deduction reflected on the "as filed" 2011 income tax return. The adjustment is composed of a decrease of \$12,757,798 to adjust the Transmission, Distribution and Generation income tax repair deduction deferred income tax liability in the "as filed" rate case to reflect the "as filed" income tax returns including the impacts from the 2011 income tax return to be filed by September 17, 2012. This will be offset by an increase of \$11,127,808 to adopt the safe harbor method identified in Revenue Procedure 2011-43.