

## **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 Rocky Mountain Power (RMP) written response to DPU Data Request 5.1 and the Excel attachment response DPU 5.1(1), Docket No. 12-035-67.

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

### **Transmission Revenue Adjustments**

There are three primary out-of-period adjustments in 2013 relating to transmission revenue as reported in FERC Account 456.1:

1. An accounting entry was made amounting to approximately \$622,386 relating to activity with Bonneville Power Administration (BPA) relating to transactions occurring from 1999 to 2004.
2. There was one settlement item relating to an agreement reached with a transmission customer covering Schedule 5 (Spinning Reserves) and Schedule 6 (Supplemental Reserves) of PacifiCorp’s Open Access Transmission Tariff (OATT), which covered service from April 2011 through December 2012. The amount settled is \$516,997.76, with \$417,791.70 removed from the energy balancing account (EBA) because it is related to periods prior to October 2011.
3. Adjustments were processed to a transmission customer covering 2011 service for approximately \$58,000; \$40,332 is removed from the EBA because it is related to periods prior to October 2011.

### **Net Power Cost Adjustments**

The Company reduced actual net power costs (NPC) by approximately \$1,795,401 to account for the following six adjustments: (1) coal cost adjustments, (2) prior period adjustments, (3) removal of special contract curtailment buy-through, (4) contingent liability, (5) Leaning Juniper revenue, (6) Black Cap solar allocation.

#### **1. Coal Cost Adjustments**

Coal cost adjustments reduced actual NPC by \$70,389. 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 energy balancing account (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 (calendar year 2013).

**2. Prior Period Adjustments**

Prior period adjustments increased actual NPC by approximately \$1,948,571. These adjustments represent accounting transactions booked during the EBA deferral period (calendar year 2013), 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; specifically the tab entitled “Prior Period Adjustments”, which provides the list of entries making up this adjustment.

**3. Removal of Special Contract Curtailment Buy-Through**

The removal of special contract curtailment buy-through reduced actual NPC by \$4,768,619. 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. Please refer to Confidential Attachment EBA AFR 15; specifically the tab entitled “Buy Through.”

**4. Contingent Liability**

In December 2012, the Company booked an accrual in FERC Account 565 for a potential liability of \$1,063,456 related to disputed charges from Idaho Power Company, and the accrual was reversed in February 2013. The December 2012 accrual was removed from the Company’s 2013 EBA filing, and the February 2013 reversal has been removed from the current EBA filing. Please refer to Confidential Attachment EBA AFR 15; specifically the tab entitled “Contingent Liability”, which provides the list of entries making up this adjustment.

**5. Leaning Juniper Revenue**

In October 2013, the Company reached an agreement resulting in additional revenue for energy, renewable energy certificates (RECs), and production tax credits (PTCs) related to the Leaning Juniper wind project. Actual revenue is booked in FERC Account 456 beginning October 2013. An adjustment is made to include \$113,219 in revenue related to Leaning Juniper energy output as a reduction to short term firm purchases for purposes of the EBA. Please refer to Confidential Attachment EBA AFR 15; specifically the tab entitled “Leaning Juniper.”

**6. Black Cap Solar Allocation**

The Black Cap solar allocation adjustment increased actual NPC by \$144,799. 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 Black Cap solar facility will not be included in Utah rates, and the energy produced by the facility is marked-to-market. Please refer to Confidential Attachment EBA AFR 15; specifically the tabs following the tab entitled “Black Cap.”

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