ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

1407 W North Temple, Suite 330
Salt Lake City, Utah 84114

March 1, 2018

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

RE: **Docket No. 13-035-02**
In the Matter of the Application of Rocky Mountain Power for Authority to Change its Depreciation Rates

On November 7, 2013, the Public Service Commission of Utah approved an all-party stipulation in Docket No. 13-035-02. Paragraph 30 of the Settlement Stipulation states:

> The Stipulating Parties agree the Company will implement a reporting system to keep the Stipulating Parties and the Utah, Idaho and Wyoming Commissions informed regarding any matters likely to have implications regarding potential stranded costs of generating assets. The Company will propose a reporting method by no later than December 31, 2013.

Per this commitment, Rocky Mountain Power has submitted a letter containing the following information, if applicable, on or before March 1 of every year:

1) Any proposed early steam/gas/wind generation unit retirement
    a. Plant name
    b. Date placed in service
    c. Current net book value
    d. Original retirement date
    e. Proposed early shutdown date
    f. Reason for early shutdown
2) Major steam/gas/wind plant capital additions over $100 million that impact the depreciation of the unit
    a. Project name
    b. Planned in-service date
    c. Planned retirement date
    d. Planned addition amount to plant in service
3) Any completed external studies regarding plant decommissioning which result in significant changes (a change of over 25 percent) to the amount previously projected in the last approved depreciation rates.
    a. Plant site
    b. Estimated costs

Accordingly, the Company provides the following information:

1) Any proposed early steam/gas/wind generation unit retirement

The Company does not have definitive plans for early generation unit retirement at this time; however, the following are generation units that have been identified as having the potential and are being evaluated for early retirement.

Craig Unit 1: The Colorado Department of Public Health and Environment has submitted a Craig Unit 1 Regional Haze compliance settlement and the associated amendment to the Colorado Regional Haze State Implementation Plan ("SIP") to the U.S. Environmental Protection Agency ("EPA") for review and approval. Once approved, the SIP allows Craig Unit 1 to continue with coal-fueled operation through 2025, with the option of gas conversion available. The Company will update its economic analysis of Craig Unit 1 for gas fueling versus unit retirement in future Integrated Resource Plan ("IRP") cycles. Therefore, there is the potential that Craig Unit 1 may be retired on December 31, 2025, versus converting the unit to be fueled with natural gas. The Company will likely incorporate accelerated depreciation for this generation unit into its upcoming 2018 Depreciation Study.

Naughton Unit 3: The Company's 2017 IRP preferred portfolio identified Naughton Unit 3 for early retirement in alignment with the permit issued by the Wyoming Department of Environmental Quality and the corresponding Wyoming Regional Haze State Implementation Plan for the unit, which allow Naughton Unit 3 to continue with coal-fueled operation through January 30, 2019, with the option of gas conversion available thereafter. With the potential that Naughton Unit 3 may be retired on January 30, 2019, versus converting the unit to be fueled with natural gas, the Company may incorporate accelerated depreciation for this generation unit into its upcoming 2018 Depreciation Study. The Company will update its economic analysis of Naughton Unit 3 for gas fueling versus unit retirement in the 2017 IRP Update.

Jim Bridger Units 1 and 2: The Wyoming Regional Haze SIP requires installation of selective catalytic reduction systems on the units by December 31, 2022, and December 31, 2021, respectively. The Company's 2017 IRP preferred portfolio identified Jim Bridger Units 1 and 2 for early retirement at year-end 2028 and year-end 2032 under an alternate environmental compliance scenario assessed in that IRP cycle. The Company will continue to explore potential alternative environmental compliance options. With the potential that Jim Bridger Units 1 and 2 may be retired early as an alternate compliance scenario, the Company may incorporate accelerated depreciation for these generation units into its upcoming 2018 Depreciation Study. The Company will also update its economic analysis of Jim Bridger Units 1 and 2 alternative environmental compliance options, including early retirement, in the 2017 IRP Update.

Cholla Unit 4: The approved Arizona Regional Haze SIP allows Cholla Unit 4 to operate as a coal-fueled resource until April 30, 2025, with the option to convert to a natural gas fueled unit thereafter. The Arizona plan was approved by the EPA on March 16, 2017. The Company's 2017 IRP preferred portfolio identifies Cholla Unit 4 for early retirement on December 31, 2020, from an economic basis. With the potential that Cholla Unit 4 may be retired on April 30, 2025, or earlier, versus converting the unit to be fueled with natural gas, the Company will likely incorporate accelerated depreciation for this generation unit into its upcoming 2018 Depreciation Study. The Company will continue to evaluate the economics surrounding alternative environmental compliance options for Cholla Unit 4 in future IRP cycles, as the decision-making timeline for the resource approaches.

The Company is currently involved in several conversations/negotiations at this time regarding other potential accelerated retirement decisions that may be driven by state-by-state energy policies, ongoing Multi-State Protocol negotiations, joint-owner decisions, and/or economic assessments of individual units that may also be reflected in the Company's future 2018 Depreciation Study. The other potential accelerated plant unit retirements have yet to solidify in the respective forums at the time of this report. The Company will provide an update of any decisions from the respective forums in the March 1, 2019 letter.

2) Major steam/gas/wind plant capital additions over $100 million that impact the depreciation of the unit.

   There are no major steam/gas/wind plant capital additions responsive to this request.

3) Any completed external studies regarding plant decommissioning which result in significant changes (a change of over 25 percent) to the amount previously projected in the last approved depreciation rates.

   There are no new studies responsive to this request.

Questions regarding may be directed to Jana Saba at (801) 220-2823.

Sincerely,

Joelle Steward

Joelle Steward
Vice President, Regulation

CERTIFICATE OF SERVICE

Docket No. 13-035-02

I hereby certify that on March 1, 2018, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services	
Cheryl Murray	cmurray@utah.gov
Division of Public Utilities	
Erika Tedder	etedder@utah.gov
Rocky Mountain Power	
Jana Saba	jana.saba@pacificorp.com

Jennifer Angell

Jennifer Angell
Supervisor, Regulatory Operations