

**Impact of DPU Recommended Adjustments to RMP Filed Depreciation Expense**

Amounts in Millions

Line	Description of Adjustment	Annual Depreciation Expense on a "Total Company" Basis	Difference from Prior Line on a "Total Company" Basis	Utah Allocated Annual Depreciation Expense	Utah Allocated Difference from Prior Line
<b><u>Spanos "Appendix" (Depreciation Rates Calculated on Projected 12/31/13 Data)</u></b>					
1.	RMP Filed Depreciation Rates based on Projected 12/31/13 Investment and Projected 12/31/13 Reserve Amounts	\$743.3		\$311.1	
2.	Depreciation Expense based on RMP Projected 12/31/13 Investment and using RMP Proposed 2011-Based Depreciation Rates	\$667.7	(\$75.6)	\$279.2	(\$31.9)
<b><u>Actual 12/31/11 Data</u></b>					
3.	Depreciation Expense based on RMP 12/31/11 Investment and using RMP Proposed 2011-Based Depreciation Rates	\$621.6	(\$46.1) <sup>(1)</sup>	\$259.5	(\$19.7) <sup>(1)</sup>
4.	Gadsby Steam Production Plant Final Retirement Year of 2033	\$621.1	(\$0.5)	\$259.3	(\$0.2)
5.	Craig Production Plant Final Retirement Year of 2033	\$620.3	(\$0.8)	\$259.0	(\$0.3)
6.	James River Co-Gen Plant Final Retirement Year of 2026	\$619.2	(\$1.1)	\$258.5	(\$0.5)
7.	Use \$40/kW for Carbon Production Plant Terminal Net Salvage	\$604.0	(\$15.2)	\$252.1	(\$6.4)
8.	Change Final Retirement Year of Some Hydro Production Plants	\$602.8	(\$1.2)	\$251.6	(\$0.5)
9.	Do Not Use Life Span on Some Mining Equipment Accounts	\$600.5	(\$2.3)	\$250.7	(\$0.9)
10.	Change Average Service Life of Some Transmission Accounts	\$599.5	(\$1.0)	\$250.2	(\$0.5)
11.	Change Average Service Life of Some Utah Distribution Accounts	\$597.4	(\$2.1)	\$248.1	(\$2.1)
12.	Present-Value Inflated Future Cost of Removal for Transmission and Utah Distribution Plant	\$579.7	(\$17.7)	\$235.5	(\$12.6)
13.	Reserve Variance Amortized over 5-Years for Steam Production Plant, 7-Years for Hydraulic Production Plant, and 15-Years for All Other Accounts based on pages 15, 17-18 of 9/19/12 Order Adopting Stipulation in Docket No. 11-035-200 <sup>(2)</sup>	\$532.9	(\$46.8)	\$209.7	(\$25.8)
14.	Total Difference from Company Filed Using Actual 12/31/2011 Data and 2011-Based Depreciation Rates. (Sum of the Differences from lines 4-13)		(\$88.7)		(\$49.8)

Notes:

(1) Much of this difference is caused by a different investment period which will not be a difference in a future rate case, since the depreciation rates would be applied to the current investment in the that future rate case. After line 2, the dollar amounts are based on the known plant investments as of 12/31/2011.

(2) For comparison, if a 10-year amortization was used for all reserve variances the total company annual accrual would be \$524.7 million, a difference of (\$55.0) million from line 12.