

12-035-97/Rocky Mountain Power
November 8, 2012
DPU Data Request 1.6

DPU Exhibit 1.5-SD
Joni S. Zenger
Docket 12-035-97
January 16, 2013

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Can the current Sigurd-Red Butte #1 line be modified / upgraded to accommodate the capacity of the proposed Sigurd-Red Butte #2 line? Why or why not?

Response to DPU Data Request 1.6

No. Upgrading or modifying the Sigurd Red Butte #1 line does not meet the Project need and requirements. Upgrading or modifying of the existing Sigurd Red Butte line would not provide the necessary reliability or capacity required to serve the forecasted future native load customer demand at Red Butte as required by NERC and WECC mandatory reliability standards and criteria. Further it is not possible to “turn off” the Sigurd to Red Butte line, remove the existing poles and conductor and replace it with a higher capacity line as this requires the existing line to be out of service for 18 months or longer.

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With regard to lines 548-549 of Darrell Gerrard's testimony, please provide the financial analysis of the NPV cost of \$104 million to obtain 580MW of firm transmission wheeling services from Nevada Energy. Please provide supporting documentation including an assumptions' summary.

Response to DPU Data Request 1.9

To calculate the cost of obtaining 580 MW of firm transmission rights from NV Energy, NVE's southern system transmission service rate for firm point-to-point service of \$16,800 per megawatt-year was used. This rate was obtained from page 160 of Nevada Power's Open Access Transmission Tariff at the following link:

http://www.oasis.oati.com/NEVP/NEVPdocs/NVEnergy_OATT_Effective040111_071811.pdf

An excerpt from the site is provided as Attachment DPU 1.9 -1. With the addition of NVE's ON Project, the cost of transmission service will almost certainly increase due to merging the cost for the northern and southern systems as well as the addition of the ON Project into the transmission rate. However, for this financial analysis, a more conservative transmission rate of \$16,800 rate was utilized.

The 20-year present value calculation is provided as Attachment DPU 1.9-2.

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Please provide the 2009, 2010, 2011 Energy Gateway financial analyses. Please provide the 2012 Energy Gateway financial analysis if it has been completed.

Response to DPU Data Request 1.19

Financial analyses for 2009 and 2010 can be found in Confidential Attachments DPU 1.19 -1 and 1.19 -2, respectively.

The 2011 Energy Gateway Financial analysis was an integral part of the 2011 Integrated Resource Plan Volume 1, Chapter 4. Supporting details may be found in Appendix C – Energy Gateway Scenario Portfolios.

The Company has not conducted a 2012 Energy Gateway financial analysis.

Confidential information is provided subject to Utah PSC Rule 746-100-16.