

## **EBA Additional Filing Requirement 15**

Explanation of out-of-period adjustments (See DPU Exhibit 1.5.0 SR and confidential DPU exhibit 1.5.1 SR which are the RMP written response to DPU 5.1 and the Excel attachment response DPU 5.1(1), Docket No. 12-035-67).

### **Response to EBA Additional Filing Requirement 15**

The Company reduced actual net power costs (NPC) by approximately \$3,269,473 to account for the following five adjustments: coal cost adjustments, prior period adjustments, removal of special contract curtailment buy-through, Black Cap solar allocation, and removal of a contingent wheeling expense. The Company did not identify any prior period for natural gas expenses.

In addition, the Company reduced wheeling revenues by \$170,823 to remove prior period accounting adjustments.

#### **Coal Cost Adjustments**

Coal cost adjustments reduced actual NPC by \$199,451. These adjustments are necessary to remove legal fees related to fines and citations, and to remove accounting entries at the Company's coal facilities related to periods prior to the inception of the EBA, October 1, 2011. Please refer to the Company's response to EBA Additional Filing Requirement 14, which provides the calculation of coal cost adjustments included in the EBA deferral period.

#### **Prior Period Adjustments**

Prior period adjustments increased actual NPC by approximately \$540,402. These adjustments represent accounting transactions booked during the EBA deferral period, but that are related to operating periods prior to the inception of the EBA, October 1, 2011. Please refer to Confidential Attachment EBA AFR 15 -1; specifically the tab entitled "Prior Period Adjustments", which provides the list of entries making up this adjustment.

#### **Removal of Special Contract Curtailment Buy-Through**

The removal of special contract curtailment buy-through reduced actual NPC by \$2,562,114. This adjustment is required to remove the effects of special contract customer elections to purchase market energy during curtailment events. Buy-through energy is a direct pass-through cost to special contract customers and is not included in NPC and load.

#### **Black Cap Solar Allocation**

The Black Cap solar allocation adjustment increased actual NPC by \$15,146. Consistent with the 2010 Protocol, the Black Cap solar facility is situs assigned to Oregon, because it was acquired pursuant to an Oregon state-specific initiative.

The cost of the the Black Cap solar facility will not be included in Utah rates, and the energy produced by the facility is marked-to-market.

**Contingent Liability**

Removal of a December 2012 contingent liability in wheeling expense reduced actual NPC by approximately \$1,063,456. The Company will include the actual cost of this item when the amount is settled or paid. Please refer to Confidential Attachment EBA AFR 15 -1; specifically the tab entitled “Contingent Liability”, which provides the list of entries making up this adjustment.

**Prior Period Wheeling Revenues**

Prior period adjustments reduced wheeling revenues by \$170,823. These adjustments represent accounting transactions booked during the EBA deferral period, but that are related to operating periods prior to the inception of the EBA, October 1, 2011. Please refer to Confidential Attachment EBA AFR 15 -2, which provides the list of entries making up this adjustment.

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