

14-035-31/ Rocky Mountain Power
June 26, 2014
DPU Data Request 18.1

DPU Data Request 18.1

TORIS Adjustments - Please refer to AFR 13, specifically the “(b) Exchanges” tab. Please provide a more detailed explanation for what the “Exchanges” entries are. What is meant by “un-returned” energy? Why should these costs be excluded from the EBA?

Response to DPU Data Request 18.1

An exchange contract is one where the Company receives energy from a third party and then returns energy at a later time, or vice versa. Consistent with Generally Accepted Accounting Principles (GAAP), the Company accounts for the value of energy received or delivered under one leg of an exchange contract, and then reverses the original booked amounts as the other leg of the exchange is fulfilled. “Un-returned” energy refers to the outstanding leg of an exchange agreement that has not yet been fulfilled. When an exchange is complete the net impact to purchased power expense from the exchange accounting is zero. Consequently, the exchange accounting is excluded from the definition of net power costs (NPC) and is excluded from the energy balancing account (EBA).

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DPU Data Request 18.2

DPU Data Request 18.2

TORIS Adjustments - Please refer to AFR 13, specifically the “(a) RQ Sales” tab. Please provide a more detailed explanation for what FERC Requirement Sales are and why they should be excluded from the EBA.

Response to DPU Data Request 18.2

Federal Energy Regulatory Commission (FERC) Requirement Sales are sales to municipalities that act as utility providers for their residents; however, the Company services the load for the municipalities. For ratemaking purposes, FERC Requirement Sales are treated as a separate ‘FERC’ jurisdiction, with costs being allocated consistent with the Company’s six other state jurisdictions. Revenue from such sales are assigned situs to the FERC jurisdiction and are not included as an offset to net power costs (NPC) or the energy balancing account (EBA). The FERC jurisdiction is, however, allocated a portion of Total Company NPC. See FERC (Column L) in Confidential Workpapers 8.1 Actual Factors.

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DPU Data Request 18.3

DPU Data Request 18.3

TORIS Adjustments - Please refer to AFR 13, specifically the “(d) REC Purchases” tab. Please provide a detailed explanation for why the REC purchases are removed from the EBA.

Response to DPU Data Request 18.3

Renewable energy credit (REC) purchases during the deferral period were done for purposes of compliance with state-specific renewable portfolio standards (RPS). Accordingly, these costs are not included in Total Company net power costs (NPC) or the energy balancing account (EBA).