

**DPU Data Request 1.12**

Regarding lines 569-572 of Darrell Gerrard's testimony, please provide the financial analysis of operational and reliability benefits of the \$65.2 million. Please provide supporting documentation including an assumptions' summary.

**Response to DPU Data Request 1.12**

The following table provides a summary estimate of the S-RB benefits using the System Operational and Reliability Benefits Tool. Confidential Attachment DPU 1.12 -1 includes key assumptions and calculations. Working files documenting the line loss calculations are attached as Confidential Attachments DPU 1.12 -2 and DPU 1.12 -3. Confidential information is provided subject to Utah PSC Rule 746-100-16.

| <b>Sigurd to Red Butte #2<br/>System Operational and Reliability Benefits Tool</b>           |                                                 |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|
| <b>Benefit Category</b>                                                                      | <b>Present Value<br/>Years 1-20 (2015-2034)</b> |
| <b>Sub Category</b>                                                                          | <b>Millions \$</b>                              |
| <b>Operational Cost Savings</b>                                                              | <b>\$1,861</b>                                  |
| Energy (Option at 25% of Total)                                                              | \$465                                           |
| Third Party Wheeling                                                                         | \$104                                           |
| Sub Total                                                                                    | \$569                                           |
| <b>Wheeling Revenue Opportunity</b>                                                          |                                                 |
| ATC Firm SB                                                                                  | \$57                                            |
| ATC Non Firm                                                                                 |                                                 |
| Sub Total                                                                                    | \$57                                            |
| <b>Segment Loss Saving Benefits</b>                                                          |                                                 |
| Energy - 4% Load Growth                                                                      | \$50                                            |
| Capacity                                                                                     | \$15                                            |
| Sub Total                                                                                    | \$65                                            |
| <b>System Reliability Benefits</b>                                                           |                                                 |
| N-1 Load Curtailment (Load over 580 MW)                                                      | \$1                                             |
| N-1-1 Load Loss                                                                              | \$0                                             |
| Sub Total                                                                                    | \$1                                             |
| <b>Customer &amp; Regulatory Benefits</b>                                                    |                                                 |
| Disturbance Cost for Regulatory Inquiry/Compliance                                           |                                                 |
| Customer Costs Derived from Industry Data                                                    |                                                 |
| Sub Total                                                                                    | \$0                                             |
| <b>Utah Load Service Capital Avoided</b>                                                     |                                                 |
| Southern Utah                                                                                | 0                                               |
| Sub Total                                                                                    | \$0                                             |
| <b>Improved Gen Dispatch</b>                                                                 |                                                 |
| Generating Resources                                                                         |                                                 |
| Capacity Contribution                                                                        |                                                 |
| Contingency Reserves                                                                         |                                                 |
| Sub Total                                                                                    | \$0                                             |
| <b>Total Scenario Benefits (minus Wheeling Revenue)</b>                                      | <b>\$635</b>                                    |
| <b>Total Scenario Benefits (minus Wheeling Revenue &amp; minus Operational Cost Savings)</b> | <b>\$66</b>                                     |
| <b>Capital Cost (Total \$380 Million)</b>                                                    | <b>\$380</b>                                    |
| <b>Benefit to Cost (Present Value Total Benefits minus Wheeling)/Segment Capex 2012)</b>     | <b>1.67</b>                                     |
| <b>Capital Cost Paid by Other Network: Customers (0%)</b>                                    | <b>\$34</b>                                     |
| <b>Benefit to Cost (Present Value Total Benefits minus Wheeling/Net PAC Contribution)</b>    | <b>1.84</b>                                     |